

## Highlights of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2018 (IFRS)

■ **Revenue and profits increased. Profit attributable to owners of the parent increased 2.8 billion yen year on year, showing the continuation of good performance.**

◇ <b>Revenue</b>	<b>335.2 billion yen</b>	<b>3.0% Up</b>
◇ <b>Operating profit</b>	<b>13.1 billion yen</b>	<b>39.5% Up</b>
◇ <b>Profit attributable to owners of the parent</b>	<b>6.8 billion yen</b>	<b>67.8% Up</b>

### Assets and Liabilities

(Unit: billion yen)	3/2017	9/2017	Comparison with 3/2017	
			Change	Change(%)
Total assets	479.7	<b>487.0</b>	7.3	1.5%
Gross interest-bearing debt	133.8	<b>124.5</b>	( 9.4)	(7.0%)
Net interest-bearing debt	55.4	<b>54.3</b>	( 1.2)	(2.1%)
Shareholders' equity (Note 1)	100.4	<b>109.1</b>	8.8	8.8%
Retained earnings	34.6	<b>40.3</b>	5.8	16.7%
Other components of equity	11.4	<b>14.4</b>	3.0	26.2%
Equity ratio (Note 2)	20.9%	<b>22.4%</b>	1.5pt up	-
Net debt-equity ratio (Note 3)	0.55times	<b>0.50times</b>	-	-

【Interest-bearing debt】  
Net interest-bearing debt decreased 1.2 billion yen.

【Shareholders' equity】  
Shareholders' equity (equity attributable to owners of the parent) rose 8.8 billion yen, mainly due to an increase in retained earnings.

As a result, the equity ratio stood at 22.4%, and net DER edged down to 0.5 times.

(Note 1) Shareholder's equity = Total equity attribute to owners of the parent (Note 2) Equity ratio = Shareholder's equity / Total assets  
(Note 3) Net debt-equity ratio = Net interest-bearing debt / Equity capital

### Profit & loss statement

(Unit: billion yen)	Q2 of FY2017	Q2 of FY2018	Year-on-year		FY2018	
			Change	Change(%)	Forecast	Progress (%)
Revenue	325.5	<b>335.2</b>	9.7	3.0%	700.0	47.9%
Gross profit	47.7	<b>50.9</b>	3.2	6.8%	-	-
Selling, general and administrative expenses	( 37.4)	<b>( 38.3)</b>	( 0.9)	-	-	-
Other income (expenses)	( 0.9)	<b>0.5</b>	1.4	-	-	-
Operating profit	9.4	<b>13.1</b>	3.7	39.5%	25.0	52.6%
Interest income (expenses)	( 0.9)	<b>( 1.0)</b>	( 0.1)	-	-	-
Dividend income	0.7	<b>0.5</b>	( 0.2)	-	-	-
Other finance income (costs)	( 0.1)	<b>( 0.0)</b>	0.0	-	-	-
Finance income (costs)	( 0.3)	<b>( 0.6)</b>	( 0.3)	-	-	-
Share of profit (loss) of investments accounted for using the equity method	( 0.8)	<b>0.3</b>	1.1	-	-	-
Profit before tax	8.3	<b>12.8</b>	4.5	54.7%	23.5	54.7%
Income tax expense	( 3.1)	<b>( 4.5)</b>	( 1.4)	-	-	-
Profit for the period	5.2	<b>8.3</b>	3.1	60.7%	-	-
Profit attributable to owners of the parent	4.1	<b>6.8</b>	2.8	67.8%	12.0	56.9%
Earnings per share (yen)	48.37	<b>81.10</b>	32.73	67.7%	142.58	56.9%

【Revenue】  
Increased 9.7 billion yen, driven mainly by the Steel, Materials & Plant segment.

【Operating profit】  
Increased 3.7 billion yen, attributable mainly to the Electronics & Devices and the Foods & Grain segments.

【Profit attributable to owners of the parent】  
Increased 2.8 billion yen, mainly due to an improvement in the share of profit (loss) of investments accounted for using the equity method.

(Note) Earnings per share  
Calculated based on the hypothetical consolidation of shares (at a rate of one share for every five shares) at the beginning of the previous fiscal year. The said consolidation was implemented on October 1.

### Cash Flows

(Unit: billion yen)	Q2 of FY2017	Q2 of FY2018
CF from operating activities	4.9	<b>3.2</b>
CF from investing activities	( 11.7)	<b>( 0.1)</b>
Free cash flows	<b>( 6.8)</b>	<b>3.1</b>
CF from financing activities	( 2.3)	<b>( 11.5)</b>
Increase (decrease) in cash and cash equivalents	( 9.2)	<b>( 8.3)</b>

【CF from operating activities】  
Net cash provided by operating activities stood at 3.2 billion yen, mainly reflecting the accumulation of operating income.

【CF from investing activities】  
Net cash used in investing activities was 0.1 billion yen due to payments for property, plant and equipment and the provision of loans, offsetting proceeds from the sale of other financial assets.

【CF from financing activities】  
Net cash used in financing activities was 11.5 billion yen, mainly due to the repayment of borrowings.

### Dividends

<b>【FY2017】</b>	
Interim	3.0 yen per share
Year-end	3.0 yen per share
<b>Annual</b>	<b>6.0 yen per share</b>
<b>【FY2018】</b>	
Interim	3.5 yen per share
Year-end (plan)	17.5 yen per share
<b>Annual(plan)</b>	<b>- yen per share</b>

Note: The year-end dividend (plan) is an amount that takes into account the impact of the consolidation of shares on October 1.

Annual	FY2016	FY2017	FY2018 (plan)
Consolidated payout ratio	23.5%	31.4%	24.5%

### Segment information

(Unit: billion yen)	Revenue			Operating profit		
	Q2 of FY2017	Q2 of FY2018	Change	Q2 of FY2017	Q2 of FY2018	Change
Electronics & Devices	118.9	<b>120.7</b>	1.7	6.3	<b>7.6</b>	1.3
Foods & Grain	114.0	<b>114.6</b>	0.6	0.8	<b>2.4</b>	1.6
Steel, Materials & Plant	56.3	<b>69.1</b>	12.8	0.4	<b>1.4</b>	1.0
Motor Vehicles & Aerospace	30.1	<b>24.5</b>	( 5.6)	1.5	<b>1.3</b>	( 0.3)
Total for reportable segments	319.3	<b>328.9</b>	9.6	8.9	<b>12.6</b>	3.6
Other (including adjustment)	6.2	<b>6.4</b>	0.1	0.5	<b>0.6</b>	0.1
Grand total	325.5	<b>335.2</b>	9.7	9.4	<b>13.1</b>	3.7

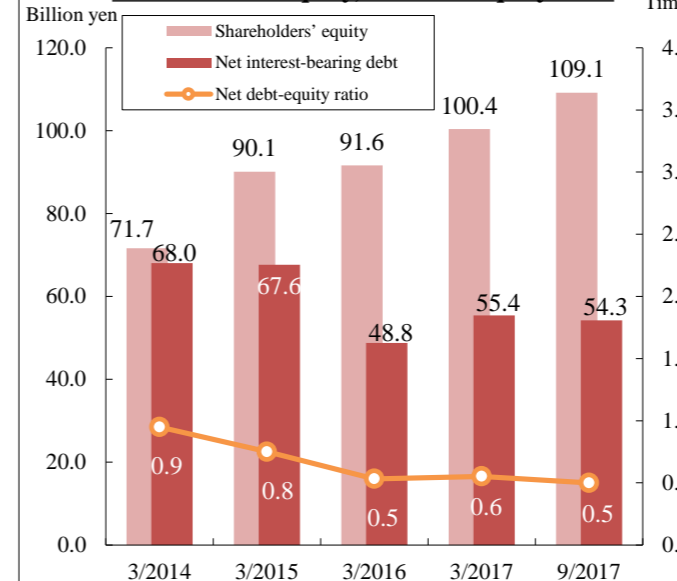
【Electronics&Devices】 **An increase in revenue and profit**  
In the ICT solutions business, transactions with the manufacturing and the financial industries remained firm. The mobile business remained strong, partly reflecting synergies from the integration of mobile phone sales agent subsidiaries. The semiconductors manufacturing equipment business also remained steady, driven by the expansion of sales to China.

【Foods&Grain】 **An increase in revenue and profit**  
The food business remained firm. The meat products business maintained a strong performance following stable trends in market conditions. The feedstuff business also improved year on year, reflecting the recovery of feedstuff prices in Japan.

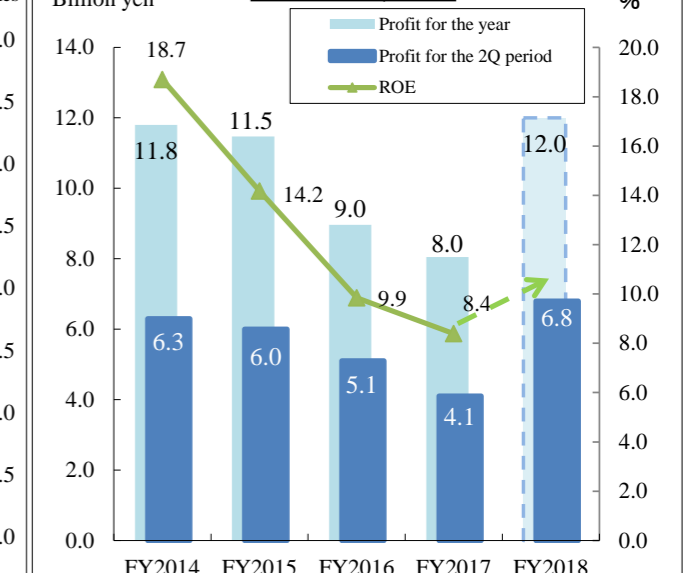
【Steel, Materials & Plant】 **An increase in revenue and profit**  
The energy business faced difficult circumstances in the sale of heavy oils due to sluggish demand for electric power during summer. The iron and steel, the functional chemicals, and the plant and infrastructure businesses remained firm. The oilfield tubing business moved toward a recovery overseas, partly due to stable oil prices.

【Motor Vehicles & Aerospace】 **A decline in revenue and profit**  
The motor vehicles and parts business remained solid. The aerospace business continued to be sluggish, partly due to the backlash against the strong performance of transactions of aircraft parts in the same period of the previous year.

### Shareholder's equity, Net debt-equity ratio



### Net income, ROE



\* The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results might differ materially from the forecasts due to a number of factors.  
\* Since the figures above are rounded off to the nearest 100 million yen, the sum of each item and the total may differ.  
\* FY2017 (the fiscal year ended March 31, 2017) \* FY2018 (the fiscal year ended March 31, 2018)