



February 23, 2018

To whom it may concern:

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 Representative: Toshihiko Kai, Representative Director and President  
 (Stock code: 6376, Tokyo Stock Exchange 1<sup>st</sup> Section)  
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**(Correction/Correction of Numerical Data)**

**Notice on Partial Correction to “Consolidated Financial Results for the Financial Period Ended December 2017 (IFRS)”**

NIKKISO CO., LTD. (The Company) hereby announces that it has made a partial correction to its Consolidated Financial Results for the Financial Period Ended December 2017 (IFRS), which was announced on February 14, 2018, as follows. The Company has also partially corrected numerical data and herewith releases updated numerical data.

Corrections are underlined.

1. Reason for Correction

After the release of the Consolidated Financial Results for the Financial Period Ended December 2017 (IFRS), the Company found that there was an error in the tax effect accounting treatment associated with a business combination executed in the fiscal year under review; therefore, it made a correction.

The Company also made corrections to erroneously presented items.

2. Contents of corrections

<Summary information>

【Before correction】

1. Consolidated Financial Results for the Financial Period ended in December 2017 (January 1, 2017 - December 31, 2017)

(1) Consolidated Results of Operations (Percentages indicate year-on-year change)

|   | Net sales   |     | Operating income |     | Profit before tax |      | Net income   |            |
|---|-------------|-----|------------------|-----|-------------------|------|--------------|------------|
|   | Million yen | %   | Million yen      | %   | Million yen       | %    | Million yen  | %          |
| Financial period ended in December 2017 | 140,912     | 8.4 | 8,718            | 7.4 | 8,310             | 22.2 | <u>5,234</u> | <u>6.3</u> |
| Financial period ended in December 2016 | 130,045     | -   | 8,117            | -   | 6,801             | -    | 4,922        | -          |

|   | Net income attributable to owners of parent |            | Total amount of comprehensive income |              |
|---|---|------------|--------------------------------------|--------------|
|   | Million yen                                 | %          | Million yen                          | %            |
| Financial period ended in December 2017 | <u>5,112</u>                                | <u>4.7</u> | <u>10,240</u>                        | <u>263.4</u> |
| Financial period ended in December 2016 | 4,883                                       | -          | 2,818                                | -            |

|   | Basic earnings per share | Diluted earnings per share | Return on equity (ROE) | Return on asset (ROA) | Revenue operating margin |
|---|--------------------------|----------------------------|------------------------|-----------------------|--------------------------|
|   | Yen                      | Yen                        | %                      | %                     | %                        |
| Financial period ended in December 2017 | <u>71.82</u>             | <u>63.09</u>               | <u>7.2</u>             | <u>4.0</u>            | 6.2                      |
| Financial period ended in December 2016 | 66.08                    | 57.66                      | 7.2                    | 3.8                   | 6.2                      |

(Reference) Profit and loss from investment accounted for using equity method: Financial period ended in December 2017 210 million yen

(2) Consolidated Financial Position

|   | Total assets   | Net assets    | Equity attributable to owners of parent | Equity ratio | Equity attributable to owners of parent per share |
|---|----------------|---------------|---|--------------|---|
|   | Million yen    | Million yen   | Million yen                             | %            | Yen   |
| Financial period ended in December 2017 | <u>242,723</u> | <u>76,716</u> | <u>74,980</u>                           | <u>30.9</u>  | <u>1,052.16</u>                                   |
| Financial period ended in December 2016 | 177,717        | 67,664        | 66,441                                  | 37.4         | 932.67  |

(Omitted)

2. Dividend Conditions

|   | Dividends                |                           |                          |          |       | Total Value of Dividends (Total) | Dividend Payout Ratio (Consolidated) | Dividend on equity attributable to owners of parent (Consolidated) |
|---|--------------------------|---------------------------|--------------------------|----------|-------|----------------------------------|--------------------------------------|--|
|   | End of the first quarter | End of the second quarter | End of the third quarter | Term-end | Total |                                  |                                      |  |
|   | Yen                      | Yen                       | Yen                      | Yen      | Yen   | Million yen                      | %                                    | %  |
| Financial period ended in December 2016             | -                        | 8.00                      | -                        | 8.00     | 16.00 | 1,162                            | 24.2                                 | 1.7  |
| Financial period ended in December 2017             | -                        | 8.00                      | -                        | 8.00     | 16.00 | 1,139                            | <u>22.3</u>                          | 1.6  |
| Financial period ending in December 2018 (Forecast) | -                        | 8.00                      | -                        | 8.00     | 16.00 |                                  | 19.3                                 |  |

3. Consolidated Financial Results Forecast for the Financial Period ending in December 2018 (January 1, 2018 - December 31, 2018)

(percentages represent year-over-year change)

|                                 | Net sales   |      | Operating income |      | Profit before tax |     | Net income attributable to owners of parent |             | Basic earnings per share |
|---------------------------------|-------------|------|------------------|------|-------------------|-----|---|-------------|--------------------------|
|                                 | Million yen | %    | Million yen      | %    | Million yen       | %   | Million yen                                 | %           | Yen                      |
| The second quarter (cumulative) | 78,000      | -    | 3,500            | -    | 3,000             | -   | 1,900                                       | -           | 26.69                    |
| Annual                          | 162,000     | 15.0 | 10,000           | 14.7 | 9,000             | 8.3 | 5,900                                       | <u>15.4</u> | 82.89                    |

【After correction】

1. Consolidated Financial Results for the Financial Period ended in December 2017 (January 1, 2017 - December 31, 2017)

(1) Consolidated Results of Operations

(Percentages indicate year-on-year change)

|   | Net sales   |     | Operating income |     | Profit before tax |      | Net income   |            |
|---|-------------|-----|------------------|-----|-------------------|------|--------------|------------|
|   | Million yen | %   | Million yen      | %   | Million yen       | %    | Million yen  | %          |
| Financial period ended in December 2017 | 140,912     | 8.4 | 8,718            | 7.4 | 8,310             | 22.2 | <u>5,304</u> | <u>7.8</u> |
| Financial period ended in December 2016 | 130,045     | -   | 8,117            | -   | 6,801             | -    | 4,922        | -          |

|   | Net income attributable to owners of parent |            | Total amount of comprehensive income |              |
|---|---|------------|--------------------------------------|--------------|
|   | Million yen                                 | %          | Million yen                          | %            |
| Financial period ended in December 2017 | <u>5,182</u>                                | <u>6.1</u> | <u>10,311</u>                        | <u>265.9</u> |
| Financial period ended in December 2016 | 4,883                                       | -          | 2,818                                | -            |

|   | Basic earnings per share | Diluted earnings per share | Return on equity (ROE) | Return on asset (ROA) | Revenue operating margin |
|---|--------------------------|----------------------------|------------------------|-----------------------|--------------------------|
|   | Yen                      | Yen                        | %                      | %                     | %                        |
| Financial period ended in December 2017 | <u>72.82</u>             | <u>63.97</u>               | <u>7.3</u>             | <u>3.9</u>            | 6.2                      |
| Financial period ended in December 2016 | 66.08                    | 57.66                      | 7.2                    | 3.8                   | 6.2                      |

(Reference) Profit and loss from investment accounted for using equity method: Financial period ended in December 2017 210 million yen  
 Financial period ended in December 2016 174 million yen

(2) Consolidated Financial Position

|   | Total assets   | Net assets    | Equity attributable to owners of parent | Equity ratio | Equity attributable to owners of parent per share |
|---|----------------|---------------|---|--------------|---|
|   | Million yen    | Million yen   | Million yen                             | %            | Yen   |
| Financial period ended in December 2017 | <u>244,692</u> | <u>76,787</u> | <u>75,051</u>                           | <u>30.7</u>  | <u>1,053.16</u>                                   |
| Financial period ended in December 2016 | 177,717        | 67,664        | 66,441                                  | 37.4         | 932.67  |

(Omitted)

2. Dividend Conditions

|   | Dividends                |                           |                          |          |       | Total Value of Dividends (Total) | Dividend Payout Ratio (Consolidated) | Dividend on equity attributable to owners of parent (Consolidated) |
|---|--------------------------|---------------------------|--------------------------|----------|-------|----------------------------------|--------------------------------------|--|
|   | End of the first quarter | End of the second quarter | End of the third quarter | Term-end | Total |                                  |                                      |  |
|   | Yen                      | Yen                       | Yen                      | Yen      | Yen   | Million yen                      | %                                    | %  |
| Financial period ended in December 2016             | -                        | 8.00                      | -                        | 8.00     | 16.00 | 1,162                            | 24.2                                 | 1.7  |
| Financial period ended in December 2017             | -                        | 8.00                      | -                        | 8.00     | 16.00 | 1,139                            | <u>22.0</u>                          | 1.6  |
| Financial period ending in December 2018 (Forecast) | -                        | 8.00                      | -                        | 8.00     | 16.00 |                                  | 19.3                                 |  |

3. Consolidated Financial Results Forecast for the Financial Period ending in December 2018 (January 1, 2018 - December 31, 2018)

(Percentages indicate year-on-year change)

|                                 | Net sales   |      | Operating income |      | Profit before tax |     | Net income attributable to owners of parent |             | Basic earnings per share |
|---------------------------------|-------------|------|------------------|------|-------------------|-----|---|-------------|--------------------------|
|                                 | Million yen | %    | Million yen      | %    | Million yen       | %   | Million yen                                 | %           | Yen                      |
| The second quarter (cumulative) | 78,000      | -    | 3,500            | -    | 3,000             | -   | 1,900                                       | -           | 26.69                    |
| Annual                          | 162,000     | 15.0 | 10,000           | 14.7 | 9,000             | 8.3 | 5,900                                       | <u>13.8</u> | 82.89                    |

<Appended information, pages 7 and 8>

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated Statement of Financial Position

【Before correction】

(Unit: million yen)

|  | Date of change<br>(January 1, 2016) | Previous<br>consolidated<br>financial period<br>(December 31,<br>2016) | Consolidated<br>financial period<br>(December 31,<br>2017) |
|--|-------------------------------------|--|--|
| <b>Assets</b>                                    |                                     |  |  |
| Current assets                                   |                                     |  |  |
| Cash and cash equivalents                        | 27,402                              | 25,919   | 34,095   |
| Trade and other receivables                      | 43,331                              | 41,498   | 50,434   |
| Other current assets                             | 623                                 | 909  | 1,698  |
| Inventories                                      | 25,792                              | 27,181   | 30,363   |
| Corporate tax receivable                         | 1,172                               | 168  | 359  |
| Other current assets                             | 1,732                               | 1,913  | 2,152  |
| <b>Total current assets</b>                      | <b>100,055</b>                      | <b>97,591</b>  | <b>119,103</b>   |
| Non-current assets                               |                                     |  |  |
| Property, plant and equipment                    | 33,563                              | 35,679   | 38,454   |
| Intangible assets and goodwill                   | 27,734                              | 28,098   | <u>65,755</u>  |
| Investments accounted for using equity<br>method | 958                                 | 1,052  | 1,198  |
| Non-current financial assets                     | 13,225                              | 12,093   | 15,354   |
| Deferred tax assets                              | 1,647                               | 2,253  | <u>1,981</u>   |
| Other non-current assets                         | 930                                 | 948  | 875  |
| <b>Total non-current assets</b>                  | <b>78,059</b>                       | <b>80,126</b>  | <b><u>123,619</u></b>                                      |
| <b>Total assets</b>                              | <b>178,115</b>                      | <b>177,717</b>   | <b><u>242,723</u></b>                                      |

(Unit: million yen)

|  | Date of change<br>(January 1, 2016) | Previous<br>consolidated<br>financial period<br>(December 31,<br>2016) | Consolidated<br>financial period<br>(December 31,<br>2017) |
|--|-------------------------------------|--|--|
| <b>Liabilities and equity</b>              |                                     |  |  |
| <b>Liabilities</b>                         |                                     |  |  |
| <b>Current liabilities</b>                 |                                     |  |  |
| Corporate bond and current borrowings      | 19,487                              | 16,557   | 76,975   |
| Trade and other payables                   | 20,301                              | 21,606   | 22,624   |
| Other current financial liabilities        | 613                                 | 512  | 573  |
| Accrued income tax payable                 | 877                                 | 2,090  | 1,237  |
| Provisions                                 | 764                                 | 1,247  | 1,513  |
| Other current liabilities                  | 7,310                               | 8,227  | 11,006   |
| Total non-current liabilities              | 49,356                              | 50,241   | 113,930  |
| <b>Non-current liabilities</b>             |                                     |  |  |
| Corporate bonds and non-current borrowings | 50,756                              | 53,326   | 45,553   |
| Other non-current financial liabilities    | 465                                 | 549  | 569  |
| Retirement benefit liabilities             | 3,504                               | 3,617  | 3,287  |
| Provisions                                 | 81                                  | 89   | 176  |
| Deferred tax liabilities                   | 2,599                               | 1,843  | 2,371  |
| Other non-current liabilities              | 298                                 | 385  | 117  |
| Total non-current liabilities              | 57,705                              | 59,812   | 52,076   |
| Total liabilities                          | 107,061                             | 110,053  | 166,007  |
| <b>Equity</b>                              |                                     |  |  |
| Capital stock                              | 6,544                               | 6,544  | 6,544  |
| Share premium                              | 11,091                              | 11,103   | 11,099   |
| Treasury shares                            | -2,306                              | -2,578   | -2,543   |
| Other components of equity                 | 3,766                               | 1,662  | 6,268  |
| Retained earnings                          | 50,646                              | 49,709   | 53,611   |
| Equity attributable to owners of parent    | 69,742                              | 66,441   | 74,980   |
| Non-controlling interests                  | 1,310                               | 1,222  | 1,736  |
| Net assets                                 | 71,053                              | 67,664   | 76,716   |
| Total liabilities and equity               | 178,115                             | 177,717  | 242,723  |

【After correction】

(Unit: million yen)

|  | Date of change<br>(January 1, 2016) | Previous<br>consolidated<br>financial period<br>(December 31,<br>2016) | Consolidated<br>financial period<br>(December 31,<br>2017) |
|--|-------------------------------------|--|--|
| <b>Assets</b>                                    |                                     |  |  |
| Current assets                                   |                                     |  |  |
| Cash and cash equivalents                        | 27,402                              | 25,919   | 34,095   |
| Trade and other receivables                      | 43,331                              | 41,498   | 50,434   |
| Other current assets                             | 623                                 | 909  | 1,698  |
| Inventories                                      | 25,792                              | 27,181   | 30,363   |
| Corporate tax receivable                         | 1,172                               | 168  | 359  |
| Other current assets                             | 1,732                               | 1,913  | 2,152  |
| <b>Total current assets</b>                      | <b>100,055</b>                      | <b>97,591</b>  | <b>119,103</b>   |
| Non-current assets                               |                                     |  |  |
| Property, plant and equipment                    | 33,563                              | 35,679   | 38,454   |
| Intangible assets and goodwill                   | 27,734                              | 28,098   | <u>67,792</u>  |
| Investments accounted for using equity<br>method | 958                                 | 1,052  | 1,198  |
| Non-current financial assets                     | 13,225                              | 12,093   | 15,354   |
| Deferred tax assets                              | 1,647                               | 2,253  | <u>1,913</u>   |
| Other non-current assets                         | 930                                 | 948  | 875  |
| <b>Total non-current assets</b>                  | <b>78,059</b>                       | <b>80,126</b>  | <b><u>125,588</u></b>                                      |
| <b>Total assets</b>                              | <b>178,115</b>                      | <b>177,717</b>   | <b><u>244,692</u></b>                                      |

(Unit: million yen)

|  | Date of change<br>(January 1, 2016) | Previous<br>consolidated<br>financial period<br>(December 31,<br>2016) | Consolidated<br>financial period<br>(December 31,<br>2017) |
|--|-------------------------------------|--|--|
| <b>Liabilities and equity</b>              |                                     |  |  |
| <b>Liabilities</b>                         |                                     |  |  |
| <b>Current liabilities</b>                 |                                     |  |  |
| Corporate bond and current borrowings      | 19,487                              | 16,557   | 76,975   |
| Trade and other payables                   | 20,301                              | 21,606   | 22,624   |
| Other current financial liabilities        | 613                                 | 512  | 573  |
| Accrued income tax payable                 | 877                                 | 2,090  | 1,237  |
| Provisions                                 | 764                                 | 1,247  | 1,513  |
| Other current liabilities                  | 7,310                               | 8,227  | 11,006   |
| Total non-current liabilities              | 49,356                              | 50,241   | 113,930  |
| <b>Non-current liabilities</b>             |                                     |  |  |
| Corporate bonds and non-current borrowings | 50,756                              | 53,326   | 45,553   |
| Other non-current financial liabilities    | 465                                 | 549  | 569  |
| Retirement benefit liabilities             | 3,504                               | 3,617  | 3,287  |
| Provisions                                 | 81                                  | 89   | 176  |
| Deferred tax liabilities                   | 2,599                               | 1,843  | 4,269  |
| Other non-current liabilities              | 298                                 | 385  | 117  |
| Total non-current liabilities              | 57,705                              | 59,812   | 53,974   |
| Total liabilities                          | 107,061                             | 110,053  | 167,905  |
| <b>Equity</b>                              |                                     |  |  |
| Capital stock                              | 6,544                               | 6,544  | 6,544  |
| Share premium                              | 11,091                              | 11,103   | 11,099   |
| Treasury shares                            | -2,306                              | -2,578   | -2,543   |
| Other components of equity                 | 3,766                               | 1,662  | 6,268  |
| Retained earnings                          | 50,646                              | 49,709   | 53,682   |
| Equity attributable to owners of parent    | 69,742                              | 66,441   | 75,051   |
| Non-controlling interests                  | 1,310                               | 1,222  | 1,736  |
| Net assets                                 | 71,053                              | 67,664   | 76,787   |
| Total liabilities and equity               | 178,115                             | 177,717  | 244,692  |

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### 3. Consolidated Financial Statements and Important Notes

#### (2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income (Consolidated Statement of Profit or Loss)

【Before correction】

|  | (Unit: million yen)   |  |
|--|---|--|
|  | Previous consolidated<br>financial period<br>(From January 1, 2016 to<br>December 31, 2016) | Consolidated financial<br>period<br>(From January 1, 2017 to<br>December 31, 2017) |
| Net sales  | 130,045   | 140,912  |
| Cost of sales  | -85,189   | -92,304  |
| Gross profit   | 44,855  | 48,608   |
| Selling, general and administrative expense                          | -37,374   | -42,218  |
| Other income   | 939   | 2,554  |
| Other expenses   | -302  | -227   |
| Operating income   | 8,117   | 8,718  |
| Finance income   | 412   | 493  |
| Finance costs  | -1,903  | -1,112   |
| Share of profit from investment accounted for<br>using equity method | 174   | 210  |
| Profit before tax  | 6,801   | 8,310  |
| Income tax expense   | -1,878  | <u>-3,075</u>  |
| Net income   | 4,922   | <u>5,234</u>   |
| Profit attributable to:  |   |  |
| Owners of parent   | 4,883   | <u>5,112</u>   |
| Non-controlling interests  | 38  | 121  |
| Net income   | 4,922   | <u>5,234</u>   |
| Net income attributable to owners of parent per<br>share             |   |  |
| Basic earnings per share (Yen)                                       | 66.08   | <u>71.82</u>   |
| Diluted earnings (loss) per share (Yen)                              | 57.66   | <u>63.09</u>   |



【After correction】

(Unit: million yen)

|  | Previous consolidated<br>financial period<br>(From January 1, 2016 to<br>December 31, 2016) | Consolidated financial<br>period<br>(From January 1, 2017 to<br>December 31, 2017) |
|--|---|--|
| Net sales  | 130,045   | 140,912  |
| Cost of sales  | -85,189   | -92,304  |
| Gross profit   | 44,855  | 48,608   |
| Selling, general and administrative expense                          | -37,374   | -42,218  |
| Other income   | 939   | 2,554  |
| Other expenses   | -302  | -227   |
| Operating income   | 8,117   | 8,718  |
| Finance income   | 412   | 493  |
| Finance costs  | -1,903  | -1,112   |
| Share of profit from investment accounted for<br>using equity method | 174   | 210  |
| Profit before tax  | 6,801   | 8,310  |
| Income tax expense   | -1,878  | -3,005   |
| Net income   | 4,922   | 5,304  |
| Profit attributable to:  |   |  |
| Owners of parent   | 4,883   | 5,182  |
| Non-controlling interests  | 38  | 121  |
| Net income   | 4,922   | 5,304  |
| Net income attributable to owners of parent per<br>share             |   |  |
| Basic earnings per share (Yen)                                       | 66.08   | 72.82  |
| Diluted earnings (loss) per share (Yen)                              | 57.66   | 63.97  |

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3. Consolidated Financial Statements and Important Notes

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income  
(Consolidated Statement of Comprehensive Income)

【Before correction】

|  | (Unit: million yen)   |  |
|--|---|--|
|  | Previous consolidated<br>financial period<br>(From January 1, 2016 to<br>December 31, 2016) | Consolidated financial<br>period<br>(From January 1, 2017 to<br>December 31, 2017) |
| Net income   | 4,922   | <u>5,234</u>   |
| Other comprehensive income   |   |  |
| Items that will not be reclassified to profit or loss                                  |   |  |
| Financial assets at fair value through other<br>comprehensive income                   | 66  | 1,674  |
| Financial assets   |   |  |
| Remeasurement of defined benefit plans   | -244  | -70  |
| Share of other comprehensive income of<br>associates accounted for using equity method | -1  | 0  |
| Total  | -178  | 1,603  |
| Items that may be reclassified to profit or loss                                       |   |  |
| Exchange difference of foreign operations  | -1,780  | <u>3,356</u>   |
| Cash flow hedges loss  | -86   | 14   |
| Share of other comprehensive income of<br>associates accounted for using equity method | -58   | 31   |
| Total  | -1,925  | 3,403  |
| Other comprehensive income, after tax  | -2,104  | <u>5,006</u>   |
| Total comprehensive income   | 2,818   | <u>10,240</u>  |
| Comprehensive income attributable to:  |   |  |
| Owners of parent   | 2,819   | <u>9,646</u>   |
| Non-controlling interests  | -1  | 593  |
| Total comprehensive income   | 2,818   | <u>10,240</u>  |

【After correction】

(Unit: million yen)

|  | Previous consolidated<br>financial period<br>(From January 1, 2016 to<br>December 31, 2016) | Consolidated financial<br>period<br>(From January 1, 2017 to<br>December 31, 2017) |
|--|---|--|
| Net income   | 4,922   | 5,304  |
| Other comprehensive income   |   |  |
| Items that will not be reclassified to profit or loss                                  |   |  |
| Financial assets at fair value through other<br>comprehensive income                   | 66  | 1,674  |
| Financial assets   |   |  |
| Remeasurement of defined benefit plans   | -244  | -70  |
| Share of other comprehensive income of<br>associates accounted for using equity method | -1  | 0  |
| Total  | -178  | 1,603  |
| Items that may be reclassified to profit or loss                                       |   |  |
| Exchange difference of foreign operations  | -1,780  | <u>3,357</u>   |
| Cash flow hedges loss  | -86   | 14   |
| Share of other comprehensive income of<br>associates accounted for using equity method | -58   | 31   |
| Total  | -1,925  | 3,403  |
| Other comprehensive income, after tax  | -2,104  | <u>5,007</u>   |
| Total comprehensive income   | 2,818   | <u>10,311</u>  |
| Comprehensive income attributable to:  |   |  |
| Owners of parent   | 2,819   | <u>9,717</u>   |
| Non-controlling interests  | -1  | 593  |
| Total comprehensive income   | 2,818   | <u>10,311</u>  |

<Appended information, pages 11 and 12>

3. Consolidated Financial Statements and Important Notes

(3) Statement of Changes in Equity

【Before correction】

(Unit: million yen)

|  | Equity attributable to owners of parent |               |                 |  |  |   |
|--|---|---------------|-----------------|--|--|---|
|  | Capital stock                           | Share premium | Treasury shares | Other components of equity                                   |  |   |
|  |   |               |                 | Financial assets measured through other comprehensive income | Remeasurement of defined benefit plans | Exchange difference of foreign operations |
| January 1, 2016                                | 6,544                                   | 11,091        | -2,306          | 3,973  | —                                      | —   |
| Net income                                     |   |               |                 |  |  |   |
| Other comprehensive income                     |   |               |                 | 65   | -244                                   | -1,798                                    |
| Total amount of comprehensive income           | —                                       | —             | —               | 65   | -244                                   | -1,798                                    |
| Purchase of treasury shares                    |   |               | -4,939          |  |  |   |
| Disposal of treasury shares                    |   | 2             | 11              |  |  |   |
| Cancellation of treasury shares                |   | -5            | 4,656           |  |  |   |
| Dividend                                       |   |               |                 |  |  |   |
| Description of share-based payment arrangement |   | 15            |                 |  |  |   |
| Transfer to retained earnings                  |   |               |                 | -284   | 244                                    |   |
| Total amount of transactions with owners       | —                                       | 12            | -272            | -284   | 244                                    | —   |
| December 31, 2016                              | 6,544                                   | 11,103        | -2,578          | 3,754  | —                                      | -1,798                                    |
| Net income                                     |   |               |                 |  |  |   |
| Other comprehensive income                     |   |               |                 | 1,674  | -70                                    | <u>2,916</u>                              |
| Total amount of comprehensive income           | —                                       | —             | —               | 1,674  | -70                                    | <u>2,916</u>                              |
| Purchase of treasury shares                    |   |               | -0              |  |  |   |
| Disposal of treasury shares                    |   | 3             | 35              |  |  |   |
| Dividend                                       |   |               |                 |  |  |   |
| Description of share-based payment arrangement |   | -7            |                 |  |  |   |
| Transfer to retained earnings                  |   |               |                 |  | 70                                     |   |
| Total amount of transactions with owners       | —                                       | -3            | 34              | —  | 70                                     | —   |
| December 31, 2017                              | 6,544                                   | 11,099        | -2,543          | 5,428  | —                                      | <u>1,117</u>                              |

(Unit: million yen)

|  | Equity attributable to owners of parent |              |                   |               | Non-controlling interests | Net assets    |
|--|---|--------------|-------------------|---------------|---------------------------|---------------|
|  | Other components of equity              |              | Retained earnings | Total         |                           |               |
|  | Cash flow hedges loss                   | Total        |                   |               |                           |               |
| January 1, 2016                                | -206                                    | 3,766        | 50,646            | 69,742        | 1,310                     | 71,053        |
| Net income                                     |   |              | 4,883             | 4,883         | 38                        | 4,922         |
| Other comprehensive income                     | -86                                     | -2,064       |                   | -2,064        | -39                       | -2,104        |
| Total amount of comprehensive income           | -86                                     | -2,064       | 4,883             | 2,819         | -1                        | 2,818         |
| Purchase of treasury shares                    |   |              |                   | -4,939        |                           | -4,939        |
| Disposal of treasury shares                    |   |              |                   | 13            |                           | 13            |
| Cancellation of treasury shares                |   |              | -4,650            | —             |                           | —             |
| Dividend                                       |   |              | -1,210            | -1,210        | -86                       | -1,296        |
| Description of share-based payment arrangement |   |              |                   | 15            |                           | 15            |
| Transfer to retained earnings                  |   | -40          | 40                | —             |                           | —             |
| Total amount of transactions with owners       | —                                       | -40          | -5,820            | -6,120        | -86                       | -6,207        |
| December 31, 2016                              | -292                                    | 1,662        | 49,709            | 66,441        | 1,222                     | 67,664        |
| Net income                                     |   |              | <u>5,112</u>      | <u>5,112</u>  | 121                       | <u>5,234</u>  |
| Other comprehensive income                     | 14                                      | <u>4,534</u> |                   | <u>4,534</u>  | 471                       | <u>5,006</u>  |
| Total amount of comprehensive income           | 14                                      | <u>4,534</u> | <u>5,112</u>      | <u>9,646</u>  | 593                       | <u>10,240</u> |
| Purchase of treasury shares                    |   |              |                   | -0            |                           | -0            |
| Disposal of treasury shares                    |   |              |                   | 38            |                           | 38            |
| Dividend                                       |   |              | -1,138            | -1,138        | -80                       | -1,219        |
| Description of share-based payment arrangement |   |              |                   | -7            |                           | -7            |
| Transfer to retained earnings                  |   | 70           | -70               | —             |                           | —             |
| Total amount of transactions with owners       | —                                       | 70           | -1,209            | -1,108        | -80                       | -1,188        |
| December 31, 2017                              | -278                                    | 6,268        | <u>53,611</u>     | <u>74,980</u> | 1,736                     | <u>76,716</u> |

【After correction】

(Unit: million yen)

|  | Equity attributable to owners of parent |               |                 |  |  |   |
|--|---|---------------|-----------------|--|--|---|
|  | Capital stock                           | Share premium | Treasury shares | Other components of equity                                   |  |   |
|  |   |               |                 | Financial assets measured through other comprehensive income | Remeasurement of defined benefit plans | Exchange difference of foreign operations |
| January 1, 2016                                | 6,544                                   | 11,091        | -2,306          | 3,973  | —                                      | —   |
| Net income                                     |   |               |                 |  |  |   |
| Other comprehensive income                     |   |               |                 | 65   | -244                                   | -1,798                                    |
| Total amount of comprehensive income           | —                                       | —             | —               | 65   | -244                                   | -1,798                                    |
| Purchase of treasury shares                    |   |               | -4,939          |  |  |   |
| Disposal of treasury shares                    |   | 2             | 11              |  |  |   |
| Cancellation of treasury shares                |   | -5            | 4,656           |  |  |   |
| Dividend                                       |   |               |                 |  |  |   |
| Description of share-based payment arrangement |   | 15            |                 |  |  |   |
| Transfer to retained earnings                  |   |               |                 | -284   | 244                                    |   |
| Total amount of transactions with owners       | —                                       | 12            | -272            | -284   | 244                                    | —   |
| December 31, 2016                              | 6,544                                   | 11,103        | -2,578          | 3,754  | —                                      | -1,798                                    |
| Net income                                     |   |               |                 |  |  |   |
| Other comprehensive income                     |   |               |                 | 1,674  | -70                                    | <u>2,917</u>                              |
| Total amount of comprehensive income           | —                                       | —             | —               | 1,674  | -70                                    | <u>2,917</u>                              |
| Purchase of treasury shares                    |   |               | -0              |  |  |   |
| Disposal of treasury shares                    |   | 3             | 35              |  |  |   |
| Dividend                                       |   |               |                 |  |  |   |
| Description of share-based payment arrangement |   | -7            |                 |  |  |   |
| Transfer to retained earnings                  |   |               |                 |  | 70                                     |   |
| Total amount of transactions with owners       | —                                       | -3            | 34              | —  | 70                                     | —   |
| December 31, 2017                              | 6,544                                   | 11,099        | -2,543          | 5,428  | —                                      | <u>1,118</u>                              |

(Unit: million yen)

|  | Equity attributable to owners of parent |              |                   |               | Non-controlling interests | Net assets    |
|--|---|--------------|-------------------|---------------|---------------------------|---------------|
|  | Other components of equity              |              | Retained earnings | Total         |                           |               |
|  | Cash flow hedges loss                   | Total        |                   |               |                           |               |
| January 1, 2016                                | -206                                    | 3,766        | 50,646            | 69,742        | 1,310                     | 71,053        |
| Net income                                     |   |              | 4,883             | 4,883         | 38                        | 4,922         |
| Other comprehensive income                     | -86                                     | -2,064       |                   | -2,064        | -39                       | -2,104        |
| Total amount of comprehensive income           | -86                                     | -2,064       | 4,883             | 2,819         | -1                        | 2,818         |
| Purchase of treasury shares                    |   |              |                   | -4,939        |                           | -4,939        |
| Disposal of treasury shares                    |   |              |                   | 13            |                           | 13            |
| Cancellation of treasury shares                |   |              | -4,650            | —             |                           | —             |
| Dividend                                       |   |              | -1,210            | -1,210        | -86                       | -1,296        |
| Description of share-based payment arrangement |   |              |                   | 15            |                           | 15            |
| Transfer to retained earnings                  |   | -40          | 40                | —             |                           | —             |
| Total amount of transactions with owners       | —                                       | -40          | -5,820            | -6,120        | -86                       | -6,207        |
| December 31, 2016                              | -292                                    | 1,662        | 49,709            | 66,441        | 1,222                     | 67,664        |
| Net income                                     |   |              | <u>5,182</u>      | <u>5,182</u>  | 121                       | <u>5,304</u>  |
| Other comprehensive income                     | 14                                      | <u>4,535</u> |                   | <u>4,535</u>  | 471                       | <u>5,007</u>  |
| Total amount of comprehensive income           | 14                                      | <u>4,535</u> | <u>5,182</u>      | <u>9,717</u>  | 593                       | <u>10,311</u> |
| Purchase of treasury shares                    |   |              |                   | -0            |                           | -0            |
| Disposal of treasury shares                    |   |              |                   | 38            |                           | 38            |
| Dividend                                       |   |              | -1,138            | -1,138        | -80                       | -1,219        |
| Description of share-based payment arrangement |   |              |                   | -7            |                           | -7            |
| Transfer to retained earnings                  |   | 70           | -70               | —             |                           | —             |
| Total amount of transactions with owners       | —                                       | 70           | -1,209            | -1,108        | -80                       | -1,188        |
| December 31, 2017                              | -278                                    | 6,268        | <u>53,682</u>     | <u>75,051</u> | 1,736                     | <u>76,787</u> |