

## Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	Current Consolidated Fiscal Year (December 31, 2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	119,296	35,809
Notes and accounts receivable-trade	11,983	9,237
Securities	13	13
Merchandise and finished goods	3,100	2,049
Work in process	16,264	12,263
Raw materials and supplies	23,310	20,829
Deferred tax assets	1,785	2
Other	16,999	11,325
Allowance for doubtful accounts	(20)	(516)
<b>Total current assets</b>	<b>192,734</b>	<b>91,013</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	16,293	25,666
Accumulated depreciation	(6,323)	(6,619)
<b>Buildings and structures (net amount)</b>	<b>9,969</b>	<b>19,046</b>
Machinery, equipment and vehicles	6,801	21,278
Accumulated depreciation	(3,601)	(6,774)
<b>Machinery, equipment and vehicles (net amount)</b>	<b>3,200</b>	<b>14,504</b>
Lease assets	6,243	6,934
Accumulated depreciation	(1,618)	(2,445)
<b>Lease assets (net amount)</b>	<b>4,624</b>	<b>4,488</b>
Land	7,298	7,251
Construction in progress	240,393	293,375
Other	17,395	17,212
Accumulated depreciation	(11,361)	(11,858)
<b>Other (net amount)</b>	<b>6,034</b>	<b>5,353</b>
<b>Total property, plant and equipment</b>	<b>271,521</b>	<b>344,020</b>
<b>Intangible assets</b>		
Other	1,826	2,608
<b>Total intangible assets</b>	<b>1,826</b>	<b>2,608</b>
<b>Investments and other assets</b>		
Investment securities	60,323	59,329
Long-term deposits	6,866	7,017
Long-term deposits for affiliates	27,897	27,523
Deferred tax assets	1,562	1,681
Other	4,334	9,213
Allowance for doubtful accounts	(1,064)	(767)
<b>Total investments and other assets</b>	<b>99,920</b>	<b>103,997</b>
<b>Total non-current assets</b>	<b>373,268</b>	<b>450,627</b>
Deferred assets	2,632	2,107
<b>Total assets</b>	<b>568,635</b>	<b>543,747</b>

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	Current Consolidated Fiscal Year (December 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	14,461	6,245
Short-term loans payable	10,110	17,456
Current portion of long-term loans payable	-	1,607
Accounts payable-other	26,807	20,299
Accrued expenses	11,006	19,588
Income taxes payable	5,840	190
Provision for bonuses	273	80
Other	4,026	8,121
<b>Total current liabilities</b>	<b>72,527</b>	<b>73,590</b>
Non-current liabilities		
Bonds payable	140,532	149,125
Long-term loans payable	88,736	84,120
Net defined benefit liability	64	94
Deferred tax liabilities	1,433	614
Other	5,351	5,256
<b>Total non-current liabilities</b>	<b>236,118</b>	<b>239,211</b>
<b>Total liabilities</b>	<b>308,645</b>	<b>312,801</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	98	98
Capital surplus	20,070	20,087
Retained earnings	236,827	216,255
Treasury shares	(2,737)	(2,654)
<b>Total shareholders' equity</b>	<b>254,258</b>	<b>233,786</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(152)	(581)
Foreign currency translation adjustment	5,285	(1,789)
Remeasurements of defined benefit plans	(41)	5
<b>Total accumulated other comprehensive income</b>	<b>5,091</b>	<b>(2,365)</b>
Subscription rights to shares	99	107
Non-controlling interests	539	(582)
<b>Total net assets</b>	<b>259,990</b>	<b>230,945</b>
<b>Total liabilities and net assets</b>	<b>568,635</b>	<b>543,747</b>

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2016 to March 31, 2017)	Current Consolidated Fiscal Year (April 1 to December 31, 2017)
Net sales	111,187	68,546
Cost of sales	46,837	35,276
Gross profit	64,350	33,269
Selling, general and administrative expenses	35,740	43,077
Operating profit (loss)	28,609	(9,807)
Non-operating income		
Interest income	143	327
Dividend income	21	9
Equity in earnings of affiliates	-	640
Other	102	87
Total non-operating income	267	1,066
Non-operating expenses		
Interest expenses	292	401
Interest on bonds	-	188
Equity in losses of affiliates	366	-
Foreign exchange losses	801	2,864
Commission fee	170	127
Sales discounts	21	-
Provision of allowance for doubtful accounts	-	483
Other	188	22
Total non-operating expenses	1,841	4,088
Ordinary profit (loss)	27,036	(12,829)
Extraordinary income		
Gain on sales of non-current assets	6	-
Gain on sales of shares of subsidiaries and associates	-	26
Other	-	0
Total extraordinary income	6	26
Extraordinary losses		
Loss on sales and retirement of non-current assets	126	6
Loss on liquidation of business	2,489	-
Loss on business of subsidiaries and associates	269	-
Other	0	0
Total extraordinary losses	2,885	6
Income (loss) before income taxes and others	24,157	(12,810)
Income taxes-current	8,942	560
Income taxes-deferred	(3,098)	797
Total income taxes	5,843	1,357
Net income (loss)	18,314	(14,167)
Net loss attributable to non-controlling interests	(314)	(741)
Net income (loss) attributable to owners of the parent	18,629	(13,426)

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2016 to March 31, 2017)	Current Consolidated Fiscal Year (April 1 to December 31, 2017)
Net income (loss)	18,314	(14,167)
Other comprehensive income		
Valuation difference on available-for-sale securities	425	(478)
Foreign currency translation adjustment	(9,109)	7,172
Remeasurements of defined benefit plans, net of tax	(41)	47
Total other comprehensive income	(8,725)	6,740
Comprehensive income	9,588	(7,427)
(Breakdown)		
Comprehensive income attributable to owners of the parent	9,903	(6,686)
Comprehensive income attributable to non-controlling interests	(314)	(741)

### (3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (April 1, 2016 to March 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	10,852	217,673	(14,296)	214,326
Changes of items during period					
Net income (loss) attributable to owners of the parent			18,629		18,629
Disposal of treasury shares		9,218		11,559	20,777
Changes in scope of consolidation			525		525
Net changes of items other than shareholders' equity					
Total changes of items during period	-	9,218	19,154	11,559	39,932
Balance at end of current period	98	20,070	236,827	(2,737)	254,258

	Accumulated other comprehensive income				Sub- scription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Remeasure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(577)	14,395	-	13,817	73	854	229,072
Changes of items during period							
Net income (loss) attributable to owners of the parent							18,629
Disposal of treasury shares							20,777
Changes in scope of consolidation							525
Net changes of items other than shareholders' equity	425	(9,109)	(41)	(8,725)	26	(314)	(9,014)
Total changes of items during period	425	(9,109)	(41)	(8,725)	26	(314)	30,918
Balance at end of current period	(152)	5,285	(41)	5,091	99	539	259,990

Current Consolidated Fiscal Year (April 1, 2017 to December 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	20,070	236,827	(2,737)	254,258
Changes of items during period					
Dividends of surplus			(3,155)		(3,155)
Net income (loss) attributable to owners of the parent			(13,426)		(13,426)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		16		82	99
Change in scope of consolidation			116		116
Decrease in retained earnings resulting from change in accounting period			(4,106)		(4,106)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	16	(20,571)	82	(20,472)
Balance at end of current period	98	20,087	216,255	(2,564)	233,786

	Accumulated other comprehensive income				Sub- scription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Remeasure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(152)	5,285	(41)	5,091	99	539	259,990
Changes of items during period							
Dividends of surplus							(3,155)
Net income (loss) attributable to owners of the parent							(13,426)
Purchase of treasury shares							(0)
Disposal of treasury shares							99
Change in scope of consolidation							116
Decrease in retained earnings resulting from change in accounting period							(4,106)
Net changes of items other than shareholders' equity	(428)	(7,075)	47	(7,457)	7	(1,122)	(8,572)
Total changes of items during period	(428)	(7,075)	47	(7,457)	7	(1,122)	(29,044)
Balance at end of current period	(581)	(1,789)	5	(2,365)	107	(582)	230,945

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2016 to March 31, 2017)	Current Consolidated Fiscal Year (April 1 to December 31, 2017)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes and others	24,157	(12,810)
Depreciation	4,430	6,507
Loss (gain) on sales and retirement of non-current assets	119	6
Loss (gain) on sales of shares of subsidiaries and affiliates' stock	-	(26)
Equity in (earnings) losses of affiliates	366	(640)
Loss on business of subsidiaries and affiliates	269	-
Increase (decrease) in provision for bonuses	3	(192)
Increase (decrease) in allowance for doubtful accounts	(6)	484
Increase (decrease) in net defined benefit liability	20	78
Interest and dividend income	(164)	(337)
Interest expenses	292	401
Interest on bonds	-	188
Foreign exchange losses (gains)	3,264	2,893
Decrease (increase) in notes and accounts receivable-trade	1,858	3,198
Decrease (increase) in inventories	2,048	7,506
Decrease (increase) in accounts receivable-other	(187)	43
Increase (decrease) in accrued consumption taxes	3,292	(1,487)
Increase (decrease) in notes and accounts payable-trade	(8,962)	(8,690)
Increase (decrease) in accounts payable-other	3,046	2,366
Decrease (increase) in other current assets	(8,304)	(393)
Increase (decrease) in other current liabilities	7,455	4,821
Increase (decrease) in other non-current liabilities	(11)	58
Other	57	209
<b>Subtotal</b>	<b>33,046</b>	<b>4,186</b>
Interest and dividend income received	163	337
Interest expenses paid	(292)	(526)
Income taxes paid	(9,136)	(6,175)
<b>Net cash provided by (used in) operating activities</b>	<b>23,780</b>	<b>(2,177)</b>

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2016 to March 31, 2017)	Current Consolidated Fiscal Year (April 1 to December 31, 2017)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(118,291)	(57,186)
Proceeds from sales of property, plant and equipment	6	(0)
Purchase of intangible assets	(1,003)	(1,236)
Purchase of investment securities	(18)	(6)
Payments of short term-loans receivable	-	(1,114)
Payments for lease and guarantee deposits	(248)	(46)
Payments of long-term loans receivable	(1,625)	(452)
Payments from sales of shares of subsidiaries resulting in change in scope of consolidation	-	(606)
Other	596	747
<b>Net cash provided by (used in) investing activities</b>	<b>(120,584)</b>	<b>(59,903)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(4,026)	7,387
Proceeds from issuance of bonds	61,618	-
Proceeds from long-term loans payable	88,693	-
Proceeds from sales of treasury shares	20,772	-
Cash dividends paid	-	(3,155)
Decrease (increase) in pledged deposit	428	33
Proceeds from sales and leasebacks	-	535
Payment for sales and leasebacks	(688)	(552)
Other	5	103
<b>Net cash provided by (used in) financing activities</b>	<b>166,804</b>	<b>4,352</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(2,455)</b>	<b>403</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>67,545</b>	<b>(57,325)</b>
<b>Cash and cash equivalents at beginning of consolidated fiscal year</b>	<b>51,518</b>	<b>119,038</b>
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(25)	(5)
Decrease in cash and cash equivalents resulting from change in accounting period	-	(26,113)
<b>Cash and cash equivalents at end of consolidated fiscal year</b>	<b>119,038</b>	<b>35,594</b>