

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

■ Revenue increased but profits declined. Operating profit increased 15.4% year on year.

◇ Revenue	536.9 billion yen	3.1% up
◇ Operating profit	21.7 billion yen	15.4% up
◇ Profit attributable to owners of the parent	11.8 billion yen	3.5% down

Profit & loss statement						
(Unit: billion yen)	Q3 of FY2018	Q3 of FY2019	Year-on-year		FY2019	
			Change	Change(%)	Forecast	Progress (%)
Revenue	520.9	536.9	16.0	3.1%	760.0	70.6%
Gross profit	76.3	79.3	3.0	4.0%	-	-
Selling, general and administrative expenses	(57.4)	(58.5)	(1.1)	-	-	-
Other income (expenses)	(0.1)	0.9	1.0	-	-	-
Operating profit	18.8	21.7	2.9	15.4%	30.0	72.3%
Interest income (expenses)	(1.5)	(1.7)	(0.1)	-	-	-
Dividend income	0.6	0.7	0.1	-	-	-
Other finance income (costs)	(1.0)	(0.1)	0.8	-	-	-
Finance income (costs)	(1.9)	(1.1)	0.8	-	-	-
Share of profit (loss) of investments accounted for using the equity method	1.4	0.3	(1.1)	-	-	-
Profit before tax	18.3	20.9	2.6	14.1%	29.0	72.1%
Income tax expense	(4.0)	(6.6)	(2.6)	-	-	-
Profit for the period	14.3	14.3	0.0	0.0%	-	-
Profit attributable to owners of the parent	12.2	11.8	(0.4)	(3.5%)	16.5	71.5%
Earnings per share (yen)	145.07	140.60	(4.47)	-	195.96	-

【Revenue】
Increased 16.0 billion yen, driven mainly by the Motor Vehicles & Aerospace and the Foods & Grain segments.

【Operating profit】
Increased 2.9 billion yen, driven mainly by the Steel, Materials & Plant and the Electronics & Devices segments.

【Profit attributable to owners of the parent】
Decreased 0.4 billion yen mainly due to the extinction of a temporary factor to improve income tax expenses included in the previous fiscal year, despite an increase in profit before tax.

Assets and Liabilities				
(Unit: billion yen)	3/2018	12/2018	Comparison with 3/2018	
			Change	Change(%)
Total assets	519.9	535.8	15.9	3.1%
Gross interest-bearing debt	137.3	147.5	10.2	7.4%
Net interest-bearing debt	59.0	67.5	8.4	14.3%
Shareholders' equity (Note 1)	116.0	119.1	3.1	2.7%
Retained earnings	48.6	55.7	7.1	14.6%
Other components of equity	13.1	10.1	(2.9)	(22.3%)
Equity ratio (Note 2)	22.3%	22.2%	0.1pt down	-
Net debt-equity ratio (Note 3)	0.51times	0.57times	0.06pt up	-

【Total assets】
Increased 15.9 billion yen due to an increase in current assets, etc.

【Interest-bearing debt】
Net interest-bearing debt rose 8.4 billion yen.

【Shareholders' equity】
Increased 3.1 billion yen, mainly reflecting an increase in retained earnings.

The equity ratio was 22.2%, and the net debt-equity ratio was 0.6 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

Cash Flows		
(Unit: billion yen)	Q3 of FY2018	Q3 of FY2019
CF from operating activities	(1.1)	5.1
CF from investing activities	(0.0)	(4.6)
Free cash flows	(1.1)	0.5
CF from financing activities	(3.9)	1.0
Increase (decrease) in cash and cash equivalents	(5.0)	1.5

【CF from operating activities】
Net cash provided by operating activities stood at 5.1 billion yen, mainly reflecting the accumulation of operating revenue.

【CF from investing activities】
Net cash used in investing activities was 4.6 billion yen mainly due to the acquisition of property, plant and equipment and subsidiaries.

【CF from financing activities】
Net cash provided by financing activities was 1.0 billion yen, mainly due to an increase in borrowings, despite cash dividends paid and the acquisition of treasury stock under the performance-linked stock 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%	

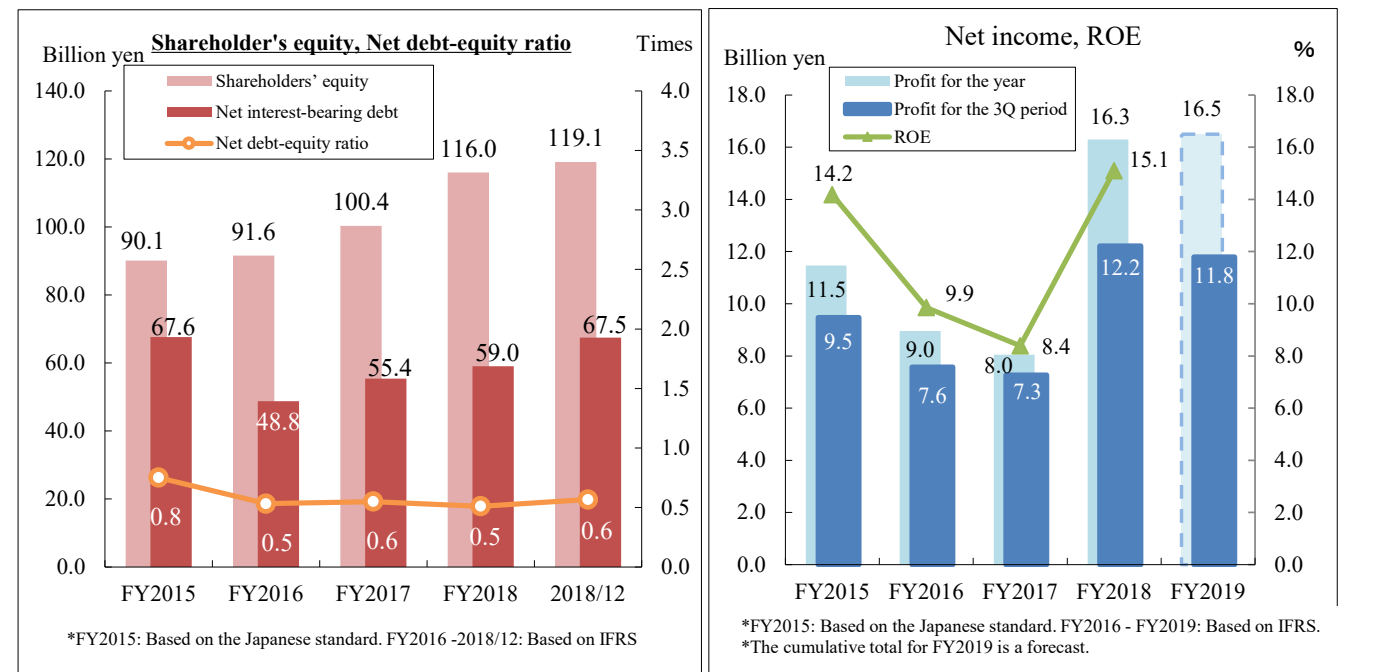
Segment information						
(Unit: billion yen)	Revenue			Operating profit		
	Q3 of FY2018	Q3 of FY2019	Change	Q3 of FY2018	Q3 of FY2019	Change
Electronics & Devices	185.8	187.8	2.0	11.6	12.4	0.8
Foods & Grain	174.7	183.7	9.0	2.9	3.3	0.4
Steel, Materials & Plant	110.0	106.5	(3.5)	2.3	3.2	0.8
Motor Vehicles & Aerospace	40.5	49.6	9.1	2.2	2.1	(0.0)
Total for reportable segments	511.0	527.6	16.6	18.9	21.0	2.0
Other (including adjustment)	9.9	9.4	(0.5)	(0.2)	0.7	0.8
Grand total	520.9	536.9	16.0	18.8	21.7	2.9

【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】 An increase in revenue and profit
The feedstuff business remained strong due to the recovery of feedstuff prices in Japan. The food business also remained solid. The meat products business remained firm despite some reaction to the strong performance of the previous fiscal year.

【Steel, Materials & Plant】 A decline in revenue and increase in profit
While the energy business faced a hard time on the back of falling oil prices, the oilfield tubing business in North America, the plant business and transactions related to machine tools and industrial machinery remained strong.

【Motor Vehicles & Aerospace】 Revenue increased and profits remained the same.
In the aerospace business, primarily transactions of aircraft parts remained steady. The motor vehicles and parts business also remained 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.