

Consolidated Balance Sheets

as of September 30, 2016

ASSETS	Thousands of Yen
Current assets	
Cash and deposits	2,061,897
Notes and accounts receivable-trade	1,524,666
Finished goods	479,101
Work in process	398,040
Raw materials and supplies	332,725
Other	38,531
Allowance for doubtful accounts	△ 1,525
Total current assets	4,833,437
Non-current assets	
Property, plant and equipment	
Land	815,118
Other	19,920,919
Accumulated depreciation and impairment loss	△ 19,027,631
Other, net	893,288
Total property, plant and equipment	1,708,407
Intangible assets	28,802
Investments and other assets	
Investment securities	286,474
Other	18,183
Total investments and other assets	304,658
Total non-current assets	2,041,868
Total assets	6,875,305

Consolidated Balance Sheets

as of September 30, 2016

Liabilities	Thousands of Yen
Current liabilities	
Notes and accounts payable-trade	506,139
Short-term loans payable	1,200,000
Income taxes payable	13,800
Notes payable-facilities	18,637
Other	785,646
Total current liabilities	2,524,224
Noncurrent liabilities	
Deferred tax liabilities	101,250
Provision for environmental measures	9,322
Net defined benefit liability	646,269
Asset retirement obligations	7,408
Other	84,861
Total noncurrent liabilities	849,112
Total liabilities	3,373,336
Net assets	
Shareholders' equity	
Capital stock	2,219,588
Capital surplus	3,341,270
Retained earnings	△ 2,049,779
Treasury shares	△ 777
Total shareholders' equity	3,510,302
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	37,938
Deferred gains or losses on hedges	△ 77
Remeasurements of defined benefit plans	△ 46,194
Total accumulated other comprehensive income	△ 8,333
Total net assets	3,501,969
Total liabilities and net assets	6,875,305

Consolidated Statements of Income and Comprehensive Income

six months ended September 30, 2016

	Thousands of Yen
Net sales	2,238,649
Cost of sales	1,870,717
Gross profit	367,932
Selling, general and administrative expenses	
Salaries and bonuses	244,539
Retirement benefit expenses	12,979
Provision of allowance for doubtful accounts	107
Other	309,811
<u>Total selling, general and administrative expenses</u>	<u>567,437</u>
Operating loss	<u>△ 199,505</u>
Non-operating income	
Interest income	151
Dividend income	14,447
Foreign exchange gains	4,363
Other	8,159
Total non-operating income	27,122
Non-operating expenses	
Interest expenses	6,686
Other	1,030
<u>Total non-operating expenses</u>	<u>7,717</u>
Ordinary loss	<u>△ 180,100</u>
Extraordinary income	
Gain on sales of investment securities	200,598
Total extraordinary income	200,598
Extraordinary loss	
Loss on retirement of non-current assets	554
Loss on sales of non-current assets	23,788
Loss on sales of investment securities	10,485
Loss related to the antitrust law	157,585
Area business restructuring cost	39,595
<u>Total extraordinary losses</u>	<u>232,008</u>
Net loss before income taxes	<u>△ 211,510</u>
Income taxes-current	9,464
Income taxes-deferred	—
Total income taxes	<u>9,464</u>
Net loss	<u>△ 220,974</u>
Net loss attributable to	
Net loss attributable to owners of parent	△ 220,974
Net loss attributable to non-controlling interests	—
Other comprehensive income	
Valuation difference on available-for-sale securities	△ 153,803
Deferred gains or losses on hedges	△ 21
Remeasurements of defined benefit plans, net of tax	6,788
<u>Total other comprehensive income</u>	<u>△ 147,036</u>
Comprehensive income	<u>△ 368,011</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	△ 368,011
Comprehensive income attributable to non-controlling interests	—

Consolidated Statements of Cash Flows

six months ended September 30, 2016

Thousands of Yen

Net cash provided by (used in) operating activities	
Net loss before income taxes	△ 211,510
Depreciation	46,538
Loss related to the antitrust law	157,585
Loss on retirement of property, plant and equipment	554
Increase (decrease) in net defined benefit liability	△ 3,009
Increase (decrease) in accounts payable-officers retiring allowance	△ 5,370
Increase (decrease) in accounts payable-bonuses	△ 4,410
Increase (decrease) in allowance for doubtful accounts	107
Interest and dividend income	△ 14,599
Interest expenses	6,686
Foreign exchange losses (gains)	447
Loss (gain) on sales of property, plant and equipment	23,788
Loss (gain) on sales of investment securities	△ 190,113
Decrease (increase) in notes and accounts receivable-trade	△ 107,485
Decrease (increase) in inventories	24,410
Increase (decrease) in notes and accounts payable-trade	40,760
Increase (decrease) in accrued consumption taxes	2,628
Other, net	△ 12,574
Subtotal	△ 245,567
Interest and dividend income received	14,612
Interest expenses paid	△ 6,802
Loss related to the antitrust law paid	△ 220,316
Income taxes paid	△ 13,898
Net cash provided by (used in) operating activities	△ 471,972
Net cash provided by (used in) investing activities	
Payments into time deposits	△ 505,000
Proceeds from withdrawal of time deposits	505,000
Purchase of property, plant and equipment	△ 4,746
Proceeds from sales of property, plant and equipment	8,991
Purchase of investment securities	△ 137
Proceeds from sales of investment securities	518,719
Collection of long-term loans receivable from employees	31
Net cash provided by (used in) investing activities	522,857
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	100,000
Repayments of lease obligations	△ 15,069
Purchase of treasury stock	△ 72
Cash dividends paid	△ 91
Net cash provided by (used in) financing activities	84,766
Effect of exchange rate change on cash and cash equivalents	△ 447
Net increase (decrease) in cash and cash equivalents	135,205
Cash and cash equivalents at beginning of period	761,692
Cash and cash equivalents at end of period	896,897