

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

■ Revenue and profits increased. Profit attributable to owners of the parent increased by 4.9 billion yen, or about 70%, year on year.

◇ Revenue	<b>520.9 billion yen</b>	<b>5.5% up</b>
◇ Operating profit	<b>18.8 billion yen</b>	<b>23.5% up</b>
◇ Profit attributable to owners of the parent	<b>12.2 billion yen</b>	<b>68.0% up</b>

■ The full-year forecast for consolidated profit attributable to owners of the parent has been revised up, to 15 billion yen, and the goals set under VISION-130, the Company's medium-term vision, are expected to be achieved one year ahead of schedule.

■ The year-end dividend forecast has been revised up, to 27.5 yen per share (45 yen for the annual dividend forecast).

### Assets and Liabilities

(Unit: billion yen)	3/2017	12/2017	Comparison with 3/2017	
			Change	Change(%)
Total assets	479.7	<b>515.9</b>	36.2	7.5%
Gross interest-bearing debt	133.8	<b>134.1</b>	0.3	0.2%
Net interest-bearing debt	55.4	<b>60.5</b>	5.1	9.2%
Shareholders' equity (Note 1)	100.4	<b>115.3</b>	14.9	14.9%
Retained earnings	34.6	<b>44.2</b>	9.7	27.9%
Other components of equity	11.4	<b>16.6</b>	5.2	45.7%
Equity ratio (Note 2)	20.9%	<b>22.3%</b>	1.4pt up	-
Net debt-equity ratio (Note 3)	0.55times	<b>0.53times</b>	-	-

【Total assets】  
Increased 36.2 billion yen, mainly reflecting increases in trade receivables and inventories.

【Interest-bearing debt】  
Net interest-bearing debt increased 5.1 billion yen

【Shareholders' equity】  
Shareholders' equity rose 14.9 billion yen, mainly due to an increase in retained earnings.

As a result, the equity ratio stood at 22.3%, and net DER edged up to 0.53 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)	Q3 of FY2017	Q3 of FY2018	Year-on-year		FY2018 (Revised on February 2, 2018)	
			Change	Change(%)	Forecast	Progress (%)
Revenue	493.7	<b>520.9</b>	27.2	5.5%	700.0	74.4%
Gross profit	71.4	<b>76.3</b>	4.9	6.9%	-	-
Selling, general and administrative expenses	(56.0)	<b>(57.4)</b>	(1.4)	-	-	-
Other income (expenses)	(0.2)	<b>(0.1)</b>	0.1	-	-	-
Operating profit	15.2	<b>18.8</b>	3.6	23.5%	26.0	72.2%
Interest income (expenses)	(1.4)	<b>(1.5)</b>	(0.1)	-	-	-
Dividend income	0.8	<b>0.6</b>	(0.2)	-	-	-
Other finance income (costs)	(0.1)	<b>(1.0)</b>	(0.8)	-	-	-
Finance income (costs)	(0.7)	<b>(1.9)</b>	(1.2)	-	-	-
Share of profit (loss) of investments accounted for using the equity method	(0.5)	<b>1.4</b>	1.9	-	-	-
Profit before tax	14.0	<b>18.3</b>	4.3	30.6%	25.0	73.2%
Income tax expense	(5.2)	<b>(4.0)</b>	1.2	-	-	-
Profit for the period	8.9	<b>14.3</b>	5.4	61.5%	-	-
Profit attributable to owners of the parent	7.3	<b>12.2</b>	4.9	68.0%	15.0	81.4%

【Revenue】  
Increased 27.2 billion yen, driven mainly by the Steel, Materials & Plant segment.

【Operating profit】  
Increased 3.6 billion yen, reflecting increases in all the reportable segments, particularly in the Electronics & Devices.

【Profit attributable to owners of the parent】  
Increased 4.9 billion yen, mainly due to an improvement in the share of profit (loss) of investments accounted for using the equity method and an improvement in tax effects associated with the decision to transfer fixed assets, in addition to the increase in operating profit.

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

Earnings per share (yen)	86.41	<b>145.07</b>	58.66	-	178.22	-
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### Cash Flows

(Unit: billion yen)	Q3 of FY2017	Q3 of FY2018
CF from operating activities	2.7	<b>(1.1)</b>
CF from investing activities	(14.2)	<b>(0.0)</b>
Free cash flows	(11.5)	<b>(1.1)</b>
CF from financing activities	(6.3)	<b>(3.9)</b>
Increase (decrease) in cash and cash equivalents	(17.7)	<b>(5.0)</b>

【CF from operating activities】  
Net cash used in operating activities stood at 1.1 billion yen, mainly reflecting increases in trade receivables and inventories.

【CF from investing activities】  
Cash flows in investing activities were slightly on the cash outflow side, 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 3.9 billion yen, mainly due to the repayment of borrowings.

### Dividends

【FY2017】	
Interim	15.0 yen per share
Year-end	15.0 yen per share
Annual	30.0 yen per share
【FY2018】	
Interim	17.5 yen per share
Year-end (plan)	27.5 yen per share
Annual (plan)	45.0 yen per share

(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 has been carried out at the beginning of the previous term.

Annual	FY2016	FY2017	FY2018 (plan)
Consolidated payout ratio	23.5%	31.4%	25.2%

### Segment information

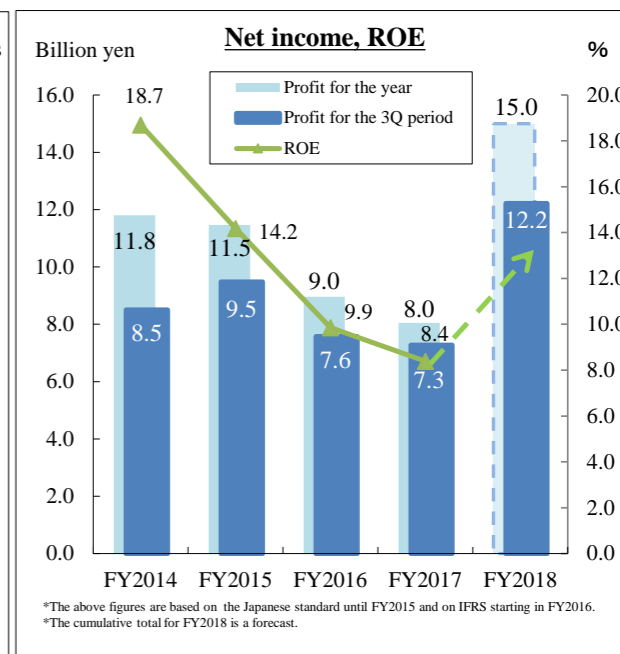
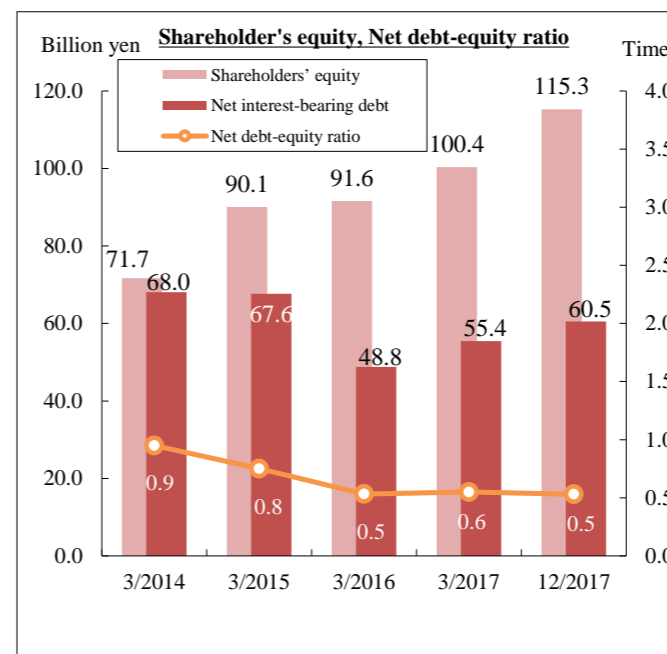
(Unit: billion yen)	Revenue			Operating profit		
	Q3 of FY2017	Q3 of FY2018	Change	Q3 of FY2017	Q3 of FY2018	Change
Electronics & Devices	181.3	<b>185.8</b>	4.5	9.1	<b>11.6</b>	2.5
Foods & Grain	171.4	<b>174.7</b>	3.3	2.2	<b>2.9</b>	0.7
Steel, Materials & Plant	92.7	<b>110.0</b>	17.3	1.2	<b>2.3</b>	1.1
Motor Vehicles & Aerospace	39.2	<b>40.5</b>	1.4	1.9	<b>2.2</b>	0.3
Total for reportable segments	484.5	<b>511.0</b>	26.5	14.4	<b>18.9</b>	4.5
Other (including adjustment)	9.2	<b>9.9</b>	0.7	0.8	<b>(0.2)</b>	(0.9)
Grand total	493.7	<b>520.9</b>	27.2	15.2	<b>18.8</b>	3.6

【Electronics&Devices】 An increase in revenue and profit  
In the ICT solutions business, transactions mainly with the manufacturing and the service industries were solid. 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 continued to grow. The meat products business maintained a strong performance, although it decelerated slightly. 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 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】 An increase in revenue and profit  
The motor vehicles and parts business continued to grow. The aerospace business maintained a strong performance, mainly attributable to the strong performance of transactions of aerospace-related products and aircraft parts.



\* 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)