

Consolidated Balance Sheets

As of December 31,2017 and 2016

Assets	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥113.00)
	2016	2017	2017
Current assets:			
Cash on hand and in banks	¥1,702	¥2,346	\$20,764
Notes and accounts receivable-trade	8,044	4,829	42,742
	<u>9,746</u>	<u>7,176</u>	<u>63,507</u>
Less: allowance for doubtful accounts	(9)	(8)	(70)
	<u>9,737</u>	<u>7,168</u>	<u>63,436</u>
Merchandise and finished goods	2,346	2,305	20,405
Work in process	1,704	1,820	16,114
Raw materials and supplies	1,800	2,072	18,339
Deferred tax assets	28	30	270
Other current assets	367	463	4,103
Total current assets	<u>15,985</u>	<u>13,861</u>	<u>122,668</u>
Property,plant and equipment:			
Land	2,171	2,176	19,264
Buildings and structures	9,700	9,829	86,982
Machinery, equipment and vehicles	18,574	19,446	172,095
Lease assets	1,197	822	7,279
Construction in progress	148	142	1,259
Other	2,920	3,135	27,745
	<u>34,713</u>	<u>35,552</u>	<u>314,628</u>
Less: accumulated depreciation	(25,879)	(27,173)	(240,472)
Total property,plant and equipment	<u>8,834</u>	<u>8,379</u>	<u>74,155</u>
Intangible fixed assets			
Leasehold right	86	89	792
Right of using facilities	12	12	107
Other intangible fixed assets	37	28	248
Total intangible fixed assets	<u>135</u>	<u>129</u>	<u>1,148</u>
Intangible fixed assets			
Investments and other assets:			
Investment securities	83	101	901
Long-term loans receivable	8	5	52
Long-term accounts receivable-other	78	76	676
Deferred tax assets	153	37	333
Other investments	103	141	1,255
	<u>427</u>	<u>363</u>	<u>3,219</u>
Less: allowance for doubtful accounts	-	-	-
Total investments and other assets	<u>427</u>	<u>363</u>	<u>3,219</u>
Total assets	<u>¥25,382</u>	<u>¥22,734</u>	<u>\$201,191</u>

Consolidated Balance Sheets

As of December 31,2017 and 2016

	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥113.00)
	2016	2017	2017
Liabilities and Net assets			
Current liabilities:			
Notes and accounts payable-trade	¥5,290	¥4,893	\$43,300
Short-term loans payable	4,936	4,573	40,471
Current portion of long-term loans payable	518	299	2,646
Lease obligations	91	86	765
Income taxes payable	178	120	1,067
Provision for product compensation	30	21	192
Provision for loss on business restructuring	-	1,090	9,646
Notes payable-facilities	80	40	359
Other current liabilities	1,330	1,016	8,992
Total current liabilities	<u>12,457</u>	<u>12,140</u>	<u>107,440</u>
Long-term liabilities:			
Long-term loans payable	9,847	9,548	84,495
Lease obligations	354	280	2,478
Deferred tax liabilities	87	38	338
Deferred tax liabilities for land revaluation	133	133	1,183
Net defined benefit liability	839	845	7,479
Other long-term liabilities	871	655	5,799
Total long-term liabilities	<u>12,133</u>	<u>11,500</u>	<u>101,775</u>
Net assets:			
Shareholders' equity:			
Capital stock	3,511	4,011	35,500
Capital surplus	498	998	8,839
Retained earnings	(3,569)	(5,980)	(52,924)
Treasury stock	(4)	(4)	(42)
Total shareholders' equity	<u>435</u>	<u>(974)</u>	<u>(8,628)</u>
Accumulated other comprehensive income:			
Net unrealized gains on securities	8	21	191
Deferred gains or (losses) on hedges	(3)	(1)	(12)
Revaluation reserve for land	310	310	2,748
Foreign currency translation adjustments	0	(295)	(2,611)
Remeasurements of defined benefit plans	16	9	81
Total accumulated other comprehensive income	<u>333</u>	<u>45</u>	<u>398</u>
Subscription rights to shares	<u>23</u>	<u>23</u>	<u>204</u>
Total net assets	<u>791</u>	<u>(906)</u>	<u>(8,025)</u>
Total liabilities and net assets	<u>¥25,382</u>	<u>¥22,734</u>	<u>\$201,191</u>

Consolidated Statements of Income

For the years ended December 31,2017 and 2016

	Millions of Yen		Thousands of U.S.Dollars (1US\$= ¥113.00)
	Jan'16-Dec'16	Jan'17-Dec'17	Jan'17-Dec'17
Net sales	¥28,542	¥27,075	\$239,608
Cost of sales	24,834	23,726	209,972
Gross profit	3,708	3,348	29,636
Selling,general and administrative expenses	2,918	2,998	26,531
Operating income	790	350	3,104
Non-operating income:			
Interest income	4	4	39
Foreign exchange gains	62	133	1,181
Other	12	12	114
	80	150	1,336
Non-operating expenses:			
Interest expenses	737	639	5,659
Commission fee	231	266	2,354
Other	187	241	2,138
	1,156	1,147	10,151
Ordinary (loss)	(285)	(645)	(5,711)
Extraordinary gains:			
Gain on sales of fixed assets	7	1	13
Gain on revision of retirement benefit plan	261	-	-
Reversal of loss on anti monopoly act	-	19	175
	269	21	188
Extraordinary losses:			
Loss on sales or disposal of fixed assets	26	1	11
Business restructuring loss	-	1,188	10,514
Loss on anti monopoly act	938	399	3,534
	964	1,588	14,060
(Loss) before income taxes	(981)	(2,212)	(19,582)
Income taxes - Current	191	139	1,231
Income taxes - Deferred	(27)	58	519
	164	197	1,751
Profit (loss)	(1,145)	(2,410)	(21,333)
(Loss) attributable to owners of parent	¥(1,145)	¥(2,410)	\$(21,333)
Profit (loss)	(1,145)	(2,410)	(21,333)
Other comprehensive income			
Net unrealized gains (losses) on securities	(7)	12	112
Deferred gains or (losses) on hedges	(3)	1	14
Revaluation reserve for land	8	-	-
Foreign currency translation adjustments	224	(295)	(2,615)
Remeasurements of defined benefit plans, net of tax	11	(6)	(60)
	234	(287)	(2,548)
Comprehensive income	(911)	(2,698)	(23,882)
Comprehensive income attributable to:			
owners of the parent	(911)	(2,698)	(23,882)
non-controlling interests	-	-	-
		Yen	
Per share:			
Net (loss)	¥(20.23)	¥(37.69)	\$(0.33)
Weighted average number of shares	56,617,024	63,960,119	

Consolidated Statements of Changes in Net Assets

For the years ended December 31,2017 (January 1, 2017 - December 31, 2017)

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	¥3,511	¥498	¥(3,569)	¥(4)	¥435	¥8	(3)	¥310	¥0	¥16	¥333	¥23	¥791
Issuance of new shares	499	499			999								999
Profit(loss)			(2,410)		(2,410)								(2,410)
Purchase of treasury stock				(0)	(0)								(0)
Net changes of items other than shareholders' equity						12	1	-	(295)	(6)	(287)		(287)
Total changes of items during the fiscal year	499	499	(2,410)	(0)	(1,410)	12	1	-	(295)	(6)	(287)	-	(1,698)
Balance at the end of current period	¥4,011	¥998	¥(5,980)	¥(4)	¥(974)	¥21	¥(1)	¥310	¥(295)	¥9	¥45	¥23	¥(906)

(Thousands of U.S.Dollars (1US\$=¥113.00))

	Shareholders' equity					Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	\$31,075	\$4,414	\$(31,590)	\$(41)	\$3,857	\$79	(27)	\$2,748	\$3	\$142	\$2,947	\$204	\$7,008
Issuance of new shares	4,424	4,424			8,849								8,849
Profit (loss)			(21,333)		(21,333)								(21,333)
Purchase of treasury stock				(0)	(0)								(0)
Net changes of items other than shareholders' equity						112	14	-	(2,615)	(60)	(2,548)		(2,548)
Total changes of items during the fiscal year	4,424	4,424	(21,333)	(0)	(12,485)	112	14	-	(2,615)	(60)	(2,548)	-	(15,033)
Balance at the end of current period	\$35,500	\$8,839	\$(52,924)	\$(42)	\$(8,628)	\$191	\$(12)	\$2,748	\$(2,611)	\$81	\$398	\$204	\$(8,025)

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

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income						Subscription rights to shares	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	¥3,511	¥498	¥(2,424)	¥(4)	¥1,581	¥16	-	¥301	¥(223)	¥4	¥98	¥23	¥1,703
Changes of items during the fiscal year													
Profit (loss)			(1,145)		(1,145)								(1,145)
Purchase of treasury stock				(0)	(0)								(0)
Net changes of items other than shareholders' equity						(7)	(3)	8	224	11	234	-	234
Total changes of items during the fiscal year	-	-	(1,145)	(0)	(1,145)	(7)	(3)	8	224	11	234	-	(911)
Balance at the end of current period	¥3,511	¥498	¥(3,569)	¥(4)	¥435	¥8	¥(3)	¥310	¥0	¥16	¥333	¥23	¥791

Consolidated Statements of Cash Flows

For the years ended December 31,2017 and 2016

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥113.00)
	Jan'16-Dec'16	Jan'17-Dec'17	Jan'17-Dec'17
Cash flows from operating activities:			
(Loss) before income taxes	(¥981)	(¥2,212)	(\$19,582)
Depreciation and amortization	1,371	1,210	10,716
Impairment loss	-	83	734
Increase(decrease) in allowance for doubtful accounts	(1)	(0)	(6)
Increase(decrease) in provision for product compensation	31	(10)	(94)
Increase(decrease)provision for loss on business restructuring	-	1,090	9,646
Increase(decrease) in net defined benefit liability	(437)	(0)	(6)
Interest and dividend income	(5)	(5)	(52)
Interest expenses	737	639	5,659
Foreign exchange losses(gains)	(66)	(325)	(2,884)
Loss(gain) on sales or disposal of fixed assets	18	(0)	(2)
Loss on anti monopoly act	938	399	3,534
Decrease(Increase) in notes and accounts receivable-trade	(2,405)	3,392	30,026
Decrease(Increase) in inventories	(433)	(197)	(1,745)
Increase(Decrease) in notes and accounts payable-trade	(116)	(455)	(4,031)
Other, net	244	(253)	(2,240)
Subtotal	(1,107)	3,352	29,670
Interest and dividend income received	5	5	52
Interest expenses paid	(718)	(766)	(6,780)
Anti monopoly act related loss paid	(612)	(445)	(3,939)
Income taxes (paid) refund	(163)	(197)	(1,749)
Net cash provided by(used in) operating activities	(2,595)	1,949	17,253
Cash flows from investing activities:			
Payments into time deposits	-	(99)	(876)
Proceeds from withdrawal of time deposits	-	60	530
Payments for purchase of investments securities	(1)	-	-
Payments for purchase of fixed assets	(890)	(678)	(6,001)
Proceeds from sale of fixed assets	2	5	44
Other, net	(26)	(27)	(247)
Net cash (used in) investing activities	(915)	(740)	(6,549)
Cash flows from financing activities:			
Increase in short-term loans payable,net	(838)	(407)	(3,603)
Proceeds from long-term loans payable	9,998	-	-
Repayments of long-term loans payable	(7,386)	(518)	(4,591)
Proceeds from issuance of common shares	-	999	8,849
Repayments of lease obligations	(193)	(93)	(828)
Repayments of sales and installment back transaction	(58)	(59)	(529)
Other, net	(0)	(0)	(0)
Net cash provided by(used in) financing activities	1,519	(79)	(704)
Effect of exchange rate changes on cash and cash equivalents	853	(529)	(4,682)
Net increase(decrease) in cash and cash equivalents	(1,137)	600	5,317
Cash and cash equivalents at beginning of current period	2,389	1,252	11,080
Cash and cash equivalents at end of current period	¥1,252	¥1,852	\$16,397

Business Segment Information

For the years ended December 31,2017 (January 1, 2017 - December 31, 2017)

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥13,077	¥13,902	¥95	¥27,075	-	¥27,075
Intersegment	-	-	-	-	-	-
Total sales	<u>13,077</u>	<u>13,902</u>	<u>95</u>	<u>27,075</u>	<u>-</u>	<u>27,075</u>
Operating income (loss)	<u>¥1,221</u>	<u>(¥911)</u>	<u>¥40</u>	<u>¥350</u>	<u>-</u>	<u>¥350</u>

	Thousands of U.S.Dollars (1US\$=¥113.00)					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	\$115,734	\$123,027	\$846	\$239,608	-	\$239,608
Intersegment	-	-	-	-	-	-
Total sales	<u>115,734</u>	<u>123,027</u>	<u>846</u>	<u>239,608</u>	<u>-</u>	<u>239,608</u>
Operating income (loss)	<u>\$10,810</u>	<u>(\$8,065)</u>	<u>\$359</u>	<u>\$3,104</u>	<u>-</u>	<u>\$3,104</u>

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

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥12,339	¥16,105	¥97	¥28,542	-	¥28,542
Intersegment	-	-	-	-	-	-
Total sales	<u>12,339</u>	<u>16,105</u>	<u>97</u>	<u>28,542</u>	<u>-</u>	<u>28,542</u>
Operating income (loss)	<u>¥1,260</u>	<u>(¥513)</u>	<u>¥42</u>	<u>¥790</u>	<u>-</u>	<u>¥790</u>