

Highlights of Consolidated Financial Results for the First Half of the Fiscal Year Ending March 2019 (IFRS)

■ Revenue and profits increased, with profit attributable to owners of the parent increasing 18.5% year on year.

◇ Revenue	357.5 billion yen	6.6% Up
◇ Operating profit	15.5 billion yen	17.6% Up
◇ Profit attributable to owners of the parent	8.1 billion yen	18.5% Up

Assets and Liabilities

(Unit: billion yen)	3/2018	9/2018	Comparison with 3/2018	
			Change	Change(%)
Total assets	519.9	528.9	9.1	1.7%
Gross interest-bearing debt	137.3	137.9	0.6	0.4%
Net interest-bearing debt	59.0	62.7	3.6	6.2%
Shareholders' equity (Note 1)	116.0	122.7	6.7	5.8%
Retained earnings	48.6	54.1	5.5	11.3%
Other components of equity	13.1	15.3	2.3	17.5%
Equity ratio (Note 2)	22.3%	23.2%	0.9pt up	-
Net debt-equity ratio (Note 3)	0.51times	0.51times	No change	-

【Total assets】
Increased 9.1 billion yen due to an increase in inventories, etc.

【Interest-bearing debt】
Net interest-bearing debt rose 3.6 billion yen.

【Shareholders' equity】
Increased 6.7 billion yen, mainly reflecting an increase in retained earnings.

The equity ratio was 23%, and the net debt-equity ratio was 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 FY2018	Q2 of FY2019	Year-on-year		FY2019	
			Change	Change(%)	Forecast	Progress (%)
Revenue	335.2	357.5	22.2	6.6%	760.0	47.0%
Gross profit	50.9	54.1	3.2	6.3%	-	-
Selling, general and administrative expenses	(38.3)	(39.0)	(0.7)	-	-	-
Other income (expenses)	0.5	0.3	(0.2)	(43.1%)	-	-
Operating profit	13.1	15.5	2.3	17.6%	30.0	51.5%
Interest income (expenses)	(1.0)	(1.1)	(0.0)	-	-	-
Dividend income	0.5	0.5	0.0	-	-	-
Other finance income (costs)	(0.0)	(0.1)	(0.0)	-	-	-
Finance income (costs)	(0.6)	(0.7)	(0.1)	-	-	-
Share of profit (loss) of investments accounted for using the equity method	0.3	0.1	(0.3)	-	-	-
Profit before tax	12.8	14.8	2.0	15.4%	29.0	51.1%
Income tax expense	(4.5)	(4.8)	(0.3)	-	-	-
Profit for the period	8.3	10.0	1.7	20.0%	-	-
Profit attributable to owners of the parent	6.8	8.1	1.3	18.5%	16.5	49.1%

【Revenue】
Increased 22.2 billion yen centering around the Motor Vehicles & Aerospace, Electronics & Devices, and the Foods & Grain segments.

【Operating profit】
Increased 2.3 billion yen driven by the Steel, Materials & Plant segment.

【Profit attributable to owners of the parent】
Increased 1.3 billion yen due to a rise in operating profit.

Cash Flows

(Unit: billion yen)	Q2 of FY2018	Q2 of FY2019
CF from operating activities	3.2	2.2
CF from investing activities	(0.1)	(1.4)
Free cash flows	3.1	0.8
CF from financing activities	(11.5)	(4.4)
Increase (decrease) in cash and cash equivalents	(8.3)	(3.6)

【CF from operating activities】
Net cash provided by operating activities stood at 2.2 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】
Net cash used in investing activities was 1.4 billion yen mainly due to the acquisition of property, plant and equipment.

【CF from financing activities】
Net cash used in financing activities was 4.4 billion yen, mainly due to cash dividends paid and the acquisition of treasury stock of the board benefit trust under the stock-based compensation plan.

Dividends

【FY2018】	
Interim	17.5 yen per share
Year-end	30.5 yen per share
Annual	48.0 yen per share
【FY2019】	
Interim	25.0 yen per share
Year-end (Plan)	25.0 yen per share
Annual (Plan)	50.0 yen per share

The interim dividend for the fiscal year ended March 31, 2018 reflects the impact of stock consolidation on October 1, 2017.

	Annual	FY2017	FY2018	FY2019 (Plan)
Consolidated payout ratio	31.4%	24.8%	25.5%	

Earnings per share (yen)	81.10	96.32	15.22	-	195.96	-
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Segment information

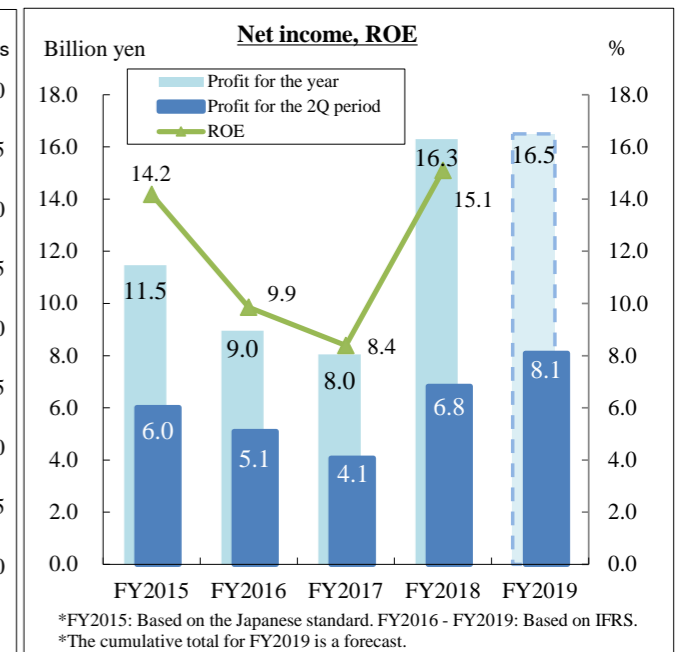
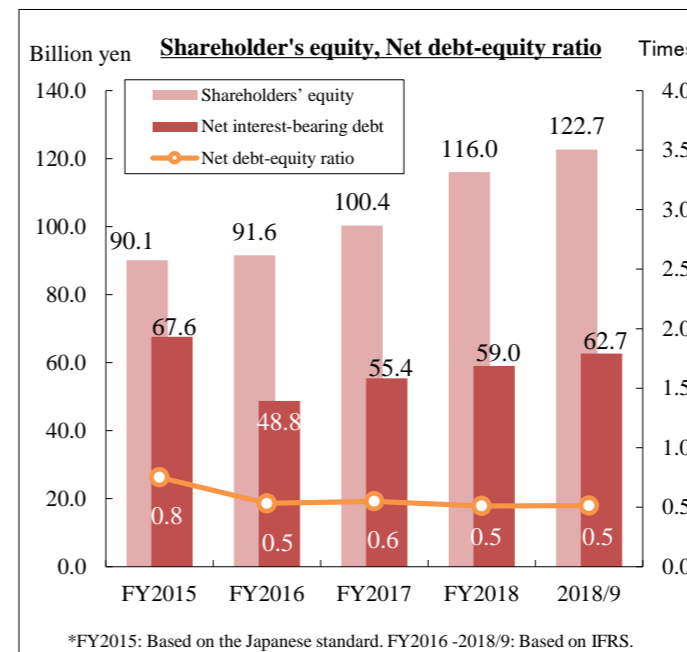
(Unit: billion yen)	Revenue			Operating profit		
	Q2 of FY2018	Q2 of FY2019	Change	Q2 of FY2018	Q2 of FY2019	Change
Electronics & Devices	120.7	127.8	7.1	7.6	8.1	0.5
Foods & Grain	114.6	121.6	7.0	2.4	2.4	(0.0)
Steel, Materials & Plant	69.1	68.1	(1.1)	1.4	2.8	1.4
Motor Vehicles & Aerospace	24.5	33.9	9.5	1.3	1.8	0.5
Total for reportable segments	328.9	351.4	22.5	12.6	15.0	2.4
Other (including adjustment)	6.4	6.1	(0.2)	0.6	0.4	(0.1)
Grand total	335.2	357.5	22.2	13.1	15.5	2.3

【Electronics&Devices】 An increase in revenue and profit
In the ICT solutions business, transactions mainly with the manufacturing and service industries remained solid. The mobile business remained strong, reflecting the continuing synergies from the integration of mobile phone sales agent subsidiaries.

【Foods&Grain】 Revenue increased and profits remained the same.
The meat products business remained strong despite the reaction to the strong performance of the previous fiscal year. The feedstuff business remained strong due to the recovery of feedstuff prices in Japan. The food business also remained solid.

【Steel, Materials & Plant】 A decline in revenue and increase in profit
The oilfield tubing business improved significantly in North America, given higher oil prices. The chemicals and energy businesses as well as transactions related to machine tools and industrial machinery also remained firm.

【Motor Vehicles & Aerospace】 An increase in revenue and profit
In the aerospace business, mainly transactions of aircraft parts remained steady. The motor vehicles and parts business was also strong.



* 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.
* FY2019 = The fiscal year ended March 31, 2019.