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## Financial Results Summary for the First Quarter of the Fiscal Year Ended March 31, 2019 [Japan GAAP] (Consolidated)

August 10, 2018

Company Name Tabuchi Electric Co., Ltd. Exchange listed on: Tokyo Stock Exchange  
 Securities code 6624 URL <http://www.zbr.co.jp>  
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 Corporate Director, Executive  
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 Scheduled date for submission of quarterly report: August 10, 2018 Scheduled commencement date of dividends payment: —  
 Preparation of supplementary materials for report : Yes  
 Convening results briefing : No

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Operating Results for the First Quarter of the Fiscal Year Ended March 31, 2019 (From April 1, 2018 to June 30, 2018)

#### (1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders	
	million yen	%	million yen	%	million yen		million yen	%
First quarter of the fiscal year ending March 31, 2019	5,824	(18.3%)	(815)	—	(697)	—	(743)	—
First quarter of the fiscal year ending March 31, 2018	7,130	12.6%	(852)	—	(829)	—	(838)	—

(Note) Comprehensive income: First quarter of the Fiscal year ended March 31, 2019 -¥837 million yen (-)  
 First quarter of the Fiscal year ended March 31, 2018 -¥834 million yen (-)

	Net income per share	Net income per share - fully diluted
	yen	yen
First quarter of the fiscal year ending March 31, 2019	(18.41)	—
First quarter of the fiscal year ending March 31, 2018	(20.75)	—

#### (2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
First quarter of the fiscal year ending March 31, 2019	21,808	439	2.0
First quarter of the fiscal year ending March 31, 2018	22,695	1,277	5.6

(Reference) Shareholders' equity: First quarter of the Fiscal year ended March 31, 2019 ¥439 million yen  
 First quarter of the Fiscal year ended March 31, 2018 ¥1,277 million yen

## 2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total
	yen	yen	yen	yen	yen
Fiscal year ending March 31, 2018	—	0.00	—	0.00	0.00
Fiscal year ended March 31, 2019					

(Note) The end of Fiscal year ending March 31, 2019 dividends is not conformed yet

## 3. Consolidated Operating Results Forecast for the fiscal year ending March 31, 2019

(From April 1, 2018 to March 31, 2019)

The Company and two domestic subsidiaries made formal applications for business turnaround ADR procedure to the Japanese Association of Turnaround Professionals (“JATP”) on June 25, 2018, and received acceptance the same day, while continuing consultation with all financial institutions dealing with business, We are in the process of formulating a business turnaround plan. As the business turnaround plan is expected to affect the Company's business forecasts, we have decided that the previously disclosed performance forecast will be undecided, we plan to revise the earnings forecasts without delay after the plan is finalized.

### \* Notes

(1) Major changes in subsidiaries during the first three months of the fiscal year ending March 31, 2019 : None  
(Changes in specified subsidiaries resulting in a change in the scope of consolidation)

(2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements : None

(3) Changes in accounting policies or estimates and retrospective restatements

1) Changes in accounting policies in line with revisions in accounting standards : None

2) Changes in accounting policies other than item 1) above : None

3) Changes in accounting estimates : None

4) Retrospective restatements : None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	First quarter of the fiscal year ending March 31, 2019	40,502,649shares	Fiscal year ended March 31, 2018	40,502,649shares
2) Number of shares of treasury stock at the end of the period	First quarter of the Fiscal year ending March 31, 2019	85,132shares	Fiscal year ended March 31, 2018	85,132shares
3) Average number of shares issued during the first three months	First quarter of the Fiscal year ending March 31, 2019	40,417,517shares	First quarter of the Fiscal year ended March 31, 2018	40,417,562shares

\* Financial Results Summary is not subject to audit

\* Explanation for appropriate use of operating results forecasts, other special notes  
The operating results forecasts are prepared based on the information available as of the date of the announcement of the material and the actual results may differ from forecasts due to various factors.

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## 1. Analysis of Business Results and Financial Position Concerning Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019

### (1) Analysis of Business Results

In the global economy during the consolidated cumulative first quarter under review, continuing moderate expansion of the economy against the backdrop of improved employment and income environment in the US economy and in the background of the expansion of exports and firmness of personal consumption recovery continued in Europe. In China and emerging economies as a whole, showed signs of recovery. Meanwhile, the influence of US-China and US-European trade friction, which began with the import tariff triggered by the United States, would affect the world economy. The Japanese economy continued a moderate recovery trend against the situation of improved corporate earnings and employment environment.

Under such business environment, Despite of the strong performance mainly in sales to industrial equipment for transformer business, power supply for amusement machine declined for power supply unit business. In addition, due to the problem of procedures related to the revised FIT law in the domestic PV power generation market, the situation where the new certification is stagnant continues.

As a result, for the consolidated fiscal year under review, the Company Group posted net sales of 5,824 million yen (down 18.3% year on year), operating loss of 815 million yen (compared to operating loss of 852 million yen for the same period in the previous fiscal year), and ordinary loss of 697 million yen (compared to ordinary loss of 829 million yen for the same period in the previous fiscal year), and net loss attributable to owners of the parent was 743 million yen (compared to net loss attributable to owners of the parent of 838 million yen for the same period in the previous fiscal year).

The operating results by segment are as follows:

#### (i) Transformers Business

In the transformer business, although sales were strong, especially sales to industrial equipment, were affected by the soaring price of raw materials such as steel in terms of cost, posted net sales of 2,818 million yen (up 7.4% year on year) and an operating income of 74 million yen (down 11.0% from the previous term).

#### (ii) Power Supplies Business,

Due to a decrease in power supply for amusement and a decrease in inverter for PV power generation due to the slump in domestic PV power generation market, and net sales amounted to 3,005 million yen (down 33.3% from the previous term). Operating loss was 858 million yen (operating loss was 881 million yen in the same period of the previous fiscal year).

### (2) Summary of Financial Position for the Current Fiscal Year

As for the financial position for the first quarterly current fiscal year end, total assets stood at 21,808 million yen, a decrease of 886 million yen from the previous consolidated fiscal year end. This was mainly due to a decrease in cash and deposits of 435 million yen and investment securities of 24 million yen, respectively. Total liabilities amounted to 21,369 million, a decrease of 49 million yen from the end of the previous consolidated fiscal year. This was mainly due to the decrease in electronic record liabilities of 91 million yen and long-term borrowings by 85 million yen, respectively.

Net assets stood at 439 million yen, a decrease of 837 million yen from the previous consolidated fiscal year end. This was primarily due to the posting of a net loss attributable to owners of the parent of 743 million yen.

### (3) Explanation about future forecast information such as forecast of consolidated performance

The Company and two domestic subsidiaries made formal applications for the Business Turnaround ADR Procedures to the Japanese Association of Turnaround Professionals (“JATP”) on June 25, 2018, and received acceptance on the same day, and are currently discussing with all financial institutions dealing with business while planning a business turnaround plan is being formulated. As the business turnaround plan is expected to affect the Company's business forecasts, we plan to revise the earnings forecasts without delay after the plan is finalized.

Regarding forecasts of earnings, we have judged based on information available as of the announcement date, and actual results may differ from forecast figures due to various factors in the future.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	Previous fiscal year (March 31, 2018)	First quarter of the current fiscal year (June 30, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	2,623	2,188
Notes and accounts receivable - trade	4,426	4,212
Electronically recorded monetary claims - operating	70	70
Merchandise and finished goods	4,382	4,380
Work in process	437	429
Raw materials and supplies	2,663	2,703
Other	996	821
Allowance for doubtful accounts	(0)	(0)
<b>Total current asset</b>	<b>15,598</b>	<b>14,806</b>
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	1,430	1,358
Other, net	2,291	2,284
<b>Total property, plant and equipment</b>	<b>3,722</b>	<b>3,642</b>
<b>Intangible assets</b>	<b>137</b>	<b>136</b>
Investments and other assets		
Investment securities	1,733	1,709
Other	1,504	1,514
Allowance for doubtful accounts	(1)	(1)
<b>Total investments and other assets</b>	<b>3,237</b>	<b>3,222</b>
<b>Total non-current assets</b>	<b>7,096</b>	<b>7,001</b>
Deferred assets	0	0
<b>Total assets</b>	<b>22,695</b>	<b>21,808</b>

	(Millions of yen)	
	Previous fiscal year (March 31, 2018)	First quarter of the current fiscal year (June 30, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,679	2,775
Electronically recorded obligations - operating	1,056	965
Short-term loans payable	8,094	8,295
Current portion of long-term loans payable	30	30
Current portion of bonds	776	660
Lease obligations	41	32
Income taxes payable	66	59
Provision for bonuses	218	192
Provision for product warranties	197	187
Other	1,853	1,946
Total current liabilities	15,015	15,145
Non-current liabilities		
Long-term loans payable	1,788	1,728
Lease obligations	2	7
Net defined benefit liability	560	546
Long-term unearned revenue	3,241	3,191
Other	809	749
Total non-current liabilities	6,402	6,223
<b>Total liabilities</b>	<b>21,418</b>	<b>21,369</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,611	3,611
Retained earnings	(1,947)	(2,691)
Treasury shares	(21)	(21)
Total shareholders' equity	1,642	898
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71	55
Deferred gains or losses on hedges	(3)	(12)
Foreign currency translation adjustment	(397)	(468)
Re-measurements of defined benefit plans	(36)	(33)
Total accumulated other comprehensive income	(365)	(459)
<b>Total net assets</b>	<b>1,277</b>	<b>439</b>
<b>Total liabilities and net assets</b>	<b>22,695</b>	<b>21,808</b>

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

First three months of the current fiscal year

(Millions of yen)

	First three months of the previous fiscal year (From April 1, 2017 To June 30, 2017)	First three months of the current fiscal year (From April 1, 2018 to June 30, 2018)
Net sales	7,130	5,824
Cost of sales	6,606	5,285
Gross profit	524	538
Selling, general and administrative expenses	1,376	1,354
Operating income	(852)	(815)
Non-operating income		
Interest income	1	2
Dividend income	3	4
Exchange gain	33	158
Share of profit of entities accounted for using equity method	10	16
Other	19	11
Total non-operating income	69	193
Non-operating expenses		
Interest expenses	35	33
Commission paid	1	27
Other	8	13
Total non-operating expenses	45	74
Ordinary income (loss)	(829)	(697)
Extraordinary loss		
Impairment loss	-	84
Total extraordinary losses	-	84
Income (loss) before income taxes and minority interests	(829)	(782)
Income taxes - current	21	46
Income taxes - deferred	(11)	(85)
Total income taxes	9	(38)
Net income(loss)	(838)	(743)
Net income attributable to parent company shareholders	(838)	(743)

Quarterly Consolidated Statement of Comprehensive Income

First three months of the current fiscal year

(Millions of yen)

	First three months of The previous fiscal year (From April 1, 2017 to June 30, 2017)	First three months of The current fiscal year (From April 1, 2018 to June 30, 2018)
Net income(Loss)	(838)	(743)
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	(16)
Deferred gains or losses on hedges	20	(8)
Foreign currency translation adjustment	6	(53)
Re-measurements of defined benefit plans, net of tax	4	2
Share of other comprehensive income of entities accounted for using equity method	(9)	(18)
Total other comprehensive income	4	(93)
Comprehensive income	(834)	(837)
(Breakdown)		
Comprehensive income attributable to parent company shareholders	(834)	(837)

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

The Group recorded consolidated operating loss of 4,361 million yen, consolidated ordinary loss of 4,432 million yen and net loss of 8,830 million yen attributable to parent company shareholders in the previous consolidated fiscal year. Even in the first quarter consolidated accounting period, an operating loss of 815 million yen, a consolidated ordinary loss of 697 million yen, and a net loss attributable to parent company shareholders of 743 million yen, then Net assets on the consolidated balance sheet totaled 439 million yen.

In addition, about the non-consolidated statement situation, we recorded an operating loss of 731 million yen, an ordinary loss of 445 million yen, and a net loss of 660 million yen in the same financial period. As a result of this, borrowing agreements concluded with some financial institutions (outstanding amount of 3,996 million as of June 30, 2018) conflict with the financial restriction provision of this contract. The details of the financial covenant are as follows

- ① Standard for consolidated net assets: The Company must maintain net assets at 65% or above of the value of the net assets of the consolidated balance sheet as of March 31, 2017.
- ② Standard for non-consolidated net assets: The Company must maintain net assets at 60% or above of the value of the net assets of the non-consolidated balance sheet as of March 31, 2017, and retained earnings of net assets at a value of zero or above.
- ③ Standard for maintenance of consolidated profits: The Company will not be allowed to post ordinary losses for two consecutive quarters in the consolidated statement of income from the second quarter ending September 30, 2017 onward.
- ④ Standard for maintenance of non-consolidated profits: The Company will not be allowed to post ordinary losses for two consecutive quarters in the non-consolidated statement of income from the second quarter ending September 30, 2017 onward.

As these circumstances correspond to situations such as significant operating losses, recording of ordinary losses and net losses attributable to the parent company, There are situations of the conflicts with financial covenants, etc., it is necessary to cause important doubts on the premise of going concern.

In order to resolve this situation, we are implementing the following measures to realize reform of profit structure and recovery of business performance, to expand sales both in Japan and overseas, we will realize securing cash flows on medium and long-term growth.

#### 1. About business promotion

##### 1) Promotion new mid-term business plan(MBP2022)

In order to realize further profit structure reform and business performance recovery, we formulated a five-year medium-term business plan from fiscal 2018 to 2022 and expanded in the power electronics market with "Global Power-Solution Company" as the basic strategy. We will push forward the development.

##### (1) Business organization reform

We are positioning the new automotive business as the third main business area with "distinctive devices" utilizing advanced power electronics technology and "power and solution that is different to one another", and we will begin full-fledged efforts. As well as power and device businesses, we will promote initiatives that respond to changes in the business environment.

##### ① Energy-solution business division

- i ) Restructure domestic business base (Prioritize for residential and power storage systems that are expected to grow in the future)
- ii ) Developed to the Global Distributed Energy Resources (DER) market
- iii ) Strengthening cost effectiveness through platformization

##### ② Power supply & device business division

- i ) Steady expansion of transformer / coil for consumer, industrial, automotive
- ii ) New development to PDIC applied products cultivated with power supply for amusement machine

③Automotive business

i ) Taking full advantage of proprietary power electronics technology cultivated through PV power generation, full-scale entry into automotive related business such as in-vehicle equipment and wireless power supply equipment

(2) Business promotion through customer orientation

We work closely with customers, planning, development, production, sales and after-sales service of products that truly appreciate at the site of use, sincerely facing various needs and fulfilling their needs.

2) Business organization reform

With the introduction of the business division system organization, we are promoting global product development and sales structure by (1) prompt decision making, (2) clarification of business-specific profitability responsibilities, and (3) manufacturing, engineering and sales integration.

3) Fixed cost reduction

In addition to promoting thorough labor saving and reviewing the production layout at overseas bases, we are trying to optimize the production system and also to reduce personnel expenses by reducing executive compensation and bonuses, reviewing labor composition, etc. and managing logistics costs, etc. We are striving to thoroughly reduce fixed expenses, such as reduction of possible expenses.

2. Stabilizing the financial base

About the borrowing loan which already conflict with financial covenants, we request to grace a request for loss of profit for the deadline to the group of banks. And we have received consent from each bank. In addition, we have entered into a contract change agreement with major banks on repayment of long-term borrowings principal. We maintain a close relationship with major banks, mainly in the main bank, and we believe that continuous support will be obtained.

In addition, the Company and its subsidiaries Tabuchi Electronics Industry Co., Ltd. and Tecno Electric Industry Co., Ltd. announced that on June 25, 2018, have officially applied for the business Turnaround ADR procedure under the Specified Certified Dispute Settlement Procedure (hereinafter referred to as "Business Turnaround ADR Procedure") to the Japanese Association of Turnaround Professionals ("JATP"), which is a formal institution for this procedure. On the same day, we sent a "notice of Temporary suspension" to all financial institutions. The First Creditors' Meeting was successfully conducted on July 4, 2018, and all the related financial institutions formally approved the "Notice of Temporary Suspension" and consented to extending the temporary suspension period to the end of the creditors' meeting for resolution of the proposed business turnaround plan (including continuing or postponing, where applicable). In addition, the date and time of the creditors' meeting for discussing the proposed business turnaround plan (the "Second Creditors' Meeting") and the creditors' meeting for the resolution of the proposed business turnaround plan (the "Third Creditors' Meeting") was approved. Further, we are planning to acquire DIP financing from the main bank, and all the related financial institutions approved the implementation of such financing, the grant of preferential payment rights for claims pertaining to such financing, and other matters. In addition, the second creditors' meeting was held on August 6, 2018, and we made a status report that it is expected that it will take some time to formulate the business turnaround plan at the moment, also approved by all of our financial institutions to hold a creditors' meeting (a continuation meeting of the second creditors' meeting) for the purpose of continuing the consultation of the proposed business turnaround plan.

In the future, while proceeding with consultation with all financial institutions in the business turnaround ADR procedure, we receive survey, guidance and advice from JATP in a fairly neutral position, and will be in charge of the next second creditor's meeting. We will formulate a business turnaround plan by the end of the meeting and aim for establishment by agreement of all financial institutions in the third creditors' meeting.

However, these countermeasures are in the process of being implemented, and depending on the above-mentioned countermeasures, depending on the progress of the project in the future and the situation of consultation with major banks, there is a possibility that it will have a significant influence on future cash flow,

we recognize that there is an important uncertainty regarding the premise of the going concern at the present time. Therefore, by steadily implementing the aforementioned management improvement measures and maintaining close relationships with major banks, we strive to eliminate events or situations that may cause important doubts concerning the premise of going concern.

The consolidated financial statements are prepared on the premise of a going concern, and the effects of significant uncertainties concerning the premise of such continuing companies are not reflected in the consolidated financial statements.

(Notes when there is a significant change in the amount of shareholders' equity)

For the first quarter consolidated accounting period (From April 1, 2018 to June 30, 2018)

Not applicable.

(Segment Information)

I First three months of the previous fiscal year (From April 1, 2017 to June 30, 2017)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustments	Amount on Consolidated Statement of Income
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	2,624	4,506	7,130	-	7,130
Intersegment net sales or transfers	315	-	315	(315)	-
Total	2,940	4,506	7,446	(315)	7,130
Segment income	83	(881)	(797)	(54)	(852)

(Notes) 1. Adjustment of -54 million yen to segment income is all-company expenses that are not distributed to each reportable segment.

All-company expenses are primarily research and development expenses that do not belong to reportable segments.

2. Segment income is adjusted with operating income on the Quarterly Consolidated Statement of Income.

II First three months of the current fiscal year (From April 1, 2018 to June 30, 2018)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustments	Amount on Consolidated Statement of Income
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	2,818	3,005	5,824	-	5,824
Intersegment net sales or transfers	232	-	232	(232)	-
Total	3,050	3,005	6,056	(232)	5,824
Segment income	74	(858)	(784)	(31)	(815)

(Notes) 1. Adjustment of -31 million yen to segment income is all-company expenses that are not distributed to each reportable segment.

All-company expenses are primarily research and development expenses that do not belong to reportable segments.

2. Segment income is adjusted with operating income on the Quarterly Consolidated Statement of Income.

(Additional Information)

Partial Amendments to "Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) from the beginning of the first quarter consolidated accounting period, deferred tax assets are shown in the investment and other assets classification, and deferred tax liabilities are presented in the classification of long-term liabilities.

### 3. Others

Important events on the premise of going concern etc.

The Group recorded consolidated operating loss of 3,333 million yen, consolidated ordinary loss of 3,415 million yen and net loss of 5,782 million yen attributable to parent company shareholders in the previous consolidated fiscal year. Even in this consolidated fiscal year, an operating loss of 4,361 million yen, a consolidated ordinary loss of 4,432 million yen, and a net loss attributable to parent company shareholders of 8,830 million yen.

As a result, we have conflicted with the financial covenant provision of the agreement concerning borrowing agreements (with outstanding borrowings of 3,981 million yen as of March 31, 2018) that we have concluded with some financial institutions.

Due to these circumstances, situations exist that cause important doubt on the premise of a going concern.

In order to resolve this situation and to realize reform of earnings structure and recovery of business results, the Group has adopted "3. Consolidated financial statements and major notes (5) Notes on consolidated financial statements (As described in Note), we will implement the following measures to expand sales both in Japan and overseas and realize cash flow for medium- to long-term growth.

#### 1. About business promotion

- 1) Promotion new mid-term business plan(MBP2022)
- 2) Business organization reform
- 3) Fixed cost reduction

#### 2. Stabilizing the financial base

About the borrowing loan which already conflict with financial covenants, we request to grace a request for loss of profit for the deadline to the group of banks. And we have received consent from each bank. In addition, we have entered into a contract change agreement with major banks on repayment of long-term borrowings principal. We maintain a close relationship with major banks, mainly in the main bank, and we believe that continuous support will be obtained.

In addition, the Company and its subsidiaries Tabuchi Electronics Industry Co., Ltd. and Tecno Electric Industry Co., Ltd. announced that on June 25, 2018, have officially applied for the business Turnaround ADR procedure under the Specified Certified Dispute Settlement Procedure (hereinafter referred to as "Business Turnaround ADR Procedure" use to the Japanese Association of Turnaround Professionals ("JATP"), which is a formal institution. On the same day, we sent a "notice of Temporary suspension" to all financial institutions. The First Creditors' Meeting was successfully conducted on July 4, 2018, and all the related financial institutions formally approved the "Notice of Temporary Suspension" and consented to extending the temporary suspension period to the end of the creditors' meeting for resolution of the proposed business turnaround plan (including continuing or postponing, where applicable). In addition, the date and time of the creditors' meeting for discussing the proposed business turnaround plan (the "Second Creditors' Meeting") and the creditors' meeting for the resolution of the proposed business turnaround plan (the "Third Creditors' Meeting") was approved as described at the end of this notice. Further, we are planning to acquire DIP financing from the main bank, and all the related financial institutions approved the implementation of such financing, the grant of preferential payment rights for claims pertaining to such financing, and other matters. In addition, the second creditors' meeting was held on August 6, 2018, and we made a status report that it is expected that it will take some time to formulate the business turnaround plan at the moment, also approved by all of our financial institutions to hold a creditor meeting (a continuation meeting of the second creditors' meeting) for the purpose of continuing the consultation of the proposed business turnaround plan.

In the future, while proceeding with consultation with all financial institutions in the business turnaround ADR procedure, we receive survey, guidance and advice from JATP in a fairly neutral position, and will be in charge of the next second creditors' meeting, we will formulate a business turnaround plan by the end of the meeting and

aim for establishment by agreement of all financial institutions in the third creditors' meeting.

However, these countermeasures are in the process of being implemented, and depending on the above-mentioned countermeasures, depending on the progress of the project in the future and the situation of consultation with major banks, there is a possibility that it will have a significant influence on future cash flow. We recognize that there is an important uncertainty regarding the premise of the going concern at the present time. Therefore, by steadily implementing the aforementioned management improvement measures and maintaining close relationships with major banks, we strive to eliminate events or situations that may cause important doubts concerning the premise of going concern.