

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2012 and 2013

() represents negative figures.

	Millions of yen	
	As of December 31, 2012	As of December 31, 2013
ASSETS		
Current assets:		
Cash and deposits	106,462	119,859
Notes and accounts receivable-trade	192,143	238,102
Merchandise and finished goods	153,109	177,796
Work-in-process	40,438	45,531
Raw materials and supplies	39,880	48,217
Deferred tax assets	1,843	14,043
Other	59,995	69,475
Allowance for doubtful accounts	(7,074)	(9,512)
Total current assets	586,797	703,514
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	77,076	88,742
Machinery, equipment and vehicles, net	78,851	86,413
Land	78,613	82,519
Construction in progress	21,449	22,770
Other, net	16,951	20,663
Total property, plant and equipment	272,942	301,109
Intangible assets	3,940	6,791
Investments and other assets:		
Investment securities	41,010	67,007
Long-term loans receivable	40,560	43,788
Deferred tax assets	6,608	11,622
Other	11,923	14,268
Allowance for doubtful accounts	(1,454)	(1,510)
Total investments and other assets	98,648	135,176
Total non-current assets	375,531	443,077
Total assets	962,329	1,146,591

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	Millions of yen	
	As of December 31, 2012	As of December 31, 2013
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	114,344	141,710
Short-term loans payable	102,476	170,328
Current portion of long-term loans payable	58,158	73,230
Income taxes payable	3,236	5,467
Provision for bonuses	9,230	10,277
Provision for product warranties	19,952	18,292
Other provision	1,102	1,609
Other	82,651	94,309
Total current liabilities	391,153	515,226
Non-current liabilities:		
Long-term loans payable	166,340	139,370
Deferred tax liabilities for land revaluation	6,107	6,105
Provision for retirement benefits	44,098	45,321
Provision for product liabilities	3,539	1,102
Other provisions	315	255
Other	9,212	16,416
Total non-current liabilities	229,614	208,572
Total liabilities	620,767	723,799
NET ASSETS		
Shareholders' equity:		
Capital stock	85,666	85,703
Capital surplus	74,582	74,619
Retained earnings	249,724	288,548
Treasury stock	(686)	(691)
Total shareholders' equity	409,287	448,179
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	1,843	12,110
Revaluation reserve for land	10,982	10,978
Foreign currency translation adjustment	(114,255)	(87,277)
Total other accumulated comprehensive income	(101,429)	(64,188)
Subscription rights to shares	109	91
Minority interests	33,595	38,709
Total net assets	341,561	422,792
Total liabilities and net assets	962,329	1,146,591

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

Fiscal years ended December 31, 2012 and 2013

(Consolidated Statements of Income)

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)
Net sales	1,207,675	1,410,472
Cost of sales	972,607	1,091,706
Gross profit	235,068	318,765
Selling, general and administrative expenses	216,470	263,628
Operating income	18,598	55,137
Non-operating income:		
Interest income	5,935	6,725
Dividends income	433	551
Equity in earnings of affiliates	1,598	3,526
Gain on revaluation of sales finance assets	574	—
Sales finance-related income	3,120	1,919
Other	8,470	13,497
Total non-operating income	20,133	26,220
Non-operating expenses:		
Interest expenses	6,687	6,739
Foreign exchange losses	1,304	7,310
Loss on revaluation of sales finance assets	—	1,883
Other	3,471	5,332
Total non-operating expenses	11,464	21,266
Ordinary income	27,267	60,092
Extraordinary income:		
Gain on sales of non-current assets	244	292
Gain on change in equity	460	—
Other	—	8
Total extraordinary income	705	301
Extraordinary loss:		
Loss on sales of non-current assets	192	372
Loss on disposal of non-current assets	811	1,113
Impairment loss	1,127	1,110
Loss on sales of investment securities	9	142
Total extraordinary losses	2,141	2,739

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)
Income before income taxes	25,831	57,654
Income taxes — current	15,986	20,447
Income taxes — deferred	(1,971)	(12,265)
Total income taxes	14,015	8,182
Income before minority interests	11,815	49,472
Minority interests in income	4,326	5,414
Net income	7,489	44,057

(Consolidated Statements of Comprehensive Income)

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)
Income before minority interests	11,815	49,472
Other comprehensive income		
Valuation difference on available-for-sale securities	3,311	10,208
Revaluation reserve for land	—	(0)
Foreign currency translation adjustment	26,122	27,544
Share of other comprehensive income of associates accounted for using equity method	1,480	3,341
Total other comprehensive income	30,913	41,093
Comprehensive income	42,729	90,566
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	34,470	81,255
Comprehensive income attributable to minority interests	8,259	9,310

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2012 (January 1—December 31, 2012)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	85,666	74,582	249,478	(683)	409,044
Changes of items during the period					
Reversal of revaluation reserve for land			67		67
Dividends from surplus			(7,157)		(7,157)
Net income			7,489		7,489
Increase in consolidated subsidiaries			100		100
Decrease in affiliates accounted for by the equity method			(255)		(255)
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	245	(2)	242
Balance at the end of current period	85,666	74,582	249,724	(686)	409,287

	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	Other total accumulated comprehensive income			
Balance at the beginning of current period	(1,470)	11,050	(137,860)	(128,280)	109	29,042	309,914
Changes of items during the period							
Reversal of revaluation reserve for land							67
Dividends from surplus							(7,157)
Net income							7,489
Increase in consolidated subsidiaries							100
Decrease in affiliates accounted for by the equity method							(255)
Purchase of treasury stock							(2)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	3,313	(67)	23,605	26,851	—	4,552	31,404
Total changes of items during the period	3,313	(67)	23,605	26,851	—	4,552	31,647
Balance at the end of current period	1,843	10,982	(114,255)	(101,429)	109	33,595	341,561

Fiscal year ended December 31, 2013 (January 1—December 31, 2013)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	85,666	74,582	249,724	(686)	409,287
Changes of items during the period					
Issuance of new shares	36	36			73
Reversal of revaluation reserve for land			3		3
Dividends from surplus			(5,237)		(5,237)
Net income			44,057		44,057
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	36	36	38,824	(5)	38,892
Balance at the end of current period	85,703	74,619	288,548	(691)	448,179

	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	Other total accumulated comprehensive income			
Balance at the beginning of current period	1,843	10,982	(114,255)	(101,429)	109	33,595	341,561
Changes of items during the period							
Issuance of new shares							73
Reversal of revaluation reserve for land							3
Dividends from surplus							(5,237)
Net income							44,057
Purchase of treasury stock							(5)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	10,267	(3)	26,977	37,240	(17)	5,114	42,337
Total changes of items during the period	10,267	(3)	26,977	37,240	(17)	5,114	81,230
Balance at the end of current period	12,110	10,978	(87,277)	(64,188)	91	38,709	422,792

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2012 and 2013

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)
Net cash provided by (used in) operating activities:		
Income before income taxes	25,831	57,654
Depreciation and amortization	34,278	36,407
Impairment loss	1,127	1,110
Increase (decrease) in allowance for doubtful accounts	(520)	1,430
Increase (decrease) in provision for retirement benefits	3,277	790
Increase (decrease) in provision for product liabilities	(2,790)	(2,490)
Interest and dividends income	(6,369)	(7,277)
Interest expenses	6,687	6,739
Equity in (earnings) losses of affiliates	(1,598)	(3,526)
Loss (gain) on sales of property, plant and equipment and intangible assets	(51)	80
Loss (gain) on disposal of property, plant and equipment and intangible assets	811	1,113
Loss (gain) on sales of investment securities	9	142
Loss (gain) on change in equity	(460)	—
Decrease (increase) in notes and accounts receivable-trade	(7,016)	(14,400)
Decrease (increase) in inventories	(1,135)	(8,171)
Increase (decrease) in notes and accounts payable-trade	(18,235)	16,212
Other	(12,840)	(2,632)
Subtotal	21,002	83,182
Interest and dividends income received	7,995	8,639
Interest expenses paid	(6,999)	(7,012)
Income taxes (paid) refund	(24,383)	(17,832)
Net cash provided by (used in) operating activities	(2,385)	66,976

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	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)
Net cash provided by (used in) investing activities:		
Payments into time deposits	(351)	(375)
Proceeds from withdrawal of time deposits	508	428
Purchase of property, plant and equipment and intangible assets	(47,560)	(53,447)
Proceeds from sales of property, plant and equipment and intangible assets	1,638	3,868
Purchase of investment securities	(1,149)	(6,482)
Payments for long-term loans receivable	(10,302)	(13,174)
Collections of long-term loans receivable	6,741	7,608
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(3,029)	—
Other	2,423	(1,105)
Net cash provided by (used in) investing activities	(51,081)	(62,679)
Net cash provided by (used in) financing activities:		
Increase (decrease) in short-term loans payable	52,462	47,071
Proceeds from long-term loans payable	89,505	32,447
Repayment of long-term loans payable	(111,633)	(66,401)
Cash dividends paid	(7,157)	(5,237)
Cash dividends paid to minority shareholders	(7,033)	(4,035)
Net decrease (increase) in treasury stock	(2)	(5)
Proceeds from exercise of stock option	—	55
Other	(379)	(275)
Net cash provided by (used in) financing activities	15,761	3,620
Effect of exchange rate change on cash and cash equivalents	10,096	5,583
Net increase (decrease) in cash and cash equivalents	(27,608)	13,500
Cash and cash equivalents at beginning of period	133,593	106,532
Increase in cash and cash equivalents from newly consolidated subsidiary	548	—
Cash and cash equivalents at end of period	106,532	120,033