

## Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheet

(Millions of yen)

	FY2016 (As of March 31, 2017)	Third Quarter of FY2017 (As of December 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	344,093	442,040
Notes and accounts receivable – trade	369,061	385,448
Merchandise and finished goods	249,487	263,893
Work in process	42,249	51,372
Raw materials and supplies	66,565	78,508
Other	96,642	94,376
Allowance for doubtful accounts	(8,216)	(9,552)
Total current assets	1,159,884	1,306,087
Non-current assets		
Property, plant and equipment	424,527	451,345
Intangible assets		
Goodwill	330,876	328,484
Other	206,087	216,317
Total intangible assets	536,963	544,802
Investments and other assets		
Investment securities	185,251	234,349
Other	50,258	52,904
Allowance for doubtful accounts	(735)	(854)
Total investments and other assets	234,773	286,399
Total non-current assets	1,196,264	1,282,546
Total assets	2,356,148	2,588,634
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	173,147	176,562
Short-term loans payable	57,699	50,794
Commercial papers	—	62,000
Current portion of bonds	10,000	—
Current portion of long-term loans payable	67,177	78,145
Income taxes payable	27,769	23,682
Provision for product warranties	49,750	52,170
Other	241,132	250,696
Total current liabilities	626,676	694,052
Non-current liabilities		
Bonds payable	110,000	110,000
Long-term loans payable	353,292	321,743
Net defined benefit liability	11,939	10,454
Other	118,631	113,999
Total non-current liabilities	593,863	556,197
Total liabilities	1,220,539	1,250,249

	(Millions of yen)	
	FY2016 (As of March 31, 2017)	Third Quarter of FY2017 (As of December 31, 2017)
<b>Net assets</b>		
Shareholders' equity		
Capital stock	85,032	85,032
Capital surplus	84,544	84,711
Retained earnings	837,968	952,432
Treasury shares	(3,160)	(2,969)
<b>Total shareholders' equity</b>	<b>1,004,385</b>	<b>1,119,206</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,041	83,493
Deferred gains or losses on hedges	(119)	1,101
Foreign currency translation adjustment	61,037	115,644
Remeasurements of defined benefit plans	(6,707)	(6,369)
<b>Total accumulated other comprehensive income</b>	<b>107,251</b>	<b>193,870</b>
Subscription rights to shares	1,079	1,529
Non-controlling interests	22,893	23,778
<b>Total net assets</b>	<b>1,135,609</b>	<b>1,338,384</b>
<b>Total liabilities and net assets</b>	<b>2,356,148</b>	<b>2,588,634</b>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
**(Consolidated Statement of Income)**

For the Nine Months Ended December 31

(Millions of yen)

	First Nine Months of FY2016 (April 1, 2016, to December 31, 2016)	First Nine Months of FY2017 (April 1, 2017, to December 31, 2017)
Net sales	1,520,572	1,722,440
Cost of sales	968,318	1,115,373
Gross profit	552,253	607,067
Selling, general and administrative expenses	365,980	405,893
Operating profit	186,273	201,173
Non-operating income		
Interest income	4,827	5,081
Dividend income	3,524	4,254
Share of profit of entities accounted for using equity method	622	2,023
Other	2,593	3,489
Total non-operating income	11,568	14,848
Non-operating expenses		
Interest expenses	7,220	8,062
Foreign exchange losses	—	265
Other	2,411	3,412
Total non-operating expenses	9,631	11,740
Ordinary profit	188,209	204,281
Extraordinary income		
Gain on sales of land	4	32
Gain on sales of investment securities	—	1
Gain on sales of shares of subsidiaries and associates	48	—
Total extraordinary income	53	34
Extraordinary losses		
Loss on disposal of non-current assets	468	320
Loss on valuation of investment securities	—	0
Other	0	2
Total extraordinary losses	468	322
Profit before income taxes	187,795	203,992
Income taxes	57,511	45,091
Profit	130,283	158,901
Profit attributable to non-controlling interests	4,914	4,963
Profit attributable to owners of parent	125,369	153,937

**(Consolidated Statement of Comprehensive Income)**

For the Nine Months Ended December 31

(Millions of yen)

	First Nine Months of FY2016 (April 1, 2016, to December 31, 2016)	First Nine Months of FY2017 (April 1, 2017, to December 31, 2017)
Profit	130,283	158,901
Other comprehensive income		
Valuation difference on available-for-sale securities	6,395	30,450
Deferred gains or losses on hedges	2,227	1,221
Foreign currency translation adjustment	(4,824)	55,272
Remeasurements of defined benefit plans	1,313	340
Share of other comprehensive income of entities accounted for using equity method	(2,661)	334
Total other comprehensive income	2,450	87,617
Comprehensive income	132,734	246,519
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	128,235	240,556
Comprehensive income attributable to non-controlling interests	4,498	5,962

**(3) Consolidated Statement of Cash Flows** (Millions of yen)

	First Nine Months of FY2016 (April 1, 2016, to December 31, 2016)	First Nine Months of FY2017 (April 1, 2017, to December 31, 2017)
<b>I. Cash flows from operating activities</b>		
Profit before income taxes	187,795	203,992
Depreciation	43,486	49,604
Amortization of goodwill	18,938	21,344
Increase (decrease) in allowance for doubtful accounts	2,061	741
Interest and dividend income	(8,352)	(9,335)
Interest expenses	7,220	8,062
Share of (profit) loss of entities accounted for using equity method	(622)	(2,023)
Loss (gain) on disposal of non-current assets	468	320
Loss (gain) on sales of investment securities	—	(1)
Loss (gain) on valuation of investment securities	—	0
Decrease (increase) in notes and accounts receivable – trade	16,447	3,968
Decrease (increase) in inventories	(17,544)	(19,859)
Increase (decrease) in notes and accounts payable – trade	(3,335)	(6,413)
Increase (decrease) in net defined benefit liability	190	(2,273)
Decrease (increase) in net defined benefit asset	16	(359)
Other, net	9,552	4,908
Subtotal	256,322	252,676
Interest and dividend income received	8,489	9,831
Interest expenses paid	(7,479)	(8,175)
Income taxes paid	(37,445)	(62,780)
Net cash provided by (used in) operating activities	219,887	191,552
<b>II. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(65,707)	(62,979)
Proceeds from sales of property, plant and equipment	1,424	1,944
Purchase of investment securities	(107)	(5,449)
Proceeds from sales of investment securities	5	3
Purchase of shares of subsidiaries and associates	—	(108)
Purchase of investments in capital of subsidiaries and associates	—	(2,405)
Proceeds from transfer of business	—	368
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(10,586)	(17,359)
Payments for investments in capital of subsidiaries resulting in change in scope of consolidation	(22,452)	(3,735)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	705	—
Other, net	(4,754)	(4,208)
Net cash provided by (used in) investing activities	(101,472)	(93,929)

	(Millions of yen)	
	First Nine Months of FY2016 (April 1, 2016, to December 31, 2016)	First Nine Months of FY2017 (April 1, 2017, to December 31, 2017)
<b>III. Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	74,781	51,695
Proceeds from long-term loans payable	39,030	45,180
Repayments of long-term loans payable	(54,642)	(67,052)
Proceeds from issuance of bonds	9,946	—
Redemption of bonds	(30,000)	(10,000)
Cash dividends paid	(36,518)	(39,473)
Dividends paid to non-controlling interests	(131)	(1,709)
Proceeds from share issuance to non-controlling shareholders	233	—
Other, net	(391)	(1,514)
Net cash provided by (used in) financing activities	2,308	(22,873)
<b>IV. Effect of exchange rate change on cash and cash equivalents</b>	(1,340)	23,197
<b>V. Net increase (decrease) in cash and cash equivalents</b>	119,383	97,946
<b>VI. Cash and cash equivalents at beginning of period</b>	291,205	344,093
<b>VII. Cash and cash equivalents at end of period</b>	410,589	442,040