

ELNA CO.,LTD.

Non-Consolidated Balance Sheets  
As of December 31,2016 and 2015

Assets	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥116.49)
	2015	2016	2016
<b>Current assets:</b>			
Cash on hand and in banks	¥1,326	¥826	\$7,093
Notes receivable-trade	130	673	5,781
Accounts receivable-trade	6,386	8,499	72,960
Accounts receivable-other	468	481	4,137
	<u>8,311</u>	<u>10,480</u>	<u>89,972</u>
Less: allowance for doubtful accounts	(4,051)	(4,514)	(38,750)
	<u>4,260</u>	<u>5,966</u>	<u>51,222</u>
Inventories	2,302	2,424	20,813
Short-term loan receivable to a subsidiary	8,064	8,297	71,227
Other current assets	145	232	1,998
Total current assets	<u>14,772</u>	<u>16,921</u>	<u>145,261</u>
<b>Property,plant and equipment:</b>			
Buildings, net	1,567	1,400	12,026
Structures, net	114	122	1,052
Machinery and equipment, net	407	385	3,309
Vehicles, net	4	3	29
Tools, furniture and fixtures, net	68	42	364
Construction in progress	14	10	93
Lease assets, net	215	108	932
Land	1,815	1,815	15,585
Total property,plant and equipment	<u>4,209</u>	<u>3,890</u>	<u>33,393</u>
<b>Intangible fixed assets:</b>	27	43	369
<b>Investments and other assets:</b>			
Investments securities	93	83	718
Stocks of subsidiaries and an affiliate	991	991	8,508
Long-term loan to subsidiaries and an affiliate	621	528	4,532
Long-term other receivable to an affiliate	81	78	677
Other investments	51	45	387
	<u>1,838</u>	<u>1,726</u>	<u>14,824</u>
Less: allowance for doubtful accounts	(1)	-	-
Total investments and other assets	<u>1,837</u>	<u>1,726</u>	<u>14,824</u>
Total assets	<u>¥20,846</u>	<u>¥22,581</u>	<u>\$193,848</u>

Non-Consolidated Balance Sheets  
As of December 31,2016 and 2015

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥116.49)
	2015	2016	2016
<b>Liabilities and Net assets</b>			
<b>Current liabilities:</b>			
Short-term loans payable	¥4,235	¥3,848	\$33,036
Current portion of long-term loans payable	3,587	422	3,629
Lease obligations	151	49	426
Asset retirement obligations	22	22	188
Notes payable-trade	3,366	3,029	26,003
Accounts payable-trade	2,931	2,857	24,534
Notes payable-facilities	92	80	694
Accrued liabilities	211	210	1,810
	<u>14,597</u>	<u>10,521</u>	<u>90,324</u>
Accrued expenses	427	468	4,022
Income taxes payable	11	27	237
Deposits received	10	14	121
Other	0	0	5
Total current liabilities	<u>15,047</u>	<u>11,032</u>	<u>94,711</u>
<b>Long-term liabilities:</b>			
Long-term loans payable	3,553	9,831	84,393
Lease obligations	92	79	686
Reserve for retirement benefits	933	506	4,345
Reserve for directors' retirement benefits	2	2	22
Deferred tax liabilities	7	3	33
Deferred tax liabilities for land revaluation	142	133	1,148
Provision for loss of subsidiaries and affiliates	37	144	1,236
Other long-term liabilities	367	809	6,952
Total long-term liabilities	<u>5,137</u>	<u>11,511</u>	<u>98,817</u>
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Capital stock	3,511	3,511	30,144
Capital surplus			
Legal capital surplus	498	498	4,282
Total capital surplus	<u>498</u>	<u>498</u>	<u>4,282</u>
Retained earnings			
Legal retained earnings	381	381	3,271
Other retained earnings			
Retained earnings brought forward	(4,065)	(4,689)	(40,253)
Total retained earnings	<u>(3,684)</u>	<u>(4,308)</u>	<u>(36,982)</u>
Treasury stock	(4)	(4)	(40)
Total shareholders' equity	<u>320</u>	<u>(302)</u>	<u>(2,596)</u>
<b>Valuation and translation adjustments:</b>			
Net unrealized gains on securities	16	8	76
Deferred gains or losses on hedges	-	(3)	(26)
Revaluation reserve for land	301	310	2,666
Total valuation and translation adjustments:	<u>317</u>	<u>316</u>	<u>2,717</u>
<b>Subscription rights to shares</b>	23	23	197
Total net assets	<u>661</u>	<u>37</u>	<u>318</u>
Total liabilities and net assets	<u>¥20,846</u>	<u>¥22,581</u>	<u>\$193,848</u>

Non-Consolidated Statements of Income  
For the years ended December 31,2016 and 2015

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥116.49)
	Jan'15-Dec'15	Jan'16-Dec'16	Jan'16-Dec'16
Net sales	¥28,035	¥26,461	\$227,159
Cost of sales	26,863	24,814	213,015
<b>Gross profit</b>	<u>1,172</u>	<u>1,647</u>	<u>14,144</u>
Selling,general and administrative expenses	2,140	2,296	19,713
<b>Operating (loss)</b>	<u>(967)</u>	<u>(648)</u>	<u>(5,569)</u>
Non-operating income:			
Interest income	350	364	3,130
Dividend income	215	1,202	10,323
Rent income	79	76	659
Foreign exchange gains	0	32	279
Other	19	2	23
	<u>664</u>	<u>1,679</u>	<u>14,415</u>
Non-operating expenses:			
Interest expenses	515	641	5,505
Commission fee	75	231	1,985
Depreciation of assets for rent	72	71	610
Other	102	154	1,324
	<u>764</u>	<u>1,098</u>	<u>9,426</u>
<b>Ordinary (loss)</b>	<u>(1,067)</u>	<u>(67)</u>	<u>(580)</u>
Extraordinary income:			
Gain on revision of retirement benefit plan	-	261	2,245
	<u>-</u>	<u>261</u>	<u>2,245</u>
Extraordinary losses:			
Loss on sales or disposal of fixed assets	1	1	9
Loss on valuation of investment securities	11	-	-
Loss on valuation of shares of subsidiaries and associates	88	-	-
Loss on anti monopoly act	646	766	6,581
Provision for loss on subsidiaries and affiliates	37	107	918
	<u>784</u>	<u>874</u>	<u>7,508</u>
<b>(Loss) before income taxes</b>	<u>(1,852)</u>	<u>(680)</u>	<u>(5,843)</u>
Income taxes - Current	(68)	(57)	(493)
Income taxes - Deferred	426	-	-
<b>Net (loss)</b>	<u>(¥2,210)</u>	<u>(¥623)</u>	<u>(\$5,350)</u>
	Yen		
Per share:			
Net (loss)	(¥52.29)	(¥11.00)	(\$0.09)
Cash dividends	-	-	-
Weighted average number of shares	42,276,326	56,617,024	

ELNA CO.,LTD.

Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2016 ( January 1, 2016 - December 31, 2016 )

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at the beginning of current period	¥3,511	¥498	¥498	¥381	¥(4,065)	¥(3,684)	¥(4)	¥320
Changes of items during the fiscal year								
Net (loss)					(623)	(623)		(623)
Purchase of treasury stock							(0)	(0)
Net changes of items other than shareholders' equity								
Total changes of items during the fiscal year	-	-	-	-	(623)	(623)	(0)	(623)
Balance at the end of current period	¥3,511	¥498	¥498	¥381	¥(4,689)	¥(4,308)	¥(4)	¥(302)

	Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of current period	¥16	-	¥301	¥317	¥23	¥661
Changes of items during the fiscal year						
Net (loss)						(623)
Purchase of treasury stock						(0)
Net changes of items other than shareholders' equity	(7)	(3)	8	(1)	-	(1)
Total changes of items during the fiscal year	(7)	(3)	8	(1)	-	(624)
Balance at the end of current period	¥8	¥(3)	¥310	¥316	¥23	¥37

ELNA CO.,LTD.

Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2016 ( January 1, 2016 - December 31, 2016 )

(Thousands of U.S.Dollars (1US\$=¥116.49))

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of current period	\$30,144	\$4,282	\$4,282	\$3,271	\$(34,903)	\$(31,631)	\$(39)	\$2,755
Changes of items during the fiscal year								
Net (loss)					(5,350)	(5,350)		(5,350)
Purchase of treasury stock							(1)	(1)
Net changes of items other than shareholders' equity								
Total changes of items during the fiscal year	-	-	-	-	(5,350)	(5,350)	(1)	(5,351)
Balance at the end of current period	\$30,144	\$4,282	\$4,282	\$3,271	\$(40,253)	\$(36,982)	\$(40)	\$(2,596)

	Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of current period	\$137	-	\$2,590	\$2,727	\$197	\$5,681
Changes of items during the fiscal year						
Net (loss)						(5,350)
Purchase of treasury stock						(1)
Net changes of items other than shareholders' equity	(60)	(26)	76	(10)	-	(10)
Total changes of items during the fiscal year	(60)	(26)	76	(10)	-	(5,362)
Balance at the end of current period	\$76	\$(26)	\$2,666	\$2,717	\$197	\$318

ELNA CO.,LTD.

Non-Consolidated Statements of Changes in Net Assets

For the years ended December 31,2015 ( January 1, 2015 - December 31, 2015 )

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at the beginning of current period	¥3,511	¥498	¥498	¥381	¥(1,855)	¥(1,474)	¥(4)	¥2,531
Changes of items during the fiscal year								
Net (loss)					(2,210)	(2,210)		(2,210)
Purchase of treasury stock							(0)	(0)
Net changes of items other than shareholders' equity								
Total changes of items during the fiscal year	-	-	-	-	(2,210)	(2,210)	(0)	(2,210)
Balance at the end of current period	¥3,511	¥498	¥498	¥381	¥(4,065)	¥(3,684)	¥(4)	¥320

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Net unrealized gains on securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of current period	¥10	¥288	¥299	¥23	¥2,853
Changes of items during the fiscal year					
Net (loss)					(2,210)
Purchase of treasury stock					(0)
Net changes of items other than shareholders' equity	5	12	18	-	18
Total changes of items during the fiscal year	5	12	18	-	(2,192)
Balance at the end of current period	¥16	¥301	¥317	¥23	¥661