

Summary of the Consolidated Financial Results for the second Quarter Ended September 30, 2019

① Financial Statements

1) Consolidated Balance Sheets

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2019/3	2019/9
Cash and deposits	14,886	15,973
Notes and accounts receivable-trade	11,255	9,800
Securities	1,662	1,526
Merchandise and finished goods	2,858	2,569
Work in process	1,536	1,169
Raw materials and supplies	2,226	2,184
Other	707	504
Allowance for doubtful accounts	△ 120	△ 92
Current assets	35,012	33,634
Buildings and structures, net	7,760	7,446
Machinery, equipment and vehicles, net	5,870	6,129
Land	6,855	6,843
Other, net	1,089	1,338
Property, plant and equipment	21,576	21,758
Intangible assets	143	190
Investment securities	13,526	12,908
Other	3,322	3,219
Allowance for doubtful accounts	△ 533	△ 514
Investments and other assets	16,315	15,613
Non-current assets	38,035	37,562
Assets	73,047	71,196

※Note

- This report contains estimates and forecasts pertaining to the future plans and business results. Such statements are based on information available at the time of the report's production and include potential risks and uncertainties. Actual results may differ from estimates and forecasts contained herein.
- Numbers with "△" indicate negative numbers.

Millions of yen

	FISCAL YEAR	SECOND QUARTER
	2019/3	2019/9
Notes and accounts payable – trade	1,563	1,256
Short-term loans payable	488	463
Income taxes payable	93	137
Provision for bonuses	711	661
Other	2,658	2,167
Current liabilities	5,515	4,686
Net defined benefit liability	7,779	7,524
Provision for business structure improvement	22	21
Provision for share-based remuneration	27	38
Other	674	668
Non-current liabilities	8,504	8,253
Liabilities	14,019	12,940
Capital stock	4,102	4,102
Capital surplus	7,129	7,129
Retained earnings	44,367	44,259
Treasury shares	△ 155	△ 149
Shareholders' equity	55,443	55,341
Valuation difference on available-for-sale securities	2,505	2,320
Revaluation reserve for land	160	160
Foreign currency translation adjustment	△ 319	△ 772
Remeasurements of defined benefit plans	△ 46	△ 22
Total accumulated other comprehensive income	2,299	1,685
Non-controlling interests	1,285	1,229
Net assets	59,028	58,256
Liabilities and net assets	73,047	71,196

2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Millions of yen

	SECOND QUARTER	
	2018/4-9	2019/4-9
Net sales	20,875	18,503
Cost of sales	15,411	14,253
Gross profit	5,463	4,249
Selling expenses	2,328	2,504
General and administrative expenses	1,741	1,659
Selling, general and administrative expenses	4,070	4,164
Operating profit	1,392	85
Interest income	31	37
Dividend income	98	104
Foreign exchange gains	92	—
Share of profit of entities accounted for using equity method	22	0
Miscellaneous income	46	46
Non-operating income	291	189
Interest expenses	4	3
Foreign exchange losses	—	70
Miscellaneous loss	2	1
Non-operating expenses	6	75
Ordinary profit	1,678	199
Gain on sales of investment securities	—	308
Gain on liquidation of subsidiaries	19	—
Extraordinary income	19	308
Profit before income taxes	1,697	507
Income taxes – current	382	77
Income taxes – deferred	3	76
Income taxes	385	153
Profit	1,312	353
Profit attributable to non-controlling interests	71	16
Profit attributable to owners of parent	1,240	337

Consolidated Statements of Comprehensive Income

Millions of yen

	SECOND QUARTER	
	2018/4-9	2019/4-9
Profit	1,312	353
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 12	△ 185
Revaluation reserve for land	△ 2	—
Foreign currency translation adjustment	△ 616	△ 207
Remeasurements of defined benefit plans	15	28
Share of other comprehensive income of entities accounted for using equity method	△ 339	△ 287
Other comprehensive income	△ 954	△ 651
Comprehensive income	357	△ 297
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	486	△ 243
Comprehensive income attributable to non-controlling interests	△ 129	△ 53

3) Consolidated Statements of Cash Flows

Millions of yen

	SECOND QUARTER	
	2018/4-9	2019/4-9
Cash flows from operating activities		
Profit before income taxes	1,697	507
Depreciation	1,184	1,250
Increase (decrease) in allowance for doubtful accounts	△ 283	△ 25
Increase (decrease) in provision for bonuses	△ 33	△ 47
Increase (decrease) in net defined benefit liability	20	△ 197
Increase (decrease) in provision for stock benefits	9	10
Increase (decrease) in provision for share-based remuneration	△ 0	—
Interest and dividend income	△ 130	△ 142
Interest expenses	4	3
Share of (profit) loss of entities accounted for using equity method	△ 22	△ 0
Loss (gain) on sales of investment securities	—	△ 308
Loss (gain) on liquidation of subsidiaries	△ 19	—
Decrease (increase) in notes and accounts receivable – trade	797	1,368
Decrease (increase) in inventories	135	650
Increase (decrease) in notes and accounts payable – trade	△ 22	△ 261
Other, net	101	△ 144
Subtotal	3,437	2,664
Interest and dividend income received	130	142
Interest expenses paid	△ 4	△ 3
Income taxes paid	△ 1,020	△ 50
Net cash provided by (used in) operating activities	2,543	2,752
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 1,010	△ 1,498
Proceeds from sales of property, plant and equipment	12	1
Purchase of investment securities	△ 16	△ 17
Proceeds from sales of investment securities	0	371
Other, net	△ 91	△ 68
Net cash provided by (used in) investing activities	△ 1,105	△ 1,211
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 33	△ 7
Purchase of treasury shares	△ 150	△ 0
Cash dividends paid	△ 281	△ 451
Other, net	△ 115	△ 67
Net cash provided by (used in) financing activities	△ 580	△ 527
Effect of exchange rate change on cash and cash equivalents	△ 218	△ 63
Net increase (decrease) in cash and cash equivalents	639	950
Cash and cash equivalents at beginning of period	18,468	16,548
Cash and cash equivalents at end of period	19,108	17,499

② Financial Data

1) Forecast (2019/4-2020/3)

Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Earnings per share [EPS] (Yen)
36,000	650	1,020	950	17.11

2) Consolidated Financial Indicator

		SECOND QUARTER		FISCAL YEAR	FORECAST
		2018/4-9	2019/4-9	2018/4-2019/3	2019/4-2020/3
		Amount	Amount	Amount	Amount
Operating profit ratio	(%)	6.7	0.5	6.2	1.8
Ordinary profit ratio	(%)	8.0	1.1	7.6	2.8
Return on assets [ROA]	(%)	1.7	0.5	3.1	—
Return on equity [ROE]	(%)	2.1	0.6	4.0	—
Capital expenditures	Millions of yen	1,257	1,568	4,287	5,800
Depreciation [Property, plant and equipment]	Millions of yen	1,160	1,223	2,452	2,600
Research and development expenses	Millions of yen	890	865	1,782	1,750
Number of employees	Number	2,208	2,200	2,208	—

3) Consolidated Net Sales Breakdown

Consolidated Net Sales Breakdown by Industry

Millions of yen

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2018/4-9		2019/4-9		2018/4-2019/3		2019/4-2020/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Electronics and Semiconductor	7,330	35.1	5,785	31.3	13,626	33.2	11,400	31.7
Transportation	4,962	23.8	4,693	25.3	9,955	24.2	9,100	25.3
Machinery	5,314	25.5	4,675	25.3	10,508	25.6	9,250	25.7
Stone and Construction	2,509	12.0	2,388	12.9	5,158	12.6	4,580	12.7
Other	758	3.6	960	5.2	1,796	4.4	1,670	4.6
Net sales	20,875	100.0	18,503	100.0	41,046	100.0	36,000	100.0

Consolidated Net Sales Breakdown by Geographical Region

Millions of yen

	SECOND QUARTER				FISCAL YEAR		FORECAST	
	2018/4-9		2019/4-9		2018/4-2019/3		2019/4-2020/3	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Japan	10,552	50.5	9,866	53.3	21,220	51.7	19,600	54.4
Taiwan	1,883	9.0	1,395	7.5	3,519	8.6	2,700	7.5
China	2,069	9.9	1,477	8.0	3,897	9.5	2,950	8.2
Other Asia and Oceania	2,829	13.6	2,628	14.2	5,641	13.7	5,200	14.4
Europe	2,185	10.5	1,793	9.7	4,006	9.8	3,300	9.2
Other	1,355	6.5	1,342	7.3	2,760	6.7	2,250	6.3
Net sales	20,875	100.0	18,503	100.0	41,046	100.0	36,000	100.0