

Consolidated Income Statement

(Millions of yen)

	2015/12	2016/12	2017/12
Net sales	521,721	485,192	518,442
Cost of sales	355,137	317,748	339,836
Gross profit	166,583	167,444	178,606
Selling, general and administrative expenses			
Selling expenses	27,249	27,238	28,236
General and administrative expenses	73,257	72,378	75,251
Total selling, general and administrative expenses	100,506	99,616	103,488
Operating income	66,077	67,827	75,117
Non-operating income			
Interest income	239	223	266
Dividends income	2,741	2,695	1,541
Equity in earnings of affiliates	0	1	2
Other	936	1,999	1,409
Total non-operating income	3,918	4,919	3,219
Non-operating expenses			
Interest expenses	724	739	729
Foreign exchange loss	-	774	1,369
Personnel expenses for seconded employees	687	666	625
Loss on disposal of tangible fixed assets	-	-	558
Other	4,048	4,384	2,055
Total non-operating expenses	5,459	6,565	5,338
Ordinary income	64,535	66,181	72,998
Extraordinary income			
Gain on reversal of asset retirement obligations	461	-	-
Gain on reversal of provision for environmental	342	-	-
Gain on sales of tangible fixed assets	278	-	-
Gain on transfer of know-how	-	-	2,500
Gain on sale of investment securities	-	-	1,352
Total extraordinary income	1,082	-	3,852
Extraordinary loss			
Loss on provision for environmental measures	-	3,293	3,146
Impairment loss	4,847	2,179	1,674
Acquisition expenses	-	-	1,465
Loss on anti-monopoly act	-	-	1,019
Expenses for suspension of operation	964	-	-
Loss on valuation of investment securities	866	-	556
Disaster loss	-	-	523
Loss on disposal of tangible fixed assets	425	196	323
Total extraordinary loss	7,104	5,669	8,709
Income before income taxes and noncontrolling interests	58,514	60,512	68,141
Income taxes—current	18,297	17,469	21,047
Income taxes for prior periods	1,497	-	-
Income taxes—deferred	2,252	1,838	(7,395)
Total income taxes	22,046	19,308	13,652
Net income	35,749	41,204	54,488
Income before minority interests	36,467	-	-
Minority interests	718	-	-
Net income attributable to noncontrolling interests	-	804	886
Net income attributable to owners of the parent	-	40,400	53,601
Net income	35,749	41,204	54,488
Other comprehensive income			
Valuation difference on available-for-sale	1,531	105	2,094
Deferred gains or losses on hedges	(69)	(114)	(484)
Foreign currency translation adjustment	(7,521)	(9,221)	3,375
Remeasurements of defined benefit plans	267	464	500
Total other comprehensive income	(5,792)	(8,765)	5,485
Quarterly comprehensive income	30,675	32,438	59,974
Comprehensive income attributable to:			
Owners of the parent	29,956	31,642	59,078
Noncontrolling interests	-	796	895
Minority interests	718	-	-

Consolidated Balance Sheets

(Millions of yen)

	2015/12	2016/12	2017/12
ASSETS			
Current Assets			
Cash and cash deposits	36,996	51,437	60,904
Notes and accounts receivable–trade	102,079	105,010	113,876
Short-term investment securities	18,805	39,064	38,296
Merchandise and finished goods	77,582	73,504	84,572
Work in process	11,293	12,260	14,699
Raw materials and supplies	23,310	25,504	28,235
Deferred tax assets	7,598	5,974	7,670
Other	19,430	12,669	11,652
Allowance for doubtful accounts	(611)	(451)	(436)
Total current assets	296,486	324,974	359,471
Noncurrent Assets			
Tangible fixed assets			
Buildings and structures, net	53,959	54,343	59,267
Machinery, equipment and vehicles, net	127,962	162,963	164,803
Land	18,508	19,526	19,671
Construction in progress	56,609	29,904	38,187
Other(net)	4,978	5,090	5,266
Total tangible fixed assets	262,019	271,827	287,196
Intangible fixed assets			
Goodwill	28,564	26,256	24,567
Customer-related assets	32,244	28,880	26,070
Other	23,167	24,401	26,387
Total intangible fixed assets	83,976	79,537	77,024
Investments and other assets			
Investment securities	46,057	34,023	35,417
Long-term loans receivable	239	260	229
Net defined benefit assets	791	827	1,963
Deferred tax assets	6,361	7,097	6,739
Others	5,887	6,929	7,734
Allowance for doubtful accounts	(50)	(43)	(42)
Total investments and other assets	59,287	49,093	52,042
Total noncurrent assets	405,284	400,458	416,263
Total assets	701,770	725,433	775,735
LIABILITIES			
Current Liabilities			
Notes and accounts payable–trade	38,331	36,424	39,864
Short-term loans payable	7,187	7,626	7,864
Accrued expenses	10,468	10,719	13,090
Income taxes payable	14,692	7,635	13,594
Provision for bonuses	5,259	5,296	6,000
Other provision	31	4	8
Other	19,480	28,430	27,631
Total current liabilities	95,450	96,136	108,053
Noncurrent liabilities			
Bonds payable	10,000	10,000	10,000
Long-term loans payable	42,257	42,172	42,099
Deferred tax liabilities	24,102	25,442	15,251
Provision for directors' retirement benefits	185	209	224
Provision for environmental measures	353	3,580	6,184
Net defined benefit liabilities	11,247	11,542	14,597
Asset retirement obligations	3,615	4,192	4,469
Other	10,966	11,178	10,367
Total noncurrent liabilities	102,729	108,318	103,193
Total liabilities	198,180	204,454	211,247
NET ASSETS			
Shareholders' equity			
Capital stock	88,955	88,955	88,955
Capital surplus	87,147	87,178	87,219
Retained earnings	278,899	304,277	343,666
Treasury stock	(4,319)	(3,972)	(6,110)
Total shareholders' equity	450,682	476,439	513,730
Accumulated other comprehensive income			
Valuation difference on available-for-sale	10,808	10,913	13,007
Deferred gains or losses on hedges	(4)	(110)	(603)
Foreign currency translation adjustments	39,377	30,054	33,681
Remeasurements of defined benefit plans	(4,801)	(4,336)	(3,836)
Total accumulated other comprehensive	45,380	36,520	42,248
Subscription rights to shares	831	719	539
Minority interests	6,695	-	-
Noncontrolling interests	-	7,300	7,968
Total net assets	503,589	520,978	564,487
Total liabilities and net assets	701,770	725,433	775,735

Consolidated Statements of Cash Flows

(Millions of yen)

	2015/12	2016/12	2017/12
Net cash provided by (used in) operating activities:			
Income before income taxes and minority interests	58,514	60,512	68,141
Depreciation and amortization	44,102	41,555	42,965
Increase (decrease) in allowance for doubtful accounts	46	(160)	(17)
Gain on reversal of asset retirement obligations	(461)	-	-
Gain on reversal of provision for environmental measures	(342)	-	-
Loss on disposal of tangible fixed assets	425	196	323
Impairment loss	4,847	2,179	1,674
Loss on reserve of provision for environmental measures	-	3,293	3,146
Foreign exchange losses (gains)	664	1,281	1,145
Interest and dividends income	(2,981)	(2,919)	(1,807)
Interest expenses	724	739	729
Decrease (increase) in notes and accounts receivable – trade	1,526	(4,386)	(7,294)
Decrease (increase) in inventories	(6,617)	(1,645)	(13,601)
Increase (decrease) in notes and accounts payable – trade	(4,241)	(1,435)	3,031
Loss (gain) on valuation of investment securities	866	-	556
Loss (gain) on sale of investment securities	-	-	(1,352)
Increase (decrease) in provision for bonuses	325	130	659
Increase (decrease) in net defined benefit	885	264	1,727
Decrease (increase) in net defined benefit assets	(325)	(297)	(285)
Other, net	42	16,854	1,475
Subtotal	98,001	116,162	101,217
Interest and dividends received	2,974	2,912	1,794
Interest expenses paid	(724)	(739)	(729)
Income taxes (paid) refund	(7,023)	(24,412)	(17,675)
Net cash provided by (used in) operating activities	93,228	93,923	84,606
Net cash provided by (used in) investment activities:			
Net decrease (increase) in time deposits	-	-	(4,459)
Net decrease (increase) in short-term investment securities	-	-	(17,456)
Purchase of investment securities	(2,196)	(489)	(1,036)
Proceeds from sales and redemption of investment securities	4,385	3,551	1,561
Purchase of tangible fixed assets and intangible fixed assets	(43,099)	(49,992)	(55,419)
Payments for disposal of tangible fixed assets and intangible fixed assets	(971)	(516)	(1,047)
Proceeds from sales of tangible fixed assets and intangible fixed assets	558	52	59
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(5,564)	-	-
Proceeds from sale of business	1,259	-	-
Payments for acquisition of business☒	(120)	-	-
Other, net	(2,804)	(1,905)	(2,097)
Net cash provided by (used in) investment	(48,553)	(49,300)	(79,896)
Net cash provided by (used in) financing activities:			
Net increase (decrease) in short-term loans	(4,940)	495	232
Net increase (decrease) in commercial papers	(10,000)	-	-
Repayment of long-term loans payable	(144)	(142)	(85)
Purchase of treasury stock	(10)	(5)	(2,892)
Proceeds from sales of treasury stock	611	195	529
Cash dividends paid	(9,474)	(14,753)	(14,420)
Cash dividends paid to minority shareholders	(100)	-	-
Cash dividends paid to noncontrolling interests	-	(191)	(227)
Other, net	(294)	(299)	(312)
Net cash provided by (used in) financing activities	(24,353)	(14,701)	(17,176)
Effect of exchange rate changes on cash and cash equivalents	(958)	(1,514)	(882)
Net increase (decrease) in cash and cash equivalents☒	19,362	28,407	(13,349)
Cash and cash equivalents, beginning of year☒	35,388	54,750	83,389
Increase in cash and cash equivalents from newly consolidated subsidiary	-	231	193
Cash and cash equivalents, end of year	54,750	83,389	70,234