

Consolidated Balance Sheets

As of June 30,2018 and December 31,2017

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥110.54)
	FY2017 (As of December 31, 2017)	FY2018 first half (As of June 30, 2018)	FY2018 first half (As of June 30, 2018)
Assets			
Current assets:			
Cash on hand and in banks	¥2,346	¥1,512	\$13,678
Notes and accounts receivable-trade	4,829	3,520	31,847
	7,176	5,032	45,526
Less: allowance for doubtful accounts	(8)	(7)	(70)
	7,168	5,024	45,455
Merchandise and finished goods	2,305	1,313	11,885
Work in process	1,820	610	5,518
Raw materials and supplies	2,072	1,212	10,971
Other current assets	494	292	2,642
Total current assets	13,861	8,453	76,473
Property,plant and equipment:			
Land	2,176	1,541	13,941
Buildings and structures	9,829	4,311	39,002
Machinery, equipment and vehicles	19,446	8,767	79,311
Construction in progress	142	89	812
Other	3,957	2,563	23,192
	35,552	17,273	156,261
Less: accumulated depreciation	(27,173)	(12,378)	(111,984)
Total property,plant and equipment	8,379	4,894	44,276
Intangible fixed assets	129	44	406
Investments and other assets:			
Investment securities	101	90	819
Shares of subsidiaries and associates	-	2,062	18,660
Other investments	261	161	1,459
Total investments and other assets	363	2,314	20,938
Total assets	¥22,734	¥15,707	¥142,096
Liabilities and Net assets			
Current liabilities:			
Notes and accounts payable-trade	¥4,893	¥3,108	\$28,121
Short-term loans payable	4,573	9,828	88,909
Current portion of long-term loans payable	299	-	-
Income taxes payable	120	89	810
Provision	21	17	157
Provision for loss on business restructuring	1,090	78	711
Other current liabilities	1,143	1,082	9,792
Total current liabilities	12,140	14,204	128,502
Long-term liabilities:			
Long-term loans payable	9,548	-	-
Deferred tax liabilities for land revaluation	133	-	-
Net defined benefit liability	845	470	4,254
Other long-term liabilities	973	760	6,882
Total long-term liabilities	11,500	1,231	11,136
Shareholders' equity:			
Capital stock	4,011	6,511	58,906
Capital surplus	998	3,498	31,652
Retained earnings	(5,980)	(9,305)	(84,183)
Treasury stock	(4)	(4)	(43)
Total shareholders' equity	(974)	699	6,331
Accumulated other comprehensive income:			
Net unrealized gains on securities	21	13	124
Deferred gains or (losses) on hedges	(1)	-	-
Revaluation reserve for land	310	93	842
Foreign currency translation adjustments	(295)	(555)	(5,026)
Remeasurements of defined benefit plans	9	(2)	(24)
Total accumulated other comprehensive income	45	(451)	(4,083)
Subscription rights to shares	23	23	208
Total net assets	(906)	271	2,456
Total liabilities and net assets	¥22,734	¥15,707	\$142,096

Consolidated Statements of Income

FY2018 first half (the six months ended June 30,2018)

	Millions of Yen		Thousands of U.S.Dollars (1US\$=¥110.54)
	FY2017 first half Jan'17-Jun'17	FY2018 first half Jan'18-Jun'18	FY2018 first half Jan'18-Jun'18
Net sales	¥13,953	¥10,507	\$95,057
Cost of sales	11,971	9,621	87,040
Gross profit	1,982	886	8,016
Selling,general and administrative expenses	1,472	1,375	12,446
Operating income (loss)	510	(489)	(4,430)
Non-operating income:			
Interest income	1	1	15
Rent income	-	11	100
Share of profit of entities accounted for using equity method	-	271	2,459
Other	6	9	89
	8	294	2,664
Non-operating expenses:			
Interest expenses	369	128	1,160
Foreign exchange losses	83	245	2,218
Commission fee	135	204	1,850
Other	90	108	980
	679	686	6,209
Ordinary (loss)	(160)	(881)	(7,975)
Extraordinary gains:			
Gain on sales of fixed assets	0	0	0
Reversal of allowance for business restructuring loss	-	178	1,614
	0	178	1,614
Extraordinary losses:			
Loss on sales or disposal of fixed assets	0	0	0
Loss on anti monopoly act	120	2,551	23,081
	120	2,551	23,081
(Loss) before income taxes	(280)	(3,254)	(29,442)
Income taxes - Current	60	35	325
Income taxes - Deferred	6	34	313
	67	70	638
Profit (loss)	(348)	(3,325)	(30,080)
(Loss) attributable to owners of parent	¥(348)	¥(3,325)	\$(30,080)
Profit (loss)	(348)	(3,325)	(30,080)
Other comprehensive income			
Net unrealized gains (losses) on securities	3	(7)	(71)
Deferred gains or (losses) on hedges	0	1	12
Revaluation reserve for land	-	(217)	(1,966)
Foreign currency translation adjustments	(12)	(260)	(2,356)
Remeasurements of defined benefit plans, net of tax	1	(11)	(108)
	(6)	(496)	(4,491)
Comprehensive income	(354)	(3,821)	(34,572)
Comprehensive income attributable to:			
owners of the parent	(354)	(3,821)	(34,572)
non-controlling interests	-	-	-
	Yen		
Per share:			
Net (loss)	¥(5.74)	¥(31.64)	\$(0.28)
Weighted average number of shares	60,612,248	105,077,889	

Consolidated Statements of Cash Flows
FY2018 first half (the six months ended June 30,2018)

	Millions of Yen		U.S.Dollars
	FY2017 first half Jan'17-Jun'17	FY2018 first half Jan'18-Jun'18	(1US\$=¥110.54) FY2018 first half Jan'18-Jun'18
Cash flows from operating activities:			
(Loss) before income taxes	(¥280)	(¥3,254)	(\$29,442)
Depreciation and amortization	601	478	4,332
Share of (profit) loss of entities accounted for using equity method	-	(271)	(2,459)
(Decrease) in allowance for doubtful accounts	(0)	-	-
(Decrease) in provision for product compensation	(2)	(4)	(36)
(Decrease) increase in provision for loss on business restructuring	-	(838)	(7,586)
(Decrease) increase in remeasurements of defined benefit plans	(26)	(10)	(94)
Interest and dividend income	(2)	(2)	(23)
Interest expenses	369	128	1,160
Foreign exchange loss	(14)	259	2,346
Loss (gains) on sales or disposal of fixed assets	0	(0)	(0)
Loss on anti monopoly act	120	2,551	23,081
Decrease (increase) in notes and accounts receivable-trade	820	772	6,990
Decrease (increase) in inventories	112	(13)	(123)
(Decrease) increase in notes and accounts payable-trade	(339)	(1,459)	(13,201)
Other, net	(22)	367	3,323
Subtotal	1,336	(1,296)	(11,733)
Interest and dividend income received	2	2	23
Interest expenses paid	(300)	(107)	(973)
Anti monopoly act related loss paid	(181)	(2,745)	(24,833)
Income taxes paid	(127)	(54)	(496)
Net cash provided by (used in) operating activities	729	(4,201)	(38,013)
Cash flows from investing activities:			
Proceeds from withdrawal of time deposits	-	390	3,528
Payments for purchase of fixed assets	(376)	(442)	(4,000)
Proceeds from sales of fixed assets	3	4	37
Collection of loans receivable	-	3,747	33,906
Other, net	(15)	2	25
Net cash (used in) investing activities	(388)	3,702	33,496
Cash flows from financing activities:			
(Decrease) increase in short-term loans payable,net	(615)	5,257	47,561
Repayments of long-term loans payable	(355)	(9,847)	(89,080)
Proceeds from issuance of common shares	999	5,000	45,233
Proceeds from minority interests in capital increase of consolidated subsidiaries	-	3,500	31,662
Repayments of lease obligations	(46)	(44)	(400)
Repayments of sales and installment back transaction	(29)	(30)	(273)
Other, net	(0)	-	-
Net cash (used in) provided by financing activities	(46)	3,835	34,702
Effect of exchange rate changes on cash and cash equivalents	111	(93)	(847)
Net increase (decrease) in cash and cash equivalents	406	3,243	29,337
Cash and cash equivalents at beginning of current period	1,252	1,852	16,762
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	(3,683)	(33,325)
Cash and cash equivalents at end of current period	¥1,658	¥1,412	\$12,775

Business Segment Information

FY2018 first half (the six months ended June 30,2018)

	Millions of Yen					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	¥6,915	¥3,540	¥51	¥10,507	-	¥10,507
Intersegment	-	-	-	-	-	-
Total sales	6,915	3,540	51	10,507	-	10,507
Operating income (loss)	¥363	(¥877)	¥24	(¥489)	-	(¥489)

	Thousands of U.S.Dollars (1US\$=¥110. 54)					Consolidated
	Capacitor	Printed circuit boards	Other	Total	Adjustments	
Sales :						
Outside customers	\$62,561	\$32,026	\$469	\$95,057	-	\$95,057
Intersegment	-	-	-	-	-	-
Total sales	62,561	32,026	469	95,057	-	95,057
Operating income (loss)	\$3,287	(\$7,935)	\$218	(\$4,430)	-	(\$4,430)

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	6,561	7,339	53	13,953	-	13,953
Operating income (loss)	¥633	(¥149)	¥25	¥510	-	¥510