

**Consolidated Balance Sheets**

As of June 30,2016 and December 31,2015

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥102.91)
	FY2015 (As of December 31, 2015)	FY2016 first half (As of June 30, 2016)	FY2016 first half (As of June 30, 2016)
<b>Assets</b>			
<b>Current assets:</b>			
Cash on hand and in banks	¥2,839	¥2,185	\$21,239
Notes and accounts receivable-trade	5,814	7,253	70,481
	8,654	9,439	91,721
Less: allowance for doubtful accounts	(9)	(7)	(77)
	8,644	9,431	91,643
Merchandise and finished goods	2,231	2,240	21,771
Work in process	1,655	1,595	15,501
Raw materials and supplies	1,686	1,832	17,809
Other current assets	533	724	7,044
Total current assets	14,751	15,824	153,770
<b>Property,plant and equipment:</b>			
Land	2,173	2,162	21,016
Buildings and structures	9,464	9,611	93,397
Machinery, equipment and vehicles	19,266	18,431	179,105
Construction in progress	405	120	1,173
Other	4,056	3,952	38,408
	35,365	34,279	333,101
Less: accumulated depreciator	(25,745)	(25,289)	(245,740)
Total property,plant and equipment	9,620	8,990	87,361
<b>Intangible fixed assets</b>	129	124	1,210
<b>Investments and other assets:</b>			
Investment securities	93	74	724
Other investments	279	243	2,366
	372	318	3,091
Less: allowance for doubtful accounts	(1)	(1)	(9)
Total investments and other assets	371	317	3,081
Total assets	¥24,873	¥25,256	\$245,424
<b>Liabilities and Net assets</b>			
<b>Current liabilities:</b>			
Notes and accounts payable-trade	¥5,566	¥5,590	\$54,325
Short-term loans payable	5,915	4,108	39,926
Current portion of long-term loans payable	3,907	687	6,679
Income taxes payable	139	148	1,438
Other current liabilities	1,369	1,348	13,105
Total current liabilities	16,898	11,883	115,475
<b>Long-term liabilities:</b>			
Long-term loans payable	3,877	10,010	97,275
Deferred tax liabilities for land revaluation	142	133	1,299
Net defined benefit liability	1,279	1,246	12,111
Other long-term liabilities	972	828	8,054
Total long-term liabilities	6,272	12,219	118,740
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Capital stock	3,511	3,511	34,122
Capital surplus	498	498	4,847
Retained earnings	(2,424)	(3,172)	(30,827)
Treasury stock	(4)	(4)	(45)
Total shareholders' equity	1,581	833	8,096
<b>Accumulated other comprehensive income:</b>			
Net unrealized gains on securities	16	2	25
Deferred gains or (losses) on hedges	-	(4)	(44)
Revaluation reserve for land	301	310	3,018
Foreign currency translation adjustments	(223)	(22)	(214)
Remeasurements of defined benefit plans	4	10	103
Total accumulated other comprehensive income	98	297	2,888
<b>Subscription rights to shares</b>	23	23	224
Total net assets	1,703	1,153	11,208
Total liabilities and net assets	¥24,873	¥25,256	\$245,424

**Consolidated Statements of Income**

FY2016 first half (the six months ended June 30,2016)

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥102.91)
	FY2015 first half Jan'15-Jun'15	FY2016 first half Jan'16-Jun'16	FY2016 first half Jan'16-Jun'16
Net sales	¥15,574	¥14,519	\$141,092
Cost of sales	13,978	12,737	123,771
Gross profit	1,595	1,782	17,321
Selling,general and administrative expenses	1,569	1,501	14,591
Operating income	26	280	2,729
Non-operating income:			
Interest income	1	2	27
Foreign exchange gains	37	9	93
Material supplying income	9	-	-
Other	12	7	68
	61	19	190
Non-operating expenses:			
Interest expenses	323	380	3,695
Commission fee	60	174	1,693
Other	87	96	932
	471	650	6,321
Ordinary (loss)	(384)	(350)	(3,401)
Extraordinary gains:			
Gain on sales of fixed assets	0	2	21
	0	2	21
Extraordinary losses:			
Loss on sales or disposal of fixed assets	4	1	11
Loss on anti monopoly act	266	279	2,712
	271	280	2,723
(Loss) before income taxes	(654)	(628)	(6,103)
Income taxes - Current	63	105	1,024
Income taxes - Deferred	14	14	142
	78	120	1,166
Profit (loss)	(732)	(748)	(7,270)
(Loss) attributable to owners of parent	¥(732)	¥(748)	\$(7,270)
Profit (loss)	(732)	(748)	(7,270)
Other comprehensive income			
Net unrealized gains (losses) on securities	9	(13)	(130)
Deferred gains or (losses) on hedges	-	(4)	(44)
Revaluation reserve for land	12	8	86
Foreign currency translation adjustments	173	201	1,961
Remeasurements of defined benefit plans, net of tax	7	6	58
	203	198	1,931
Comprehensive income	(529)	(549)	(5,339)
Comprehensive income attributable to:			
owners of the parent	(529)	(549)	(5,339)
non-controlling interests	-	-	-
	Yen		U.S.Dollars
Per share:			
Net (loss)	¥(17.60)	¥(13.21)	\$(0.12)
Weighted average number of shares	41,619,018	56,617,349	

**Consolidated Statements of Cash Flows**

FY2016 first half (the six months ended June 30,2016)

	Millions of Yen		U.S.Dollars
	FY2015 first half Jan'15-Jun'15	FY2016 first half Jan'16-Jun'16	(1US\$=¥102.91) FY2016 first half Jan'16-Jun'16
<b>Cash flows from operating activities:</b>			
(Loss) before income taxes	(¥654)	(¥628)	(\$6,103)
Depreciation and amortization	766	717	6,974
Amortization of consolidation adjust accounts	0	-	-
(Decrease) in allowance for doubtful accounts	(0)	(0)	(2)
(Decrease) increase in remeasurements of defined benefit plans	6	(23)	(225)
Interest and dividend income	(2)	(3)	(31)
Interest expenses	323	380	3,695
Foreign exchange (gains) loss	3	(209)	(2,035)
(Gains) loss on sales or disposal of fixed assets	4	(1)	(10)
Loss on anti monopoly act	266	279	2,712
(Increase) in notes and accounts receivable-trade	(301)	(2,101)	(20,422)
(Increase) in inventories	(223)	(484)	(4,710)
Increase in notes and accounts payable-trade	286	757	7,362
Other, net	(0)	213	2,070
Subtotal	474	(1,103)	(10,727)
Interest and dividend income received	2	3	31
Interest expenses paid	(323)	(394)	(3,831)
Anti monopoly act related loss paid	(358)	(387)	(3,762)
Income taxes paid	(119)	(92)	(902)
Net cash (used in) operating activities	(324)	(1,974)	(19,191)
<b>Cash flows from investing activities:</b>			
Payments for purchase of investments securities	(2)	(1)	(16)
Payments for purchase of fixed assets	(898)	(511)	(4,967)
Proceeds from sales of fixed assets	9	2	21
Other, net	1	17	171
Net cash (used in) investing activities	(890)	(492)	(4,789)
<b>Cash flows from financing activities:</b>			
(Decrease) increase in short-term loans payable,net	542	(1,494)	(14,523)
Proceeds from long-term loans payable	3,625	9,998	97,152
Repayments of long-term loans payable	(2,748)	(7,070)	(68,706)
Redemption of bonds	(220)	-	-
Repayments of lease obligations	(100)	(101)	(984)
Proceeds from sales and installment back transaction	299	-	-
Repayments of sales and installment back transaction	(24)	(29)	(285)
Other, net	(0)	(0)	(1)
Net cash provided by financing activities	1,374	1,301	12,651
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(102)	511	4,972
<b>Net (decrease) increase in cash and cash equivalents</b>	56	(654)	(6,356)
<b>Cash and cash equivalents at beginning of current period</b>	1,958	2,389	23,223
<b>Cash and cash equivalents at end of current period</b>	¥2,014	¥1,735	\$16,866

**Business Segment Information**

FY2016 first half (the six months ended June 30,2016)

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥6,500	¥7,967	¥52	¥14,519	-	¥14,519
Intersegment	-	-	-	-	-	-
Total sales	<u>6,500</u>	<u>7,967</u>	<u>52</u>	<u>14,519</u>	<u>-</u>	<u>14,519</u>
Operating income (loss)	<u>¥715</u>	<u>(¥459)</u>	<u>¥24</u>	<u>¥280</u>	<u>-</u>	<u>¥280</u>

	Thousands of U.S.Dollars (1US\$=¥102.91)					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	\$63,165	\$77,417	\$509	\$141,092	-	\$141,092
Intersegment	-	-	-	-	-	-
Total sales	<u>63,165</u>	<u>77,417</u>	<u>509</u>	<u>141,092</u>	<u>-</u>	<u>141,092</u>
Operating income (loss)	<u>\$6,954</u>	<u>(\$4,461)</u>	<u>\$236</u>	<u>\$2,729</u>	<u>-</u>	<u>\$2,729</u>

FY2015 first half (the six months ended June 30,2015)

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥6,718	¥8,801	¥54	¥15,574	-	¥15,574
Intersegment	-	-	-	-	-	-
Total sales	<u>6,718</u>	<u>8,801</u>	<u>54</u>	<u>15,574</u>	<u>-</u>	<u>15,574</u>
Operating income (loss)	<u>¥662</u>	<u>(¥662)</u>	<u>¥26</u>	<u>¥26</u>	<u>-</u>	<u>¥26</u>