

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

- Revenue and profits increased. Profit attributable to owners of parent increased by 8.3 billion yen, or doubled, year on year.
  - ◇ Revenue **714.8 billion yen** 5.8% Up
  - ◇ Operating profit **26.2 billion yen** 15.6% Up
  - ◇ Profit attributable to owners of the parent **16.3 billion yen** 102.7% Up
- 15 billion yen, the target for profit set under VISION-130, the Company's medium-term vision, was achieved one year ahead of schedule.
- The year-end dividend forecast has been revised upward, to 30.5 yen per share (48.0 yen for the annual dividend forecast).

Profit & loss statement						
(Unit: billion yen)	FY2017	FY2018	Year-on-year		FY2019	
			Change	Change(%)	Forecast	YoY Change (%)
Revenue	675.6	<b>714.8</b>	39.2	5.8%	760.0	6.3%
Gross profit	100.1	<b>106.4</b>	6.2	6.2%	-	-
Selling, general and administrative expenses	(76.2)	<b>(78.4)</b>	(2.3)	-	-	-
Other income (expenses)	(1.3)	<b>(1.8)</b>	(0.4)	-	-	-
Operating profit	22.6	<b>26.2</b>	3.5	15.6%	30.0	14.7%
Interest income (expenses)	(1.9)	<b>(2.1)</b>	(0.2)	-	-	-
Dividend income	1.1	<b>1.1</b>	(0.0)	-	-	-
Other finance income (costs)	(2.0)	<b>(0.7)</b>	1.3	-	-	-
Finance income (costs)	(2.8)	<b>(1.7)</b>	1.1	-	-	-
Share of profit (loss) of investments accounted for using the equity method	(2.0)	<b>1.6</b>	3.6	-	-	-
Profit before tax	17.9	<b>26.0</b>	8.2	45.7%	29.0	11.4%
Income tax expense	(7.6)	<b>(6.4)</b>	1.2	-	-	-
Profit for the year	10.3	<b>19.7</b>	9.4	91.1%	-	-
Profit attributable to owners of the parent	8.0	<b>16.3</b>	8.3	102.7%	16.5	1.1%
Earnings per share (yen)	95.64	<b>193.79</b>	98.15	102.6%	195.96	1.1%

**【Revenue】**  
Increased 39.2 billion yen for all segments, particularly in the Steel, Materials & Plant segment.

**【Operating profit】**  
Increased 3.5 billion yen, driven mainly by the Electronics & Devices and the Steel, Materials & Plant segments.

**【Profit attributable to owners of the parent】**  
Increased 8.3 billion yen, due to improvement in the share of profit (loss) of investments accounted for using the equity method and improvement in income tax expense associated with the transfer of fixed assets, in addition to the increase in operating profit.

(Note) Earnings per share: Calculated on the assumption that the share consolidation (of one for five shares), which was implemented on October 1, 2017, was carried out at the beginning of the previous fiscal term.

Segment information						
(Unit: billion yen)	Revenue			Operating profit		
	FY2017	FY2018	Change	FY2017	FY2018	Change
Electronics & Devices	254.3	<b>263.3</b>	9.0	14.3	<b>17.6</b>	3.2
Foods & Grain	227.8	<b>231.3</b>	3.5	2.5	<b>2.1</b>	(0.3)
Steel, Materials & Plant	131.2	<b>153.1</b>	21.9	2.8	<b>3.9</b>	1.1
Motor Vehicles & Aerospace	50.4	<b>54.5</b>	4.0	2.2	<b>2.5</b>	0.3
Total for reportable segments	663.7	<b>702.1</b>	38.4	21.9	<b>26.2</b>	4.3
Other (including adjustment)	11.9	<b>12.7</b>	0.8	0.8	<b>(0.0)</b>	(0.8)
Grand total	675.6	<b>714.8</b>	39.2	22.6	<b>26.2</b>	3.5

**【Electronics&Devices】 Increase in revenue and profit**  
In the ICT solutions business, transactions mainly with the manufacturing and service industries remained strong. The mobile business also remained strong, reflecting synergies from the integration of mobile phone sales agent subsidiaries. The semiconductor manufacturing equipment business improved year on year, driven by the expansion of sales to China.

**【Foods&Grain】 Increase in revenue and decline in profit**  
The food business continued to grow. The meat products business slowed down in the second half of the year. The foodstuff business remained almost flat.

**【Steel, Materials & Plant】 Increase in revenue and profit**  
The oilfield tubing business improved significantly in North America, given the higher oil prices. The functional chemicals and the plant and infrastructure businesses also continued to grow.

**【Motor Vehicles & Aerospace】 Increase in revenue and profit**  
The motor vehicles and parts business for the Middle and Near East remained steady. The aerospace business maintained strong performance, mainly attributable to the strong performance of transactions of aerospace-related products and aircraft parts.

Assets and Liabilities				
(Unit: billion yen)	3/2017	3/2018	Comparison with 3/2017	
			Change	Change(%)
Total assets	479.7	<b>519.9</b>	40.2	8.4%
Gross interest-bearing debt	133.8	<b>137.3</b>	3.5	2.6%
Net interest-bearing debt	55.4	<b>59.0</b>	3.6	6.5%
Shareholders' equity (Note 1)	100.4	<b>116.0</b>	15.7	15.6%
Retained earnings	34.6	<b>48.6</b>	14.0	40.3%
Other components of equity	11.4	<b>13.1</b>	1.6	14.4%
Equity ratio (Note 2)	20.9%	<b>22.3%</b>	1.4pt up	-
Net debt-equity ratio (Note 3)	0.55times	<b>0.51times</b>	0.04pt down	-

(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

**【Total assets】**  
Increased 40.2 billion yen, mainly due to increases in trade receivables and inventories.

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

**【Shareholders' equity】**  
Shareholders' equity increased 15.7 billion yen, mainly due to increase in retained earnings.

As a result, the equity ratio stood at 22.3%, and net DER came to 0.51 times.

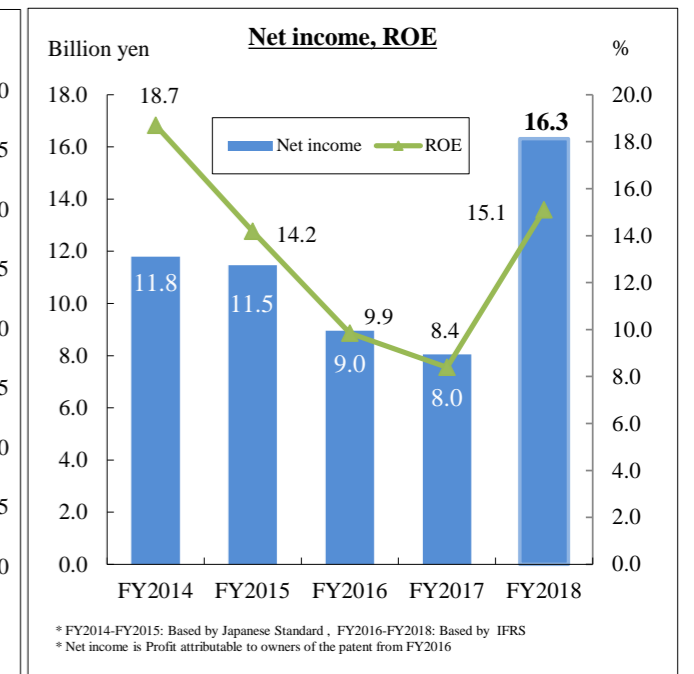
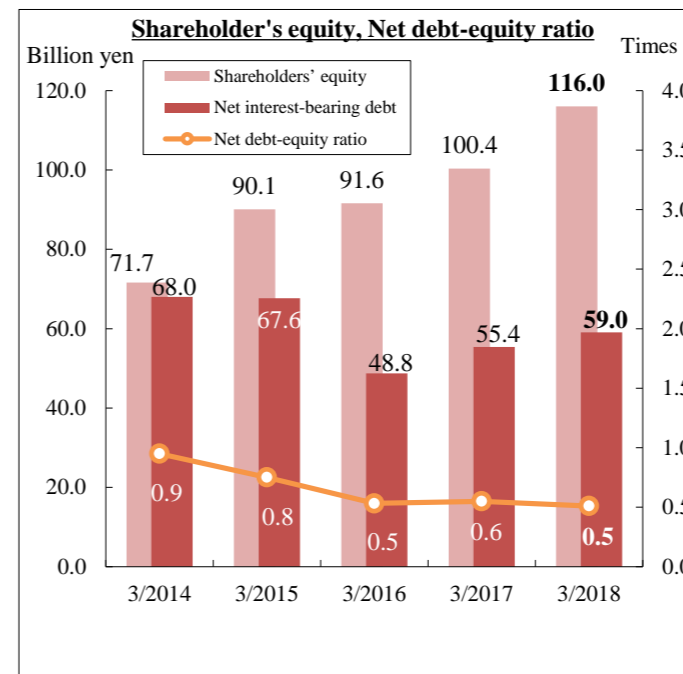
Cash Flows		
(Unit: billion yen)	FY2017	FY2018
CF from operating activities	11.9	<b>0.4</b>
CF from investing activities	(14.7)	<b>1.1</b>
Free cash flows	(2.8)	<b>1.5</b>
CF from financing activities	(6.9)	<b>(0.8)</b>
Increase (decrease) in cash and cash equivalents	(9.7)	<b>0.7</b>

**【CF from operating activities】**  
Net cash provided by operating activities stood at 0.4 billion yen, mainly reflecting an accumulation of operating revenue, which was partly offset by the cash outflow due to increases in trade receivables and inventories.

**【CF from investing activities】**  
Net cash provided by investing activities stood at 1.1 billion yen, mainly due to proceeds from the transfer of fixed assets.

**【CF from financing activities】**  
Net cash used in financing activities was 0.8 billion yen, mainly due to cash dividends paid and repayments of loans payable, which was partly offset by proceeds from issuance of bonds.

Dividends			
<b>【FY2017】</b>			
Interim	15.0 yen per share		
Year-end	15.0 yen per share		
Annual	30.0 yen per share		
<b>【FY2018】</b>			
Interim	17.5 yen per share		
Year-end (plan)	30.5 yen per share		
Annual(plan)	48.0 yen per share		
<small>(Note) The amounts of the dividends for the previous term and the interim period under review are calculated on the assumption that the consolidation of shares was carried out at</small>			
Annual	FY2016	FY2017	FY2018 (plan)
Consolidated payout ratio	23.5%	31.4%	24.8%



\* 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.  
\* FY2018 (the fiscal year ended March 31, 2018)