

Quarterly Consolidated Financial Statements
(1) Second Quarter Consolidated Balance Sheets

(Million yen)

	End of consolidated FY 2013 (as of March 31, 2014)	End of 2Q of consolidated FY 2014 (as of September 30, 2014)
Assets		
Current assets		
Cash and time deposits	25,726	25,251
Notes and accounts receivable	52,840	53,083
Marketable securities	27,999	17,000
Goods and products	5,366	5,563
Products in progress	7,906	10,171
Raw materials and stored goods	8,961	9,938
Deferred tax assets	2,904	2,923
Other current assets	2,664	3,605
Allowance for doubtful accounts	(209)	(145)
Total current assets	134,159	127,392
Fixed assets		
Tangible fixed assets		
Buildings and structures	47,047	47,415
Accumulated depreciation	(28,890)	(29,317)
Buildings and structures (net)	18,157	18,097
Machinery and transport equipment	65,009	64,997
Accumulated depreciation	(46,189)	(46,776)
Machinery and transport equipment (net)	18,820	18,220
Tools, apparatus and furniture	23,384	23,644
Accumulated depreciation	(20,709)	(20,725)
Tools, apparatus and furniture (net)	2,675	2,918
Land	14,634	14,608
Construction in progress	937	862
Total tangible fixed assets	55,225	54,708
Intangible fixed assets		
Goodwill	18,538	17,335
Other	2,854	3,171
Total intangible fixed assets	21,393	20,507
Investments and other assets		
Investments in securities	21,184	23,547
Deferred tax assets	556	492
Other investments and other assets	1,657	1,627
Allowance for doubtful receivables	(192)	(170)
Total investments in securities and other assets	23,205	25,497
Total fixed assets	99,824	100,712
Total assets	233,984	228,104

(Million yen)

	End of consolidated FY 2013 (as of March 31, 2014)	End of 2Q of consolidated FY 2014 (as of September 30, 2014)
Liabilities		
Current liabilities		
Trade notes and accounts payable	35,265	36,159
Short-term loans payable	5,825	5,262
Current portion of long-term loans payable	10,119	41
Income taxes payable	5,862	4,206
Allowance for product warranty	1,087	912
Provision for loss on order received	–	3
Other current liabilities	15,001	15,663
Total current liabilities	73,161	62,248
Long-term liabilities		
Bonds	10,000	10,000
Long-term loans payable	259	240
Allowance for retirement bonus for directors	207	185
Liabilities concerning retirement benefit	7,111	6,085
Deferred tax liabilities	1,475	2,316
Other long-term liabilities	2,296	2,175
Total long-term liabilities	21,351	21,004
Total liabilities	94,513	83,252
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	19,011	18,989
Earned surplus	94,225	101,304
Treasury stock	(2,987)	(2,926)
Total shareholders' equity	120,248	127,367
Accumulated other comprehensive income		
Net unrealized gains on securities	1,783	2,486
Deferred gains or losses on hedges	(1)	(19)
Translation adjustments	9,321	7,540
Accumulated adjustments concerning retirement benefits	(309)	(156)
Total accumulated other comprehensive income	10,794	9,851
Subscription rights to shares	306	323
Minority interests	8,121	7,310
Total net assets	139,471	144,852
Total liabilities and net assets	233,984	228,104

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income
For the six-month period ended September 30, 2014

(Million yen)

	First six-month period of consolidated FY 2013 (April 1, 2013 to September 30, 2013)	First six-month period of consolidated FY 2014 (April 1, 2014 to September 30, 2014)
Net sales	93,458	105,598
Cost of sales	69,280	76,047
Gross profit	24,177	29,550
Selling, general and administrative expenses	16,238	17,938
Operating income	7,938	11,612
Non-operating income		
Interest income	64	92
Dividend income	38	99
Rent income	117	94
Equity in earnings of affiliates	1,286	1,603
Foreign exchange losses	308	260
Other non-operating income	128	262
Total	1,943	2,413
Non-operating expenses		
Interest expenses	105	98
Other non-operating expenses	103	84
Total	208	182
Ordinary income	9,673	13,842
Extraordinary gains		
Gain on sales of fixed assets	3	10
Gain on sales of investment securities	-	0
Gain on sales of investments	38	-
Total	42	10
Extraordinary losses		
Loss on disposal of fixed assets	36	39
Loss on revision of retirement benefit plan	837	-
Loss on environmental measures	65	-
Total	938	39
Income before income taxes and adjustments	8,776	13,814
Corporate, resident and business taxes	3,510	4,723
Income before minority interests	5,266	9,090
Minority interests in income	228	138
Net income	5,037	8,951

Quarterly Consolidated Statements of Comprehensive Income
For the six-month period ended September 30, 2014

(Million yen)

	First six-month period of consolidated FY 2013 (April 1, 2013 to September 30, 2013)	First six-month period of consolidated FY 2014 (April 1, 2014 to September 30, 2014)
Income before minority interests	5,266	9,090
Other comprehensive income		
Valuation difference on available-for-sale securities	728	685
Deferred gains or losses on hedges	1	(17)
Foreign currency translation adjustment	5,116	(2,101)
Adjustments concerning retirement benefits	–	152
Share of other comprehensive income of associates accounted for using equity method	148	(21)
Total other comprehensive income	5,994	(1,302)
Comprehensive income	11,260	7,787
[Comprehensive income attributable to:]		
Shareholders of parent company	10,025	8,008
Minority interests	1,234	(220)

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of consolidated FY 2013 (April 1, 2013 to September 30, 2013)	First six-month period of consolidated FY 2014 (April 1, 2014 to September 30, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	8,776	13,814
Depreciation and amortization	3,640	2,941
Amortization of goodwill	485	504
Share-based compensation expenses	52	57
Increase (decrease) in allowance for doubtful accounts	17	(71)
Increase (decrease) in provision for retirement benefits	(519)	-
Increase(decrease) in liabilities concerning retirement benefits	-	304
Interest and dividends income	(103)	(192)
Interest expenses	105	98
Equity in (earnings) losses of affiliates	(1,286)	(1,603)
Loss (gain) on sales of noncurrent assets	3	(10)
Loss (gain) on disposal of noncurrent assets	36	39
Loss (gain) on sales of investment securities	-	(0)
Loss (gain) on sale and valuation of investments	(38)	-
Increase (decrease) in notes and accounts receivable-trade	994	(1,076)
Increase (decrease) in inventories	(1,181)	(3,831)
Increase (decrease) in notes and accounts payable-trade	1,289	1,297
Other	2,261	375
Subtotal	14,527	12,649
Interest and dividends income received	314	507
Interest expenses paid	(101)	(122)
Income taxes paid	(3,160)	(6,892)
Net cash provided by (used in) operating activities	11,580	6,141
Net cash provided by (used in) investing activities		
Payments into time deposits	(120)	(85)
Proceeds from maturity of time deposits	185	-
Purchase of property, plant and equipment	(3,520)	(3,036)
Proceeds from sales of property, plant and equipment	1	13
Purchase of intangible assets	(476)	(438)
Proceeds from sales of intangible assets	15	-
Purchase of investment securities	(6)	(29)
Proceeds from sales of investment securities	-	12
Proceeds from sales of investments	145	-
Purchase of shares of subsidiaries and affiliates	(57)	(25)
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	(463)	-
Other	25	(42)
Net cash provided by (used in) investing activities	(4,271)	(3,631)

(Million yen)

	First six-month period of consolidated FY 2013 (April 1, 2013 to September 30, 2013)	First six-month period of consolidated FY 2014 (April 1, 2014 to September 30, 2014)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(994)	(492)
Repayment of long-term loans payable	(58)	(10,085)
Proceeds from stock issuance to minority shareholders	20	-
Purchase of treasury stock	(2)	(0)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(2,048)	(2,541)
Cash dividends paid to minority shareholders	(108)	(557)
Net cash provided by (used in) financing activities	(3,192)	(13,678)
Effect of exchange rate changes on cash and cash equivalents	1,061	(368)
Net increase (decrease) in cash and cash equivalents	5,177	(11,537)
Cash and cash equivalents at beginning of period	40,200	53,052
Cash and cash equivalents at end of period	45,377	41,514