

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2014 and 2015

() represents negative figures.

	Millions of yen	
	As of December 31, 2014	As of December 31, 2015
ASSETS		
Current assets:		
Cash and deposits	137,082	107,617
Notes and accounts receivable – trade	265,818	290,897
Merchandise and finished goods	208,093	202,066
Work in process	52,556	54,075
Raw materials and supplies	54,811	54,627
Deferred tax assets	14,555	27,793
Other	83,870	75,811
Allowance for doubtful accounts	(14,247)	(11,482)
Total current assets	802,541	801,407
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	95,363	99,785
Machinery, equipment and vehicles, net	95,774	106,362
Land	86,083	84,306
Construction in progress	40,735	24,674
Other, net	25,889	25,946
Total property, plant and equipment	343,846	341,075
Intangible assets	7,290	7,518
Investments and other assets		
Investment securities	78,155	86,378
Long-term loans receivable	46,007	37,846
Deferred tax assets	16,658	12,362
Other	17,257	19,981
Allowance for doubtful accounts	(1,717)	(1,334)
Total investments and other assets	156,361	155,235
Total non-current assets	507,499	503,828
Total assets	1,310,040	1,305,236

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	Millions of yen	
	As of December 31, 2014	As of December 31, 2015
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	157,601	113,107
Electronically recorded obligations – operating	717	31,980
Short-term loans payable	125,908	220,692
Current portion of long-term loans payable	97,340	39,160
Income taxes payable	6,173	8,571
Provision for bonuses	11,464	11,542
Provision for product warranties	19,533	20,440
Other provision	1,689	1,426
Other	115,737	93,697
Total current liabilities	536,165	540,620
Non-current liabilities:		
Long-term loans payable	180,403	150,295
Deferred tax liabilities for land revaluation	6,080	5,521
Net defined benefit liability	61,927	55,215
Other provision	1,494	434
Other	20,744	21,448
Total non-current liabilities	270,650	232,915
Total liabilities	806,815	773,535
NET ASSETS		
Shareholders' equity:		
Capital stock	85,739	85,782
Capital surplus	74,655	74,698
Retained earnings	346,284	390,559
Treasury shares	(698)	(709)
Total shareholders' equity	505,981	550,331
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	15,029	23,948
Revaluation reserve for land	10,931	11,490
Foreign currency translation adjustment	(58,442)	(85,971)
Remeasurements of defined benefit plans	(13,783)	(9,019)
Total accumulated other comprehensive income	(46,264)	(59,552)
Subscription rights to shares	33	11
Minority interests	43,474	40,910
Total net assets	503,224	531,700
Total liabilities and net assets	1,310,040	1,305,236

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Fiscal years ended December 31, 2014 and 2015
Consolidated Statements of Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)	Fiscal year ended December 31, 2015 (January 1— December 31, 2015)
Net sales	1,521,207	1,615,350
Cost of sales	1,148,357	1,187,927
Gross profit	372,849	427,422
Selling, general and administrative expenses	285,600	306,986
Operating income	87,249	120,436
Non-operating income:		
Interest income	7,772	9,903
Dividend income	856	942
Share of profit of entities accounted for using equity method	1,896	1,672
Foreign exchange gains	5,136	—
Loss on revaluation of sales finance assets	—	1,964
Sales finance-related income	480	1,880
Other	10,201	10,788
Total non-operating income	26,344	27,151
Non-operating expenses:		
Interest expenses	8,048	7,025
Foreign exchange losses	—	9,243
Loss on revaluation of sales finance assets	695	—
Other	7,570	6,087
Total non-operating expenses	16,315	22,356
Ordinary income	97,279	125,231
Extraordinary income:		
Gain on sales of non-current assets	368	479
Gain on reversal of subscription rights to shares	40	1
Gain on change in equity	1,442	—
Other	6	35
Total extraordinary income	1,857	516
Extraordinary losses:		
Loss on sales of non-current assets	245	1,325
Loss on disposal of non-current assets	971	1,144
Impairment loss	125	315
Loss on revision of retirement benefit plan	—	*1353
Other	0	8
Total extraordinary losses	1,342	3,148

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)	Fiscal year ended December 31, 2015 (January 1— December 31, 2015)
Income before income taxes and minority interests	97,793	122,599
Income taxes – current	23,771	34,409
Income taxes for prior periods	*2460	*236,793
Income taxes – deferred	60	(17,033)
Total income taxes	24,292	54,169
Income before minority interests	73,500	68,429
Minority interests in income	5,048	8,406
Net income	68,452	60,023

Consolidated Statements of Comprehensive Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)	Fiscal year ended December 31, 2015 (January 1— December 31, 2015)
Income before minority interests	73,500	68,429
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,912	8,928
Revaluation reserve for land	(1)	559
Foreign currency translation adjustment	29,441	(29,954)
Remeasurements of defined benefit plans, net of tax	—	4,905
Share of other comprehensive income of entities accounted for using equity method	2,382	(1,796)
Total other comprehensive income	34,734	(17,356)
Comprehensive income:	108,235	51,073
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	100,173	46,023
Comprehensive income attributable to minority interests	8,062	5,049

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2014 (January 1—December 31, 2014)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,703	74,619	288,548	(691)	448,179
Cumulative effects of changes in accounting policies					
Restated balance	85,703	74,619	288,548	(691)	448,179
Changes of items during period					
Issuance of new shares	36	36			72
Reversal of revaluation reserve for land			45		45
Dividends of surplus			(10,649)		(10,649)
Net income			68,452		68,452
Increase in consolidated subsidiaries			(111)		(111)
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	36	36	57,736	(7)	57,801
Balance at end of current period	85,739	74,655	346,284	(698)	505,981

	Millions of yen							
	Other accumulated comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	12,110	10,978	(87,277)	—	(64,188)	91	38,709	422,792
Cumulative effects of changes in accounting policies								
Restated balance	12,110	10,978	(87,277)	—	(64,188)	91	38,709	422,792
Changes of items during period								
Issuance of new shares								72
Reversal of revaluation reserve for land								45
Dividends of surplus								(10,649)
Net income								68,452
Increase in consolidated subsidiaries								(111)
Purchase of treasury shares								(7)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	2,919	(47)	28,835	(13,783)	17,923	(57)	4,764	22,630
Total changes of items during period	2,919	(47)	28,835	(13,783)	17,923	(57)	4,764	80,432
Balance at end of current period	15,029	10,931	(58,442)	(13,783)	(46,264)	33	43,474	503,224

Fiscal year ended December 31, 2015 (January 1—December 31, 2015)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,739	74,655	346,284	(698)	505,981
Cumulative effects of changes in accounting policies			1,482		1,482
Restated balance	85,739	74,655	347,767	(698)	507,464
Changes of items during period					
Issuance of new shares	42	42			85
Reversal of revaluation reserve for land			0		0
Dividends of surplus			(16,588)		(16,588)
Net income			60,023		60,023
Increase in consolidated subsidiaries			(643)		(643)
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	42	42	42,792	(10)	42,866
Balance at end of current period	85,782	74,698	390,559	(709)	550,331

	Millions of yen							
	Other accumulated comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	15,029	10,931	(58,442)	(13,783)	(46,264)	33	43,474	503,224
Cumulative effects of changes in accounting policies								1,482
Restated balance	15,029	10,931	(58,442)	(13,783)	(46,264)	33	43,474	504,707
Changes of items during period								
Issuance of new shares								85
Reversal of revaluation reserve for land								0
Dividends of surplus								(16,588)
Net income								60,023
Increase in consolidated subsidiaries								(643)
Purchase of treasury shares								(11)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	8,918	558	(27,529)	4,763	(13,287)	(21)	(2,564)	(15,873)
Total changes of items during period	8,918	558	(27,529)	4,763	(13,287)	(21)	(2,564)	26,992
Balance at end of current period	23,948	11,490	(85,971)	(9,019)	(59,552)	11	40,910	531,700

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2014 and 2015

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)	Fiscal year ended December 31, 2015 (January 1— December 31, 2015)
Cash flows from operating activities:		
Income before income taxes and minority interests	97,793	122,599
Depreciation	37,667	44,324
Impairment loss	125	315
Increase (decrease) in allowance for doubtful accounts	4,665	(898)
Increase (decrease) in net defined benefit liability	(961)	910
Interest and dividend income	(8,629)	(10,846)
Interest expenses	8,048	7,025
Share of (profit) loss of entities accounted for using equity method	(1,896)	(1,672)
Loss (gain) on sales of property, plant and equipment and intangible assets	(122)	846
Loss (gain) on disposal of property, plant and equipment and intangible assets	971	1,144
Loss (gain) on change in equity	(1,442)	—
Decrease (increase) in notes and accounts receivable – trade	(9,008)	(36,907)
Decrease (increase) in inventories	(29,123)	(18,179)
Increase (decrease) in notes and accounts payable – trade	9,856	(11,753)
Other, net	3,074	(9,381)
Subtotal	111,018	87,527
Interest and dividend income received	10,606	12,844
Interest expenses paid	(8,469)	(7,230)
Income taxes paid	(19,536)	(69,152)
Net cash provided by (used in) operating activities	93,618	23,988
Cash flows from investing activities:		
Payments into time deposits	(271)	(436)
Proceeds from withdrawal of time deposits	455	305
Purchase of property, plant and equipment and intangible assets	(61,855)	(67,504)
Proceeds from sales of property, plant and equipment and intangible assets	3,288	5,200
Purchase of investment securities	(5,812)	(5,103)
Payments of long-term loans receivable	(15,868)	(13,793)
Collection of long-term loans receivable	11,137	15,321
Other, net	(3,543)	2,021
Net cash provided by (used in) investing activities	(72,470)	(63,989)

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	Millions of yen	
	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)	Fiscal year ended December 31, 2015 (January 1— December 31, 2015)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	(44,936)	108,743
Proceeds from long-term loans payable	132,434	21,774
Repayment of long-term loans payable	(83,760)	(98,870)
Proceeds from share issuance to minority shareholders	3,300	—
Cash dividends paid	(10,649)	(16,588)
Cash dividends paid to minority shareholders	(4,868)	(7,787)
Decrease (increase) in treasury shares	(7)	(10)
Proceeds from exercise of share options	54	64
Other, net	(474)	(480)
Net cash provided by (used in) financing activities	(8,908)	6,845
Effect of exchange rate change on cash and cash equivalents	3,561	1,286
Net increase (decrease) in cash and cash equivalents	15,802	(31,868)
Cash and cash equivalents at beginning of period	120,033	137,294
Increase in cash and cash equivalents from newly consolidated subsidiary	1,458	2,196
Cash and cash equivalents at end of period	137,294	107,622