

Consolidated Balance Sheets

As of June 30,2017 and December 31,2016

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥112.00)
	FY2016 (As of December 31, 2016)	FY2017 first half (As of June 30, 2017)	FY2017 first half (As of June 30, 2017)
Assets			
Current assets:			
Cash on hand and in banks	¥1,702	¥2,108	\$18,824
Notes and accounts receivable-trade	8,044	7,147	63,817
	9,746	9,255	82,641
Less: allowance for doubtful accounts	(9)	(8)	(74)
	9,737	9,247	82,567
Merchandise and finished goods	2,346	2,022	18,056
Work in process	1,704	1,732	15,464
Raw materials and supplies	1,800	1,979	17,676
Other current assets	396	257	2,296
Total current assets	15,985	15,238	136,060
Property,plant and equipment:			
Land	2,171	2,172	19,398
Buildings and structures	9,700	9,728	86,859
Machinery, equipment and vehicles	18,574	18,677	166,764
Construction in progress	148	194	1,738
Other	4,117	3,811	34,035
	34,713	34,585	308,796
Less: accumulated depreciation	(25,879)	(26,011)	(232,247)
Total property,plant and equipment	8,834	8,573	76,549
Intangible fixed assets	135	131	1,170
Investments and other assets:			
Investment securities	83	88	791
Other investments	343	355	3,174
	427	444	3,965
Less: allowance for doubtful accounts	-	-	-
Total investments and other assets	427	444	3,965
Total assets	¥25,382	¥24,387	\$217,746
Liabilities and Net assets			
Current liabilities:			
Notes and accounts payable-trade	¥5,290	¥4,856	\$43,364
Short-term loans payable	4,936	4,271	38,141
Current portion of long-term loans payable	518	312	2,791
Income taxes payable	178	111	998
Provision	30	28	255
Other current liabilities	1,502	1,577	14,087
Total current liabilities	12,457	11,159	99,637
Long-term liabilities:			
Long-term loans payable	9,847	9,698	86,589
Deferred tax liabilities for land revaluation	133	133	1,194
Net defined benefit liability	839	814	7,274
Other long-term liabilities	1,312	1,144	10,218
Total long-term liabilities	12,133	11,791	105,277
Net assets:			
Shareholders' equity:			
Capital stock	3,511	4,011	35,816
Capital surplus	498	998	8,917
Retained earnings	(3,569)	(3,917)	(34,981)
Treasury stock	(4)	(4)	(43)
Total shareholders' equity	435	1,087	9,710
Accumulated other comprehensive income:			
Net unrealized gains on securities	8	12	110
Deferred gains or (losses) on hedges	(3)	(2)	(18)
Revaluation reserve for land	310	310	2,773
Foreign currency translation adjustments	0	(12)	(108)
Remeasurements of defined benefit plans	16	17	157
Total accumulated other comprehensive income	333	326	2,914
Subscription rights to shares	23	23	205
Total net assets	791	1,437	12,831
Total liabilities and net assets	¥25,382	¥24,387	\$217,746

Consolidated Statements of Income

FY2017 first half (the six months ended June 30,2017)

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥112.00)
	FY2016 first half Jan'16-Jun'16	FY2017 first half Jan'17-Jun'17	FY2017 first half Jan'17-Jun'17
	Net sales	¥14,519	¥13,953
Cost of sales	12,737	11,971	106,887
Gross profit	1,782	1,982	17,699
Selling,general and administrative expenses	1,501	1,472	13,145
Operating income	280	510	4,553
Non-operating income:			
Interest income	2	1	17
Foreign exchange gains	9	-	-
Other	7	6	60
	19	8	77
Non-operating expenses:			
Interest expenses	380	369	3,301
Foreign exchange losses	-	83	746
Commission fee	174	135	1,206
Other	96	90	810
	650	679	6,065
Ordinary (loss)	(350)	(160)	(1,434)
Extraordinary gains:			
Gain on sales of fixed assets	2	0	4
	2	0	4
Extraordinary losses:			
Loss on sales or disposal of fixed assets	1	0	6
Loss on anti monopoly act	279	120	1,071
	280	120	1,078
(Loss) before income taxes	(628)	(280)	(2,507)
Income taxes - Current	105	60	539
Income taxes - Deferred	14	6	61
	120	67	600
Profit (loss)	(748)	(348)	(3,108)
(Loss) attributable to owners of parent	¥(748)	¥(348)	\$(3,108)
Profit (loss)	(748)	(348)	(3,108)
Other comprehensive income			
Net unrealized gains (losses) on securities	(13)	3	30
Deferred gains or (losses) on hedges	(4)	0	8
Revaluation reserve for land	8	-	-
Foreign currency translation adjustments	201	(12)	(112)
Remeasurements of defined benefit plans, net of tax	6	1	14
	198	(6)	(58)
Comprehensive income	(549)	(354)	(3,167)
Comprehensive income attributable to:			
owners of the parent	(549)	(354)	(3,167)
non-controlling interests	-	-	-
		Yen	
Per share:			
Net (loss)	¥(13.21)	¥(5.74)	\$(0.05)
Weighted average number of shares	56,617,349	60,612,248	

Consolidated Statements of Cash Flows

FY2017 first half (the six months ended June 30,2017)

	Millions of Yen		U.S.Dollars
	FY2016 first half Jan'16-Jun'16	FY2017 first half Jan'17-Jun'17	(1US\$=¥112.00) FY2017 first half Jan'17-Jun'17
Cash flows from operating activities:			
(Loss) before income taxes	(¥628)	(¥280)	(\$2,507)
Depreciation and amortization	717	601	5,370
(Decrease) in allowance for doubtful accounts	(0)	(0)	(3)
(Decrease) in provision for product compensation	-	(2)	(22)
(Decrease) increase in remeasurements of defined benefit plans	(23)	(26)	(237)
Interest and dividend income	(3)	(2)	(22)
Interest expenses	380	369	3,301
Foreign exchange loss	(209)	(14)	(126)
Loss (gains) on sales or disposal of fixed assets	(1)	0	1
Loss on anti monopoly act	279	120	1,071
Decrease (increase) in notes and accounts receivable-trade	(2,101)	820	7,325
Decrease (increase) in inventories	(484)	112	1,008
(Decrease) increase in notes and accounts payable-trade	757	(339)	(3,027)
Other, net	213	(22)	(200)
Subtotal	(1,103)	1,336	11,932
Interest and dividend income received	3	2	22
Interest expenses paid	(394)	(300)	(2,684)
Anti monopoly act related loss paid	(387)	(181)	(1,617)
Income taxes paid	(92)	(127)	(1,141)
Net cash provided by (used in) operating activities	(1,974)	729	6,511
Cash flows from investing activities:			
Payments for purchase of investments securities	(1)	-	-
Payments for purchase of fixed assets	(511)	(376)	(3,357)
Proceeds from sales of fixed assets	2	3	35
Other, net	17	(15)	(142)
Net cash (used in) investing activities	(492)	(388)	(3,464)
Cash flows from financing activities:			
(Decrease) increase in short-term loans payable,net	(1,494)	(615)	(5,491)
Proceeds from long-term loans payable	9,998	-	-
Repayments of long-term loans payable	(7,070)	(355)	(3,171)
Payments for issuance of common shares	-	999	8,928
Repayments of lease obligations	(101)	(46)	(412)
Repayments of sales and installment back transaction	(29)	(29)	(266)
Other, net	(0)	(0)	(0)
Net cash (used in) provided by financing activities	1,301	(46)	(413)
Effect of exchange rate changes on cash and cash equivalents	511	111	995
Net increase (decrease) in cash and cash equivalents	(654)	406	3,627
Cash and cash equivalents at beginning of current period	2,389	1,252	11,179
Cash and cash equivalents at end of current period	¥1,735	¥1,658	\$14,806

Business Segment Information

FY2017 first half (the six months ended June 30,2017)

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥6,561	¥7,339	¥53	¥13,953	-	¥13,953
Intersegment	-	-	-	-	-	-
Total sales	<u>6,561</u>	<u>7,339</u>	<u>53</u>	<u>13,953</u>	<u>-</u>	<u>13,953</u>
Operating income (loss)	<u>¥633</u>	<u>(¥149)</u>	<u>¥25</u>	<u>¥510</u>	<u>-</u>	<u>¥510</u>

	Thousands of U.S.Dollars (1US\$=¥112.00)					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	\$58,581	\$65,531	\$474	\$124,586	-	\$124,586
Intersegment	-	-	-	-	-	-
Total sales	<u>58,581</u>	<u>65,531</u>	<u>474</u>	<u>124,586</u>	<u>-</u>	<u>124,586</u>
Operating income (loss)	<u>\$5,657</u>	<u>(\$1,330)</u>	<u>\$226</u>	<u>\$4,553</u>	<u>-</u>	<u>\$4,553</u>

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>