Summary of Consolidated Financial Statements for the First Quarter of the Term Ending March 2018 (Japan GAAP)

August 3, 2017

Name of Listed Company: TSUMURA & CO. Exchange: Tokyo Stock Exchange

Code: 4540 URL: http://www.tsumura.co.jp

Representative: Position: President & Representative Director Name: Terukazu Kato Contact: Position: Head of Corporate Communications Dept. Name: Noboru Suzuki

Telephone: 81-3-6361-7100

Scheduled date of submission: August 4, 2017

Scheduled date of dividend payment commencement: -

Preparation of supplementary materials for the quarterly financial statements: No.

Holding of the quarterly results briefing: No.

(Figures are rounded down to the nearest one million yen.)

1. Consolidated business results for the first quarter of the term ending March 2018 (from April 1, 2017 to June 30, 2017)

(1) Financial results (year to date)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three month period ended June 30, 2017	29,068	1.3	4,441	-1.1	4,579	9.9	3,194	8.2
Three month period ended June 30, 2016	28,692	7.2	4,489	-6,2	4,168	-18.8	2,952	-5.9

(Note) Comprehensive income

Three month period ended June 30, 2017: 3,312 million yen (-%)Three month period ended June 30, 2016: -316 million yen (-%)

Profit per share

Fully diluted profit per share

Yen

Yen

Yen

Yen

46.45

—

Three month period ended
June 30, 2017

Three month period ended
June 30, 2016

41.87

—

(2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2017	255,385	158,508	61.0
As of March 31, 2017	222,008	157,397	69.7

(Reference) Shareholders' equity: As of June 30, 2017: 155,911 million yen

As of March 31, 2017: 154,783million yen

2. Dividends

2: Biriachas					
		-	Dividend per share		
	End of first	End of second	End of third	End of fiscal year	Total
	quarter	quarter	quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
F Y 3/2017	_	32.00	_	32.00	64.00
F Y 3/2018	_				
FY 3/2018 (Projection)		32.00	_	32.00	64.00

(Note) Revisions to dividends projection published most recently: No

3. Projections of consolidated business results for the term ending March 2018 (From April 1, 2017 to March 31, 2018)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year for full-year and from the second quarter of the previous fiscal year for second quarter (aggregate).)

	Net sale	S	Operating p	profit	Ordinary _I	profit	Profit attributable to of pare	owners	Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (aggregate)	58,600	4.0	8,200	4.2	8,400	14.0	6,100	14.9	88.69
Full-year	120,700	5.0	17,600	10.1	18,100	10.4	12,700	1.7	184.64

(Note) Revisions to business results projection published most recently: No

Notes

(1) Important changes of subsidiaries during the term(change of specified subsidiaries that lead to a change in the scope of consolidation): No

- (2) Application of special accounting practices in consolidated quarterly financial statements preparation: Yes
- (3) Changes in accounting principles and procedures and the method for indication, etc.

1) Changes associated with the revision of accounting principles, etc.: No

2) Change other than 1):

3) Accounting estimate change: No

4) Retrospective restatement: No

- (4) Number of shares issued (common stock)
 - 1) Number of shares issued at the end of the term (including treasury stock) (shares)
 - 2) Number of treasury stock at the end of the term (shares)
 - 3) Average number of shares during the term (shares)

FY 3/2018 1Q	70,771,662	FY 3/2017	70,771,662
FY 3/2018 1Q	1,989,282	FY 3/2017	1,989,282
FY 3/2018 1Q	68,782,380	FY 3/2017 1Q	70,524,031

* Explanation about the proper use of financial projections and other important notes (Note about forward-looking information)

In these materials, earnings forecasts and other statements about the future are forward-looking statements based on the information currently available and certain assumptions that the Company regards as reasonable. Accordingly, the Company cannot make promises to achieve such forecasts. Actual financial results may differ materially from these forecasts depending on a number of important factors.

^{*} This Summary of Consolidated Quarterly Financial Statements does not require the quarterly audit procedure.

(Unit: million yen)	
As of	
une 30, 2017	

Assets Current assets Cash and deposits Cash and deposits 29,931 Notes and accounts receivable-trade 40,347 Merchandise and finished goods 8,122 Work in process 14,547 Raw materials and supplies 29,467 Other 12,266 Allowance for doubtful accounts (4) Total current assets 314,679 Non-current assets 71,301 Accumulated depreciation 71,1301 Accumulated depreciation 71,1301 Accumulated depreciation 71,1041 Total property, plant and equipment 64,686 Intangible assets 266 Intensity 17,530 Note defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts 1,058 Other 3,786 Allowance for doubtful accounts (9) Total investment and other assets 22,376 Total non-current assets 22,376 Total non-current assets 22,376 Total non-current accounts (9) Total investment and other assets 22,376 Total non-current insibilities 1,581 Notes and accounts payable 1,2581 Income taxes payable 1,901 Provision for sales returns 13 Other 1,0691 Total current liabilities 31,883 Non-current fiabilities 31,883 Non-current fiabilities 32,227 Total long-term loans payable 24,376 Net defined benefit liability 8,46 Net defined benefit liability 8,46 Net defined benefit liability 8,46 Net defined benefit liabilities 31,987 Total current liabilities 32,227 Total liabilities 32,227	17
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Work in process 14,547 Raw materials and supplies 29,467 Other 12,266 Allowance for doubtful accounts (4) Total current assets 134,679 Non-current assets 7 Property, plant and equipment 64,429 Other 71,301 Accumulated depreciation (71,044) Total property, plant and equipment 64,686 Investment securities 17,530 Investment acturities 17,530 Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 87,329 Total non-current assets 87,329 Total assets 222,376 Liabilities 1,551 Notes and accounts payable - trade 6,696 Short-term loans payable 12,581 Income taxes payable 1,501 Provision for sales returns 13 Other 31,883	40,346
Raw materials and supplies 29,467 Other 12,266 Allowance for doubtful accounts (4) Total current assets 134,679 Non-current assets 134,679 Non-current assets	8,262
Other 12,266 Allowance for doubtful accounts (4) Total current assets 134,679 Non-current assets	14,206
Allowance for doubtful accounts Total current assets Non-current assets Property, plant and equipment Buildings and structures Other 71,301 Accumulated depreciation 71,044 Total property, plant and equipment 64,686 Intangible assets 266 Investment and other assets Investment and other assets Investment and other assets Investment securities 1,7530 Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 222,008 Liabilities Current liabilities Notes and accounts payable - trade 6,696 Short-term loans payable - short expert 1,901 Provision for sales returns 1,901 Other 1,901 Protice 3,1,883 Non-current liabilities 31,883 Non-current liabilities 31,883 Non-current liabilities 31,883 Non-current liabilities 32,727 Total property, plant and equipment 1,901 Provision for sales returns 1,904 Net defined benefit liability 84 Other 2,207 Total non-current liabilities 32,727 Total non-current liabilities 32,727 Total non-current liabilities 32,727 Total property, plant and equipment 1,904 Retained earnings 1,940 Retained earnings 1,940 Retained earnings 1,940 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	27,843 12,893
Total current assets Source Sourc	(4)
Non-current assets Property, plant and equipment Buildings and structures 64,429 Other 71,301 Accumulated depreciation (71,044) 71,044 7	166,090
Property, plant and equipment 64,429 Other 71,301 Accumulated depreciation (71,044) Total property, plant and equipment 64,686 Intangible assets 266 Investment and other assets 17,530 Investment securities 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 87,329 Total assets 222,008 Liabilities 222,008 Notes and accounts payable - trade 6,696 Short-term loans payable 12,581 Income taxes payable 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities 31,883 Non-current liabilities 4,376 Not defined benefit liability 84 Other 8,267 Total non-current liabilities 32,272 Total fined benefit liabilities 46,611 Net assets 5 <tr< td=""><td>100,070</td></tr<>	100,070
Buildings and structures 64,429 Other 71,301 Accumulated depreciation (71,044) Total property, plant and equipment 64,686 Intangible assets 266 Investment and other assets 17,530 Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 22,376 Total assets 222,008 Liabilities 222,008 Current liabilities 6,696 Short-term loans payable - trade 6,696 Short-term loans payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 32,727 Total liabilities 64,611	
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Total property, plant and equipment 64,686 Intangible assets 266 Investment and other assets 17,530 Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 87,329 Total non-current assets 222,008 Liabilities 87,329 Current liabilities 222,008 Notes and accounts payable - trade 6,696 Short-term loans payable 12,581 Income taxes payable 19,01 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities 31,883 Non-current liabilities 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 46,611 Net assets Shareholders' equity 1,940 Retained earnings	(72,161)
Investment and other assets 17,530 Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 222,008 Eliabilities E	65,508
Investment securities	317
Net defined benefit asset 1,058 Other 3,786 Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 87,329 Total assets 222,008 Liabilities 8 Current liabilities 6,696 Short-term loans payable - trade 6,696 Short-term loans payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 4,376 Net defined benefit liability 8,267 Total non-current liabilities 32,727 Total liabilities 32,727 Total liabilities 19,487 Capital stock 19,487 Capital stock 19,487 Capital stock 1,940 Retained earnings 1,940 Retained earnings 1,940 Retained earnings <	
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Allowance for doubtful accounts (0) Total investment and other assets 22,376 Total non-current assets 87,329 Total assets 222,008 Liabilities 222,008 Current liabilities 6,696 Notes and accounts payable - trade 6,696 Short-term loans payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 32,727 Total shareholders' equity 46,611 Net assets 19,487 Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 3,845	1,246
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Total non-current assets 87,329 Total assets 222,008 Liabilities Current liabilities Notes and accounts payable - trade 6,696 Short-term loans payable 12,581 Income taxes payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 4,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total sibilities 32,727 Total liabilities 46,611 Net assets 5 Shareholders' equity 19,487 Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 45,972 Accumulated other comprehensive income 7,984 Valuatio	(0)
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Liabilities Current liabilities Notes and accounts payable - trade 6,696 Short-term loans payable 12,581 Income taxes payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total labilities 32,727 Total socurrent liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 415,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities	89,295
Current liabilities 6,696 Short-term loans payable 12,581 Income taxes payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets 19,487 Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 45,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities	255,385
Notes and accounts payable 6,696 Short-term loans payable 12,581 Income taxes payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	
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Income taxes payable 1,901 Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities - Bonds payable - Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	6,453 25,314
Provision for sales returns 13 Other 10,691 Total current liabilities 31,883 Non-current liabilities — Bonds payable — Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	1,775
Other 10,691 Total current liabilities 31,883 Non-current liabilities — Bonds payable — Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities	1,773
Total current liabilities 31,883 Non-current liabilities — Bonds payable — Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	15,651
Non-current liabilities Bonds payable Long-term loans payable At defined benefit liability Other Solution current liabilities Total non-current liabilities Total liabilities	49,198
Bonds payable — Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	17,170
Long-term loans payable 24,376 Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income 3,845	30,000
Net defined benefit liability 84 Other 8,267 Total non-current liabilities 32,727 Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income 3,845	9,376
Total non-current liabilities Total liabilities Shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities 32,727 64,611 19,487 19,487 19,997 129,937 129,937 15,393) 145,972 3,845	86
Total liabilities 64,611 Net assets Shareholders' equity Capital stock 19,487 Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	8,216
Net assets Shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities 19,487 1,940 129,937 (5,393) 129,937 145,972 3,845	47,678
Shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities 19,487 1,940 129,937 129,937 129,937 145,972 3,845	96,877
Capital stock Capital surplus Retained earnings 119,487 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	
Capital surplus 1,940 Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	
Retained earnings 129,937 Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	19,487
Treasury shares (5,393) Total shareholders' equity 145,972 Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	1,940
Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities 145,972 3,845	130,931
Accumulated other comprehensive income Valuation difference on available-for-sale securities 3,845	(5,393)
Valuation difference on available-for-sale securities 3,845	146,966
·	4,613
Deferred gains or losses on hedges 925	948
Revaluation reserve for land 2,673	2,673
Foreign currency translation adjustment 1,470	2,073 764
Remeasurements of defined benefit plans (102)	(55)
Total accumulated other comprehensive income 8,811	8,944
Non-controlling interests 2,613	2,597
Total net assets 157,397	158,508
Total liabilities and net assets 222,008	255,385

(ii) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income Quarterly consolidated statement of income / For the First Quarter Consolidated Accumulative Term

(Unit: million yen) Three month period ended Three month period ended June 30, 2016 June 30, 2017 (From April 1, 2016 (From April 1, 2017 to June 30, 2016) to June 30, 2017) Net sales 28,692 29,068 Cost of sales 12,272 12,366 16,419 16,701 Gross profit 11,930 12,259 Selling, general and administrative expenses 4,489 Operating profit 4,441 Non-operating income Interest income 15 14 Dividend income 187 184 Share of profit of entities accounted for using equity method 18 Foreign exchange gains 14 Other 129 95 Total non-operating income 326 333 Non-operating expenses Interest expenses 38 39 143 Bond issuance cost Share of loss of entities accounted for using equity method 18 Foreign exchange losses 592 5 Other Total non-operating expenses 653 188 Ordinary profit 4,168 4,579 Extraordinary income Gain on sales of non-current assets Total extraordinary income Extraordinary losses 5 Loss on sales of non-current assets 3 Loss on retirement of non-current assets 15 Loss on disaster 4 20 Total extraordinary losses 4,161 4,561 Profit before income taxes Income taxes 1,135 1,288 3,025 3,272 **Profit** Profit attributable to non-controlling interests 73 77 2,952 3,194 Profit attributable to owners of parent

(Unit: million yen)

	(Onit. minor yen)
Three month period ended	Three month period ended
June 30, 2016	June 30, 2017
(From April 1, 2016	(From April 1, 2017
to June 30, 2016)	to June 30, 2017)
3,025	3,272
(249)	768
(1,840)	23
(1,271)	(784)
51	47
(32)	(14)
(3,342)	39
(316)	3,312
	_
(189)	3,328
(127)	(16)
	June 30, 2016 (From April 1, 2016 to June 30, 2016) 3,025 (249) (1,840) (1,271) 51 (32) (3,342) (316)

(Unit: million yen)

	Three month period ended June 30, 2016	Three month period ended June 30, 2017
	(From April 1, 2016 to June 30, 2016)	(From April 1, 2017 to June 30, 2017)
Cash flows from operating activities	to June 30, 2010)	to suite 30, 2017)
Profit before income taxes	4,161	4,561
Depreciation	1,284	1,503
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Interest and dividend income	(203)	(198)
Interest expenses	38	39
Bond issuance cost	_	143
Share of (profit) loss of entities accounted for using equity method	18	(18)
Loss (gain) on sales and retirement of property, plant and equipment	3	18
Decrease (increase) in notes and accounts receivable - trade	607	(31)
Decrease (increase) in inventories	(378)	1,379
Increase (decrease) in notes and accounts payable - trade	(420)	(120)
Decrease (increase) in net defined benefit asset	(71)	(93)
Increase (decrease) in net defined benefit liability	(20)	(24)
Other	2,982	2,915
Subtotal	7,998	10,074
Interest and dividend income received	222	197
Interest expenses paid	(37)	(32)
Income taxes paid	(2,662)	(1,607)
Net cash provided by (used in) operating activities	5,520	8,631
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,103)	(1,134)
Proceeds from sales of property, plant and equipment		3
Purchase of intangible assets	(8)	(64)
Purchase of short-term and long-term investment securities	(2)	(2)
Payments of loans receivable	(0)	(1)
Collection of loans receivable		0
Payments into time deposits	(9)	(8)
Proceeds from withdrawal of time deposits	12	(11)
Other	(11)	(11)
Net cash provided by (used in) investing activities	(4,122)	(1,219)
Cash flows from financing activities Decrease in short-term loans payable		(2.267)
Proceeds from issuance of bonds		(2,267) 29,856
	(2,187)	(2,143)
Cash dividends paid Other	(8)	(2,143) (10)
Net cash provided by (used in) financing activities	(2,195)	25,436
Effect of exchange rate change on cash and cash equivalents	$\frac{(2,193)}{(151)}$	(245)
Net increase (decrease) in cash and cash equivalents	(948)	32,603
Cash and cash equivalents at beginning of period	25,128	29,901
Increase in cash and cash equivalents from newly consolidated subsidiary	290	2),901
Cash and cash equivalents at end of period	24,470	62,504
Cash and Cash equivalents at old of period		02,304

(iv)Notes to the Consolidated Quarterly Financial Statements

(Notes on premise of a going concern)

No relevant items.

(Notes on case of extreme change in shareholder's equity amount)

No relevant items.

(Transfer of important subsidiaries during the quarter under review)

No relevant items.

Though not a transfer of a specified subsidiary, Tsumura China Inc. has been consolidated due to the completion of investment in the company during the first quarter of the fiscal year under review.

(Application of specific accounting treatment to the preparation of quarterly financial statements)

(Deferment of cost variance)

Cost variance caused by seasonal changes in operation rates, etc. is expected to be eliminated for the most part by the end of the cost accounting period, which is, therefore, deferred as "current liabilities (other)."