

4. Others

(1) Change in important subsidiaries during the period (Changes in certain specified subsidiaries resulting in revised scope of consolidation): None

(2) Adoptions of simplified accounting methods and accounting methods particular to the presentation of quarterly financial statements: None

(3) Changes in accounting principles, presentation methods, etc., pertaining to preparation of consolidated financial statements

(Those to be stated as significant accounting policies)

1. Changes associated with revision in accounting standards: None

2. Others changes: None

(4) Shares outstanding

1. Numbers of shares outstanding (including treasury stock)

June 30, 2019	12,081,920	March 31, 2019	12,081,920
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2. Numbers of treasury stock

June 30, 2019	274,548	March 31, 2019	274,548
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3. Numbers of average shares outstanding (cumulative, consolidated at the end of the first quarter)

June 30, 2019	11,807,372	June 30, 2018	11,064,402
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Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2019)	End of first quarter of current fiscal year (June 30, 2019)
Assets		
Current assets		
Cash and deposits	3,275,539	3,137,365
Notes and accounts receivable - trade	1,819,343	1,835,228
Electronically recorded monetary claims - operating	150,637	218,661
Securities	500,000	-
Merchandise and finished goods	431,052	440,907
Work in process	1,448,257	1,433,232
Raw materials and supplies	463,915	460,872
Other	560,023	383,617
Allowance for doubtful accounts	-5,804	-4,449
Total current assets	<u>8,642,963</u>	<u>7,905,497</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,878,823	4,874,061
Machinery, equipment and vehicles	3,081,713	3,062,219
Tools, furniture and fixtures	377,921	378,521
Land	1,143,631	1,143,631
Leased assets	426,941	473,583
Construction in progress	79,120	34,199
Accumulated depreciation	-6,647,054	-6,689,032
Total property, plant and equipment	<u>3,341,096</u>	<u>3,277,183</u>
Intangible assets		
Software	107,086	114,006
Telephone subscription right	377	377
Total intangible assets	<u>107,464</u>	<u>114,384</u>
Investments and other assets		
Investment securities	10,000	10,000
Net defined benefit asset	320,543	319,555
Deferred tax assets	18,431	30,050
Other	129,387	125,452
Allowance for doubtful accounts	-1,149	-1,149
Total investments and other assets	<u>477,213</u>	<u>483,909</u>
Total non-current assets	<u>3,925,774</u>	<u>3,875,476</u>
Total assets	<u>12,568,738</u>	<u>11,780,974</u>

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of Yen)

	End of previous fiscal year (March 31, 2019)	End of first quarter of current fiscal year (June 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	679,364	651,864
Short-term loans payable	700,000	500,000
Current portion of bonds	243,200	243,200
Current portion of long-term loans payable	887,085	879,084
Lease obligations	31,972	35,974
Accounts payable - other	640,472	509,721
Income taxes payable	24,721	14,496
Provision for bonuses	130,845	213,093
Other	695,685	731,529
Total current liabilities	4,033,348	3,778,964
Non-current liabilities		
Bonds payable	521,700	441,700
Long-term loans payable	3,025,585	2,809,726
Lease obligations	134,899	174,227
Deferred tax liabilities	226,947	229,876
Provision for stocks payment	23,000	28,499
Retirement benefit liability	122,221	124,596
Other	14,858	14,450
Total non-current liabilities	4,069,212	3,823,077
Total liabilities	8,102,560	7,602,041
Net assets		
Shareholders' equity		
Capital stock	2,365,898	2,365,898
Capital surplus	1,921,342	1,921,342
Retained earnings	264,918	55,204
Treasury shares	-139,117	-139,117
Total shareholders' equity	4,413,041	4,203,327
Accumulated other comprehensive income		
Foreign currency translation adjustment	48,700	-28,829
Total accumulated other comprehensive income	48,700	-28,829
Subscription rights to shares	4,435	4,435
Total net assets	4,466,177	4,178,932
Total liabilities and net assets	12,568,738	11,780,974

Consolidated Financial Statements

(2) Consolidated Income Statements & Comprehensive Income

(Thousands of Yen)

	First three-month period of previous fiscal year (April 1, 2018 to June 30, 2018)	First three-month period of current fiscal year (April 1, 2019 to June 30, 2019)
Net sales	1,737,688	1,779,212
Cost of sales	1,103,582	1,218,870
Gross profit	634,105	560,341
Selling, general and administrative expenses	624,519	636,153
Operating income (loss)	9,585	-75,812
Non-operating income		
Interest income	2,750	1,595
Dividend income	360	360
Foreign exchange gains	21,963	-
Reversal of allowance for doubtful accounts	53,135	-
Compensation for transfer of property	-	2,720
Other	2,611	3,399
Total non-operating income	80,820	8,075
Non-operating expenses		
Interest expenses	7,707	9,493
Commission fee	8,650	1,921
Foreign exchange losses	-	4,605
Guarantee commission	1,190	902
Other	514	112
Total non-operating expenses	18,062	17,034
Ordinary income (loss)	72,343	-84,771
Extraordinary income		
Gain on sales of non-current assets	1,225	-
Gain on liquidation of subsidiaries	3,070	-
Total extraordinary income	4,295	-
Extraordinary losses		
Loss on retirement of non-current assets	132	362
Total extraordinary losses	132	362
Profit (loss) before income taxes	76,506	-85,134
Income taxes - current	29,015	15,900
Income taxes - deferred	406	-9,519
Total income taxes	29,421	6,380
Profit (loss)	47,085	-91,515
Profit attributable to		
Profit (loss) attributable to owners of parent	47,085	-91,515
Profit attributable to non-controlling interests	-	-
Other comprehensive income		
Foreign currency translation adjustment	-5,697	-77,529
Share of other comprehensive income of entities accounted for using equity method	22	-
Total other comprehensive income	-5,674	-77,529
Comprehensive income	41,410	-169,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,410	-169,044
Comprehensive income attributable to non-controlling interests	-	-