

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2013 and 2014

() represents negative figures.

	Millions of yen	
	As of December 31, 2013	As of December 31, 2014
ASSETS		
Current assets:		
Cash and deposits	119,859	137,082
Notes and accounts receivable – trade	238,102	265,818
Merchandise and finished goods	177,796	208,093
Work in process	45,531	52,556
Raw materials and supplies	48,217	54,811
Deferred tax assets	14,043	14,555
Other	69,475	83,870
Allowance for doubtful accounts	(9,512)	(14,247)
Total current assets	703,514	802,541
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	88,742	95,363
Machinery, equipment and vehicles, net	86,413	95,774
Land	82,519	86,083
Construction in progress	22,770	40,735
Other, net	20,663	25,889
Total property, plant and equipment	301,109	343,846
Intangible assets	6,791	7,290
Investments and other assets:		
Investment securities	67,007	78,155
Long-term loans receivable	43,788	46,007
Deferred tax assets	11,622	16,658
Other	14,268	17,257
Allowance for doubtful accounts	(1,510)	(1,717)
Total investments and other assets	135,176	156,361
Total non-current assets	443,077	507,499
Total assets	1,146,591	1,310,040

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	Millions of yen	
	As of December 31, 2013	As of December 31, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	141,710	158,318
Short-term loans payable	170,328	125,908
Current portion of long-term loans payable	73,230	97,340
Income taxes payable	5,467	6,173
Provision for bonuses	10,277	11,464
Provision for product warranties	18,292	19,533
Other provision	1,609	1,689
Other	94,309	115,737
Total current liabilities	515,226	536,165
Non-current liabilities:		
Long-term loans payable	139,370	180,403
Deferred tax liabilities for land revaluation	6,105	6,080
Provision for retirement benefits	45,321	—
Net defined benefit liability	—	61,927
Other provision	1,358	1,494
Other	16,416	20,744
Total non-current liabilities	208,572	270,650
Total liabilities	723,799	806,815
NET ASSETS		
Shareholders' equity:		
Capital stock	85,703	85,739
Capital surplus	74,619	74,655
Retained earnings	288,548	346,284
Treasury shares	(691)	(698)
Total shareholders' equity	448,179	505,981
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	12,110	15,029
Revaluation reserve for land	10,978	10,931
Foreign currency translation adjustment	(87,277)	(58,442)
Remeasurements of defined benefit plans	—	(13,783)
Total accumulated other comprehensive income	(64,188)	(46,264)
Subscription rights to shares	91	33
Minority interests	38,709	43,474
Total net assets	422,792	503,224
Total liabilities and net assets	1,146,591	1,310,040

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

Fiscal years ended December 31, 2013 and 2014

Consolidated Statements of Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Net sales	1,410,472	1,521,207
Cost of sales	1,091,706	1,148,357
Gross profit	318,765	372,849
Selling, general and administrative expenses	263,628	285,600
Operating income	55,137	87,249
Non-operating income:		
Interest income	6,725	7,772
Dividend income	551	856
Share of profit of entities accounted for using equity method	3,526	1,896
Foreign exchange gains	—	5,136
Sales finance-related income	1,919	480
Other	13,497	10,201
Total non-operating income	26,220	26,344
Non-operating expenses:		
Interest expenses	6,739	8,048
Foreign exchange losses	7,310	—
Loss on revaluation of sales finance assets	1,883	695
Other	5,332	7,570
Total non-operating expenses	21,266	16,315
Ordinary income	60,092	97,279
Extraordinary income:		
Gain on sales of non-current assets	292	368
Gain on change in equity	—	40
Gain on reversal of subscription rights to shares	—	1,442
Other	8	6
Total extraordinary income	301	1,857
Extraordinary losses:		
Loss on sales of non-current assets	372	245
Loss on disposal of non-current assets	1,113	971
Impairment loss	1,110	125
Other	142	0
Total extraordinary losses	2,739	1,342
Income before income taxes and minority interests	57,654	97,793

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Income taxes – current	20,447	24,232
Income taxes – deferred	(12,265)	60
Total income taxes	8,182	24,292
Income before minority interests	49,472	73,500
Minority interests in income	5,414	5,048
Net income	44,057	68,452

Consolidated Statements of Comprehensive Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Income before minority interests	49,472	73,500
Other comprehensive income:		
Valuation difference on available-for-sale securities	10,208	2,912
Revaluation reserve for land	(0)	(1)
Foreign currency translation adjustment	27,544	29,441
Share of other comprehensive income of entities accounted for using equity method	3,341	2,382
Total other comprehensive income	41,093	34,734
Comprehensive income:	90,566	108,235
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	81,255	100,173
Comprehensive income attributable to minority interests	9,310	8,062

(3) Consolidated Statements of Changes in Equity

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 shares	Total shareholders' equity
Balance at beginning of current period	85,666	74,582	249,724	(686)	409,287
Changes of items during period					
Issuance of new shares	36	36			73
Reversal of revaluation reserve for land			3		3
Dividends of surplus			(5,237)		(5,237)
Net income			44,057		44,057
Increase in consolidated subsidiaries			—		—
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	36	36	38,824	(5)	38,892
Balance at 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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,843	10,982	(114,255)	—	(101,429)	109	33,595	341,561
Changes of items during period								
Issuance of new shares								73
Reversal of revaluation reserve for land								3
Dividends of surplus								(5,237)
Net income								44,057
Increase in consolidated subsidiaries								—
Purchase of treasury shares								(5)
Disposal of treasury shares								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 period	10,267	(3)	26,977	—	37,240	(17)	5,114	81,230
Balance at end of current period	12,110	10,978	(87,277)	—	(64,188)	91	38,709	422,792

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
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
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

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2013 and 2014

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Cash flows from operating activities:		
Income before income taxes and minority interests	57,654	97,793
Depreciation	36,407	37,667
Impairment loss	1,110	125
Increase (decrease) in allowance for doubtful accounts	1,430	4,665
Increase (decrease) in provision for retirement benefits	790	—
Increase (decrease) in net defined benefit liability	—	(961)
Interest and dividend income	(7,277)	(8,629)
Interest expenses	6,739	8,048
Share of (profit) loss of entities accounted for using equity method	(3,526)	(1,896)
Loss (gain) on sales of property, plant and equipment and intangible assets	80	(122)
Loss (gain) on disposal of property, plant and equipment and intangible assets	1,113	971
Loss (gain) on change in equity	—	(1,442)
Decrease (increase) in notes and accounts receivable – trade	(14,400)	(9,008)
Decrease (increase) in inventories	(8,171)	(29,123)
Increase (decrease) in notes and accounts payable – trade	16,212	9,856
Other, net	(4,980)	3,074
Subtotal	83,182	111,018
Interest and dividend income received	8,639	10,606
Interest expenses paid	(7,012)	(8,469)
Income taxes (paid) refund	(17,832)	(19,536)
Net cash provided by (used in) operating activities	66,976	93,618

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	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Cash flows from investing activities:		
Payments into time deposits	(375)	(271)
Proceeds from withdrawal of time deposits	428	455
Purchase of property, plant and equipment and intangible assets	(53,447)	(61,855)
Proceeds from sales of property, plant and equipment and intangible assets	3,868	3,288
Purchase of investment securities	(6,482)	(5,812)
Payments of long-term loans receivable	(13,174)	(15,868)
Collection of long-term loans receivable	7,608	11,137
Other, net	(1,105)	(3,543)
Net cash provided by (used in) investing activities	(62,679)	(72,470)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	47,071	(44,936)
Proceeds from long-term loans payable	32,447	132,434
Repayment of long-term loans payable	(66,401)	(83,760)
Proceeds from share issuance to minority shareholders	—	3,300
Cash dividends paid	(5,237)	(10,649)
Cash dividends paid to minority shareholders	(4,035)	(4,868)
Decrease (increase) in treasury shares	(5)	(7)
Proceeds from exercise of share options	55	54
Other, net	(275)	(474)
Net cash provided by (used in) financing activities	3,620	(8,908)
Effect of exchange rate change on cash and cash equivalents	5,583	3,561
Net increase (decrease) in cash and cash equivalents	13,500	15,802
Cash and cash equivalents at beginning of period	106,532	120,033
Increase in cash and cash equivalents from newly consolidated subsidiary	—	1,458
Cash and cash equivalents at end of period	120,033	137,294