

For Institutional Investors/Analysts

# Financial Results for the First Half of the Fiscal Year ending March 2018

Six months: April 1, 2017 – September 30, 2017

November 30, 2017

**KAGA ELECTRONICS CO., LTD.**  
(TSE 1st section, 8154)

# Today's Main Points

1

## Financial Results for the First Half of the Fiscal Year ending March 2018

- ✓ Driven by strong performance in electronic components and information equipment segments, the Group posted increases in both net sales and profits year-on-year.  
Also exceeded targets and increased interim dividend by ¥5.

2

## Earnings Forecasts for the Fiscal Year ending March 2018

- ✓ Revised upward the full-year forecast while carefully reflecting potential negative impact of the change in amusement machine-related laws.  
Aim to achieve record-high ordinary income.

3

## Medium-term Growth Strategy

- ✓ Increase the probability of achieving “Medium-term Management Plan target: Ordinary income of ¥10 billion” and also implement measures to increase earnings with the aim of realizing sustainable growth.

---

# Consolidated Financial Results for the First Half of FY ending Mar/2018

# Financial Highlights

(Million Yen)

|  | FY2017/3<br>1H Results | FY2018/3<br>1H Forecasts | FY2018/3<br>1H Results | YoY | vs Forecasts |
|--|------------------------|--------------------------|------------------------|-----|--------------|
| Net sales                                  | 109,659                | 107,000                  | 116,582                | 6%  | 9%           |
| Gross profit                               | 15,172                 | 14,700                   | 16,218                 | 7%  | 10%          |
| Gross profit margin                        | 13.8%                  | 13.7%                    | 13.9%                  |     |              |
| SG&A                                       | 11,959                 | 12,000                   | 11,824                 | -1% | -1%          |
| Operating income                           | 3,212                  | 2,700                    | 4,394                  | 37% | 63%          |
| Ordinary income                            | 3,045                  | 3,000                    | 4,703                  | 54% | 57%          |
| Profit attributable<br>to owners of parent | 3,111                  | 2,200                    | 3,516                  | 13% | 60%          |

| Exchange rates (Yen) |        |        |        |
|----------------------|--------|--------|--------|
| USD                  | 105.29 | 112.50 | 111.06 |
| THB                  | 3.01   | 3.20   | 3.28   |
| RMB                  | 17.07  | 16.30  | 16.39  |
| HKD                  | 13.58  | 14.50  | 14.24  |

# Financial Highlights by Business Segment

(Million Yen)

|                       |                  | FY2017/3   | FY2018/3     | FY2018/3   | Summary            |              |  |
|-----------------------|------------------|------------|--------------|------------|--------------------|--------------|--|
|                       |                  | 1H Results | 1H Forecasts | 1H Results | YoY                | vs Forecasts |  |
| Electronic components | Net sales        | 82,784     | 81,000       | 85,918     | 4%                 | 6%           | • While amusement machine-related business was sluggish, EMS* business for electric tool, medical equipment, and office equipment showed favorable growth. |
|                       | Segment income   | 2,366      | 2,150        | 2,893      | 22%                | 35%          |  |
| Information equipment | Net sales        | 20,524     | 20,500       | 23,446     | 14%                | 14%          | • Housing-related and commercial facility-related products showed favorable growth. PC sales were also solid despite severe market environment.            |
|                       | Segment income   | 539        | 550          | 1,116      | 107%               | 103%         |  |
| Software              | Net sales        | 1,442      | 1,100        | 1,142      | -21%               | 4%           | • Amusement machine-related business decreased. Upfront investments for development of new areas such as VR/AR*  |
|                       | Segment income   | 307        | 120          | 111        | -64%               | -8%          |  |
| Others                | Net sales        | 4,909      | 4,400        | 6,075      | 24%                | 38%          | • Arcade amusement machines and golf products showed solid growth.   |
|                       | Segment income   | -57        | -120         | 198        | Returned to profit |              |  |
| Total                 | Net sales        | 109,659    | 107,000      | 116,582    | 6%                 | 9%           |  |
|                       | Operating income | 3,212      | 2,700        | 4,394      | 37%                | 63%          |  |

Note: Figures of each segment income are not inter-segment adjusted. Total amount is inter-segment adjusted (operating income).

\* Refer to glossary for EMS, VR, and AR

# Net Sales by Region

(Million Yen)

|               | FY2017/3   |             | FY2018/3     |             | FY2018/3   |             |     |              |
|---------------|------------|-------------|--------------|-------------|------------|-------------|-----|--------------|
|               | 1H Results | Composition | 1H Forecasts | Composition | 1H Results | Composition | YoY | vs Forecasts |
| Japan         | 74,151     | 68%         | 71,000       | 66%         | 73,789     | 63%         | 0%  | 4%           |
| North America | 3,352      | 3%          | 2,800        | 3%          | 4,580      | 4%          | 37% | 64%          |
| Europe        | 1,170      | 1%          | 1,200        | 1%          | 1,779      | 2%          | 52% | 48%          |
| East Asia     | 30,985     | 28%         | 32,000       | 30%         | 36,433     | 31%         | 18% | 14%          |
| Total         | 109,659    | 100%        | 107,000      | 100%        | 116,582    | 100%        | 6%  | 9%           |

Note: Net sales by region are calculated based on place of destination.

## Summary

- Japan: While amusement machine-related business was sluggish, EMS business and information equipment business showed solid growth.
- North America: EMS business for medical equipment showed favorable growth.
- Europe: Electric tool-related business showed favorable growth.
- East Asia: EMS business for electronic equipment showed favorable growth.

# Consolidated Balance Sheet

(Million Yen)

|                                       | 2017/3         | 2017/9         | vs 2017/3    |
|---------------------------------------|----------------|----------------|--------------|
| <b>Current assets</b>                 | <b>103,684</b> | <b>104,238</b> | <b>554</b>   |
| Cash and deposits                     | 26,423         | 30,393         | 3,970        |
| Notes and accounts receivable – trade | 52,009         | 50,024         | -1,985       |
| Inventories                           | 19,325         | 19,136         | -189         |
| Other                                 | 5,925          | 4,683          | -1,242       |
| <b>Non-current assets</b>             | <b>22,067</b>  | <b>22,966</b>  | <b>899</b>   |
| Property, plant and equipment         | 11,745         | 11,999         | 254          |
| Intangible assets                     | 841            | 754            | -87          |
| Investments and other assets          | 9,479          | 10,211         | 732          |
| <b>Total assets</b>                   | <b>125,751</b> | <b>127,204</b> | <b>1,453</b> |

|  | 2017/3         | 2017/9         | vs 2017/3     |
|--|----------------|----------------|---------------|
| <b>Current liabilities</b>                   | <b>50,242</b>  | <b>48,972</b>  | <b>-1,270</b> |
| Notes and accounts payable – trade           | 37,553         | 35,512         | -2,041        |
| Short-term loans payable                     | 4,883          | 5,455          | 572           |
| Other  | 7,806          | 8,005          | 199           |
| <b>Non-current liabilities</b>               | <b>9,576</b>   | <b>9,224</b>   | <b>-352</b>   |
| Long-term loans payable                      | 4,603          | 3,804          | -799          |
| Other  | 4,973          | 5,420          | 447           |
| <b>Total liabilities</b>                     | <b>59,819</b>  | <b>58,197</b>  | <b>-1,622</b> |
| <b>Shareholders' equity</b>                  | <b>64,481</b>  | <b>66,977</b>  | <b>2,496</b>  |
| Capital stock                                | 12,133         | 12,133         | 0             |
| Capital surplus                              | 13,912         | 13,853         | -59           |
| Retained earnings                            | 40,476         | 43,032         | 2,556         |
| Treasury shares                              | -2,040         | -2,041         | -1            |
| Total accumulated other comprehensive income | 1,391          | 1,958          | 567           |
| Non-controlling interests                    | 59             | 71             | 12            |
| <b>Total net assets</b>                      | <b>65,932</b>  | <b>69,006</b>  | <b>3,074</b>  |
| <b>Total liabilities and net assets</b>      | <b>125,751</b> | <b>127,204</b> | <b>1,453</b>  |

# Cash Flows

(Million Yen)

|  | FY2017/3<br>1H | FY2018/3<br>1H |
|--|----------------|----------------|
| Cash flows from operating activities       | 7,723          | 5,875          |
| Cash flows from investing activities       | -246           | -1,345         |
| Free cash flow                             | 7,477          | 4,530          |
| Cash flows from financing activities       | -2,253         | -1,265         |
| Cash and cash equivalents at end of period | 25,683         | 29,387         |

## Summary

- Cash flows from operating activities:  
Recording of profit before income taxes
- Cash flows from investing activities:  
Purchase of property, plant and equipment
- Cash flows from financing activities:  
Cash dividends paid, repayments of long-term loans payable



---

# Consolidated Earnings Forecasts for FY ending Mar/2018

# Consolidated Earnings Forecasts


(Million Yen)

|  | FY2017/3<br>Results | FY2018/3<br>Previous<br>forecasts | FY2018/3<br>Revised<br>forecasts | YoY  | vs Previous<br>forecasts |
|--|---------------------|-----------------------------------|----------------------------------|------|--------------------------|
| Net sales                                  | 227,209             | 230,000                           | 232,000                          | 2%   | 1%                       |
| Gross profit                               | 31,225              | 31,500                            | 32,250                           | 3%   | 2%                       |
| Gross profit margin                        | 13.7%               | 13.7%                             | 13.9%                            |      |                          |
| SG&A                                       | 24,346              | 24,500                            | 24,750                           | 2%   | 1%                       |
| Operating income                           | 6,879               | 7,000                             | 7,500                            | 9%   | 7%                       |
| Ordinary income                            | 7,343               | 7,500                             | 8,200                            | 12%  | 9%                       |
| Profit attributable<br>to owners of parent | 6,975               | 5,500                             | 6,300                            | -10% | 15%                      |

| Exchange rate (Yen) | for 2H |        |        |
|---------------------|--------|--------|--------|
| USD                 | 108.38 | 112.50 | 110.50 |
| THB                 | 3.08   | 3.20   | 3.30   |
| RMB                 | 16.37  | 16.30  | 16.30  |
| HKD                 | 13.97  | 14.50  | 14.00  |

# Scenario of Revised Forecasts

| (Billion Yen)    | FY2017/3<br>1H<br>Results | FY2018/3<br>1H<br>Previous<br>forecasts | FY2018/3<br>1H<br>Results | Difference | Major factors   |
|------------------|---------------------------|---|---------------------------|------------|---|
| Net sales        | 109.6                     | 107.0                                   | 116.5                     | 9.5        | <ul style="list-style-type: none"> <li>• Strong sales in EMS business and information equipment business</li> <li>• Moved up some 2H plans to 1H</li> </ul> |
| Gross profit     | 15.1                      | 14.7                                    | 16.2                      | 1.5        |   |
| SG&A             | 11.9                      | 12.0                                    | 11.8                      | -0.2       |   |
| Operating income | 3.2                       | 2.7                                     | 4.3                       | 1.6        |   |



| (Billion Yen)    | FY2017/3<br>2H<br>Results | FY2018/3<br>2H<br>Previous<br>forecasts | FY2018/3<br>2H<br>Revised<br>forecasts | Difference | Major factors  |
|------------------|---------------------------|---|--|------------|--|
| Net sales        | 117.6                     | 123.0                                   | 115.4                                  | -7.6       | <ul style="list-style-type: none"> <li>• Decline in demands due to the change in amusement machine-related laws</li> </ul> |
| Gross profit     | 16.1                      | 16.8                                    | 16.0                                   | -0.8       |  |
| SG&A             | 12.4                      | 12.5                                    | 12.9                                   | 0.4        |  |
| Operating income | 3.7                       | 4.3                                     | 3.1                                    | -1.2       |  |

## Key Points of 2H

- Minimize risk of sales decline and manage SG&A
- Maximize contribution to 2H results by businesses with strong 1H performance
- Demand trends in the amusement machine-related market

# Dividend Forecast/ROE Forecast

|                        | (Yen)               |                                   |                                  |        |                          |
|------------------------|---------------------|-----------------------------------|----------------------------------|--------|--------------------------|
|                        | FY2017/3<br>Results | FY2018/3<br>Previous<br>forecasts | FY2018/3<br>Revised<br>forecasts | YoY    | vs Previous<br>forecasts |
| EPS                    | 249.43              | 200.47                            | 229.63                           | -19.80 | 29.16                    |
| Dividend per share     | 60.00               | 60.00                             | 65.00                            | +5.00  | +5.00                    |
| Ordinary dividend      | 40.00               | 60.00                             | 60.00                            | +20.00 | 0.00                     |
| Extraordinary dividend | 20.00               | -                                 | 5.00                             | -15.00 | +5.00                    |
| ROE                    | 10.9%               | 8.1%                              | 9.2%                             | -1.8pp | +1.0pp                   |

# Consolidated Forecasts by Business Segment

(Million Yen)

|                       |                  | FY2017/3 | FY2018/3           | FY2018/3          |      |                       |
|-----------------------|------------------|----------|--------------------|-------------------|------|-----------------------|
|                       |                  | Results  | Previous forecasts | Revised forecasts | YoY  | vs Previous forecasts |
| Electronic components | Net sales        | 171,227  | 175,000            | 176,000           | 3%   | 1%                    |
|                       | Segment income   | 4,917    | 5,350              | 5,500             | 12%  | 3%                    |
| Information equipment | Net sales        | 42,547   | 42,000             | 42,500            | 0%   | 1%                    |
|                       | Segment income   | 1,491    | 1,400              | 1,500             | 1%   | 7%                    |
| Software              | Net sales        | 3,159    | 3,000              | 2,500             | -21% | -17%                  |
|                       | Segment income   | 528      | 450                | 200               | -62% | -56%                  |
| Others                | Net sales        | 10,274   | 10,000             | 11,000            | 7%   | 10%                   |
|                       | Segment income   | -212     | -200               | 300               | -    | -                     |
| Total                 | Net sales        | 227,209  | 230,000            | 232,000           | 2%   | 1%                    |
|                       | Operating income | 6,879    | 7,000              | 7,500             | 9%   | 7%                    |

Note: Figures of each segment income are not inter-segment adjusted.  
Total amount is inter-segment adjusted (operating income).

# Net Sales Forecasts by Region

(Million Yen)

|               | FY2017/3 |             | FY2018/3           |             | FY2018/3          |             |     |                       |
|---------------|----------|-------------|--------------------|-------------|-------------------|-------------|-----|-----------------------|
|               | Results  | Composition | Previous forecasts | Composition | Revised forecasts | Composition | YoY | vs Previous forecasts |
| Japan         | 151,912  | 67%         | 152,000            | 66%         | 147,000           | 63%         | -3% | -3%                   |
| North America | 5,995    | 3%          | 5,500              | 2%          | 7,500             | 3%          | 25% | 36%                   |
| Europe        | 2,518    | 1%          | 2,500              | 1%          | 2,500             | 1%          | -1% | 0%                    |
| East Asia     | 66,783   | 29%         | 70,000             | 30%         | 75,000            | 32%         | 12% | 7%                    |
| Total         | 227,209  | 100%        | 230,000            | 100%        | 232,000           | 100%        | 2%  | 1%                    |

Note: Net sales by region are calculated based on place of destination.

---

# Medium-term Growth Strategy

— To Achieve Ordinary Income of ¥10 billion —

# Outline of the “Medium-term Management Plan 2018”

To achieve ordinary income of ¥10 billion and 8% ROE (FY19/3 targets)

## 1. Enhance revenue base

- Establish **profit-oriented management**
- Prepare for a leap as **“Next-generation KAGA ELECTRONICS”**
- Become **the industry leader in Japan**  
and aim at sustainable growth as **a world-class company**

## 2. Create new businesses

## 3. Strengthen management foundation

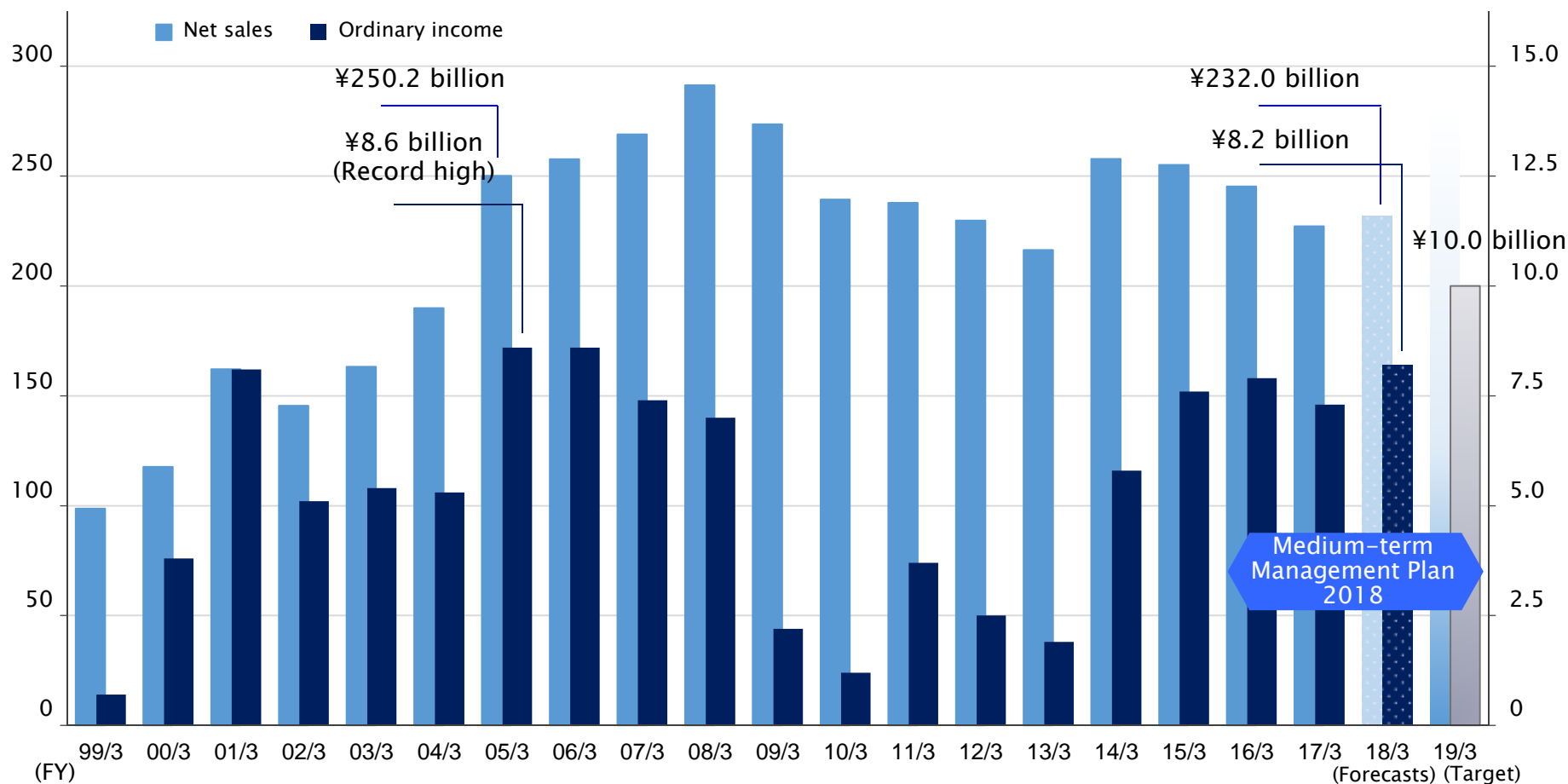


# Historical Performance: Net sales/Ordinary income

Record high ordinary income (and Medium-term Management Plan target of ¥10 billion) will become achievable with profitability enhancement

Net sales (Billion yen)

Ordinary income (Billion yen)



# Initiatives to Achieve Ordinary Income of ¥10 Billion

## “Five keywords” for the Group’s growth

### EMS business

- **Expand overseas bases toward business scale expansion**

### Automotive devices

- **Response to market needs of ADAS/DMS\***
- **Response to a shift to hybrid/electric vehicles**

### Telecommunication (IoT)

- **Develop LPWA\* market and create cloud business using AI**

### Execution of M&A

- **Strengthen business/revenue bases in anticipation of industry reorganization**

### Investment in ventures

- **Start to invest ¥5 billion in venture companies/businesses over 3 years (FY17/3 to FY19/3)**

\* Refer to glossary for ADAS, DMS, and LPWA.

# The Group's EMS Business: Growth Scenario

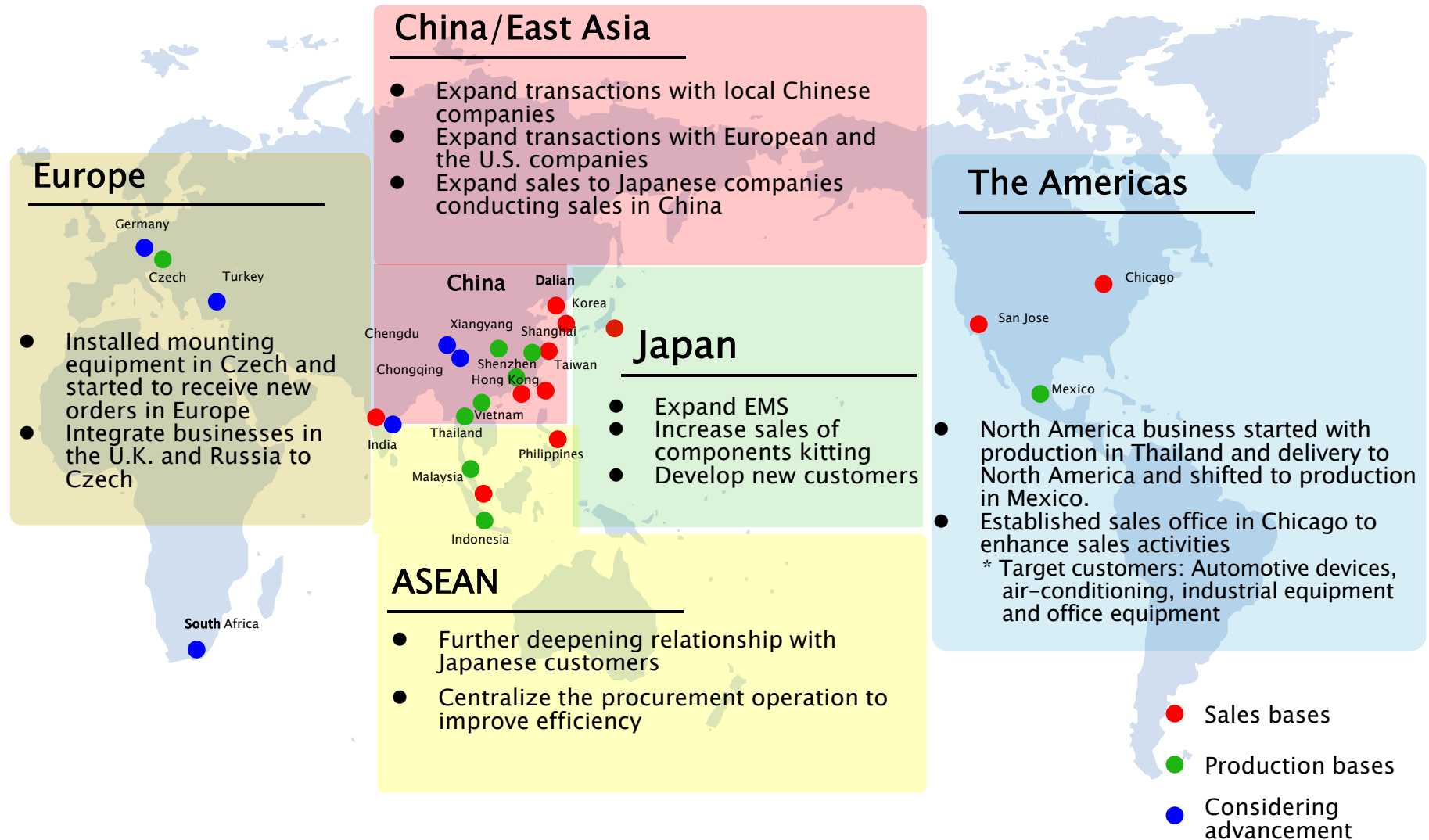
Strengthen profitability and sales growth potential simultaneously

- **Focus on overseas expansion of EMS business**  
Focus on automotive devices, air-conditioning, industrial equipment, medical, office equipment, and electric tool sectors
- **Further development of overseas local customers**
- **Enhancement of overseas bases (“everywhere EMS”)**

| Priority themes                                   | Action items  | Timing        |
|---|---|---------------|
| Expand North America business                     | Established manufacturing base in Mexico                  | November 2016 |
| Increase production in ASEAN regions              | Established manufacturing base in Vietnam                 | July 2017     |
| Expand sales channel in inland China              | Consider advancement to Chongqing and Chengdu             | From 2018     |
| Expand sales channel to local customers in Europe | Consider advancement into Germany                         | From 2018     |
| Develop new markets                               | Consider advancement into India, South Africa, and Turkey | From 2018     |

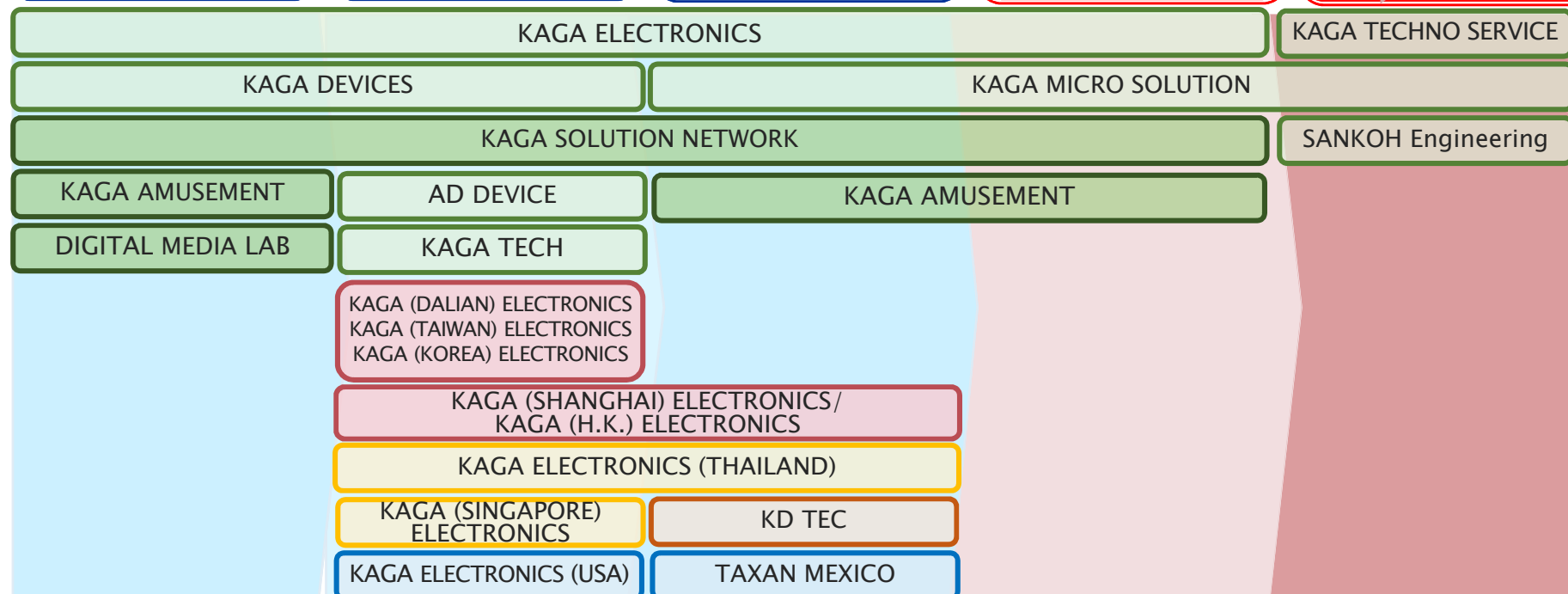
# The Group's EMS Business: Strengths – (1)

Global network to ensure speedy and flexible response to customer needs



# The Group's EMS Business: Strengths - (2)

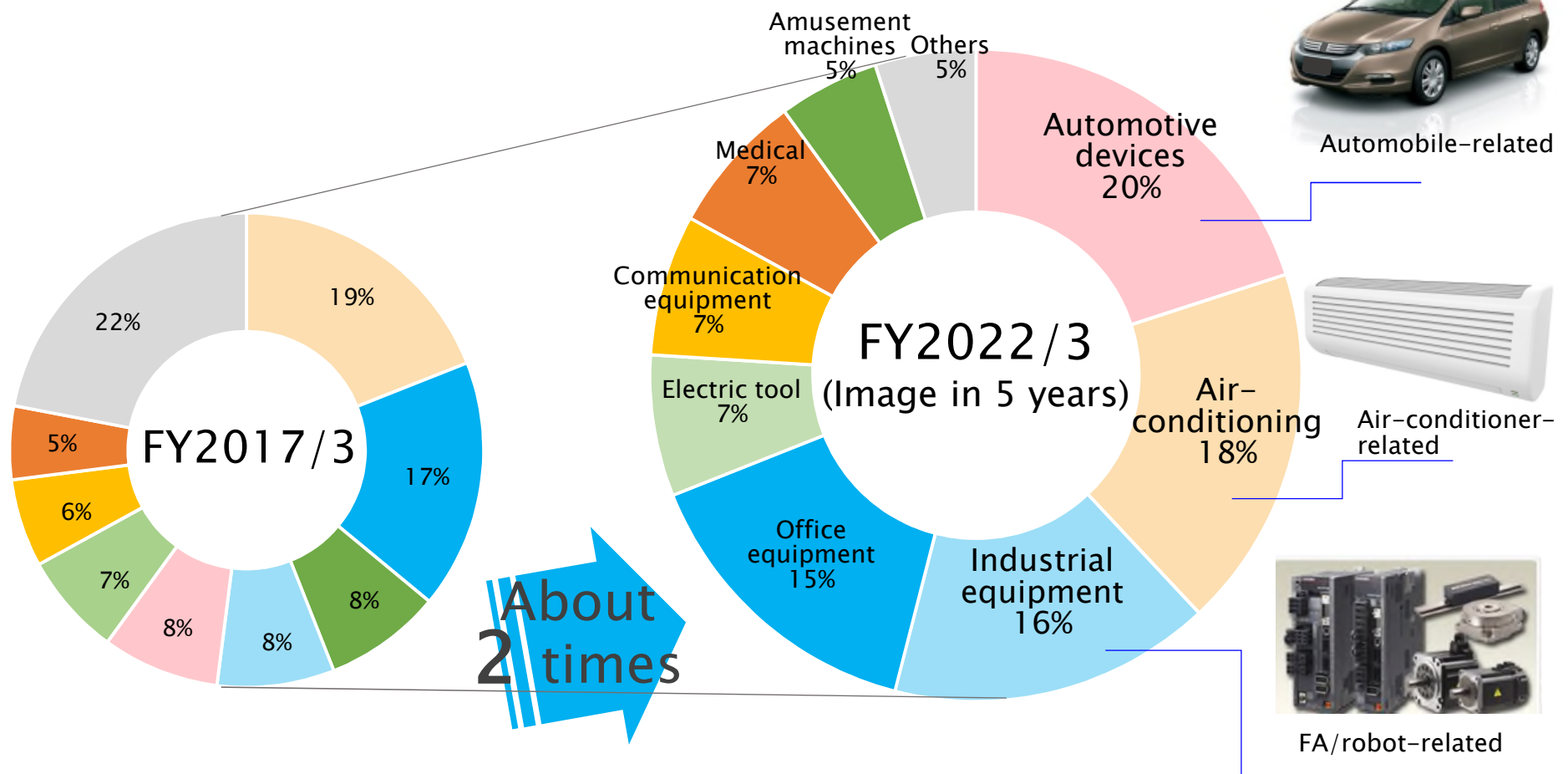
Not just contract manufacturing but offer one-stop service from sales to after-sales support



# The Group's EMS Business: Strengths – (3)

Correspond to wide range of applications and focus on growth of automotive devices, air-conditioning, and industrial equipment, etc.

<Sales Composition Ratio by Applications>



# Group Reorganization/Business Reorganization

- **KAGA MICRO SOLUTION** (Development/manufacture/sales/maintenance/repair and recycle businesses of computers and computer peripherals, etc.)
  - All businesses of KAGA COMPONENTS will be transferred to MICRO SOLUTION on January 1, 2018.  
Prior to this, MICRO SOLUTION will change its name to “KAGA MICRO SOLUTION” on December 1, 2017.
  
- **SICOXS (Development/manufacture of SiC semiconductor substrate)**
  - On October 2, 2017, the Company agreed with Sumitomo Metal Mining to transfer 51% of SICOXS shares it holds and develop businesses jointly in the future.
  - On October 30, 2017, a joint venture started business operations.



# Investment in Ventures

- Fund to invest **¥5 billion** in venture companies/businesses for **three years** started from FY18/3 on the occasion of our 50th anniversary.
- Aim at achieving **sustainable growth** of the Group through discovery of venture companies broadly and create new innovation in **priority markets** including automotive devices, environment, and communication equipment, etc. set forth in “Medium-term Management Plan 2018” and **new business areas** such as medical/healthcare, etc.

## 【Major investees】

| Company name          | Business domains        |                    |          | Business description   |
|-----------------------|-------------------------|--------------------|----------|--|
| cado Co., Ltd.        | Environment             |                    |          | <ul style="list-style-type: none"> <li>• Development, manufacture, and sales of air purifier and humidifier, etc.</li> </ul>           |
| PicoCELA Inc.         | Telecommunication (IoT) |                    |          | <ul style="list-style-type: none"> <li>• Development of multi-hop wireless communication technology</li> </ul>                         |
| mama square Co., Ltd. | Amusement               | New area           |          | <ul style="list-style-type: none"> <li>• Operation of working space with nursery service</li> </ul>                                    |
| SKYROBOT Inc.         | Telecommunication (IoT) | Automotive devices | New area | <ul style="list-style-type: none"> <li>• Development of industrial drone-related business, sales of infrared camera modules</li> </ul> |



# Investment in Ventures - (Case-1): cado Co., Ltd.

- Acquired capital in cado Co., Ltd., which engages in manufacture and sales of air purifier and humidifier, etc. by underwriting third-party allocation of its shares in July 2017

## 【Purpose of investment】

- Sales expansion by the Group of cado's products
- Contract for manufacturing cado's products

cado

## 【Outline of the investee】

|                      |  |
|----------------------|--|
| Representative       | Noriyuki Koga, President and CEO   |
| Location             | Shirokanedai, Minato-ku, Tokyo   |
| Establishment        | June 2011  |
| Business description | Development, manufacture, and sales of air purifier and humidifier, etc. |



【Air purifiers】

# Investment in Ventures - (Case-2): PicoCELA Inc.

- Acquired capital in PicoCELA Inc., which develops wireless multi-hop backhaul technology resistant to mobile situation and cloud monitoring/control system, by underwriting third-party allocation of its shares in July 2017

## 【Purpose of investment】

- Development of corporate solutions using PicoCELA's wireless communication technology

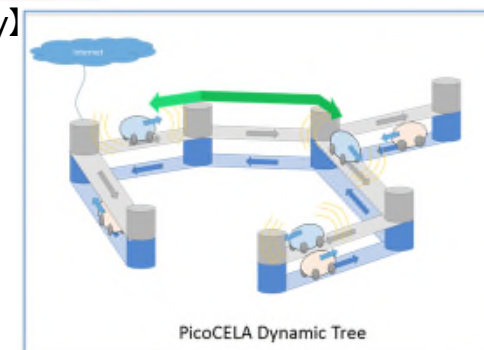


## 【Outline of the investee】

|                      |   |
|----------------------|---|
| Representative       | Hiroshi Furukawa,<br>Representative Director                              |
| Location             | Itoshima-shi, Fukuoka Prefecture  |
| Establishment        | August 2008   |
| Business description | Development of wireless multi-hop backhaul technology and related systems |



【Existing mesh technology】



【PicoCELA Dynamic Tree】

# Investment in Ventures - (Case-3): mama square Co., Ltd.

- Acquired capital in mama square Co., Ltd., which operates and develops working space with nursery service, by underwriting third-party allocation of its shares in October 2017.

## 【Purpose of investment】

- Contract for constructing store facilities and sales expansion of related products



## 【Outline of the investee】

|                      |   |
|----------------------|---|
| Representative       | Satoshi Fujishiro, President                                    |
| Location             | Shiba, Minato-ku, Tokyo   |
| Establishment        | December 2014   |
| Business description | Operation and development of working space with nursery service |



【Nursery space】



【Working space】

# Investment in Ventures - (Case-4): SKYROBOT Inc.

- Acquired capital in SKYROBOT Inc., which engages in the industrial drone business, by underwriting third-party allocation of its shares in October 2017.

## 【Purpose of investment】

- Sales expansion of industrial drones
- Sale of infrared camera modules

## 【Outline of the investee】

|                      |  |
|----------------------|--|
| Representative       | Daisuke Kaio, CEO  |
| Location             | Ginza, Chuo-ku, Tokyo  |
| Establishment        | September 2014   |
| Business description | <ul style="list-style-type: none"><li>• Development of industrial drone business</li><li>• Operation of drone schools</li><li>• Sales of infrared camera modules</li></ul> |



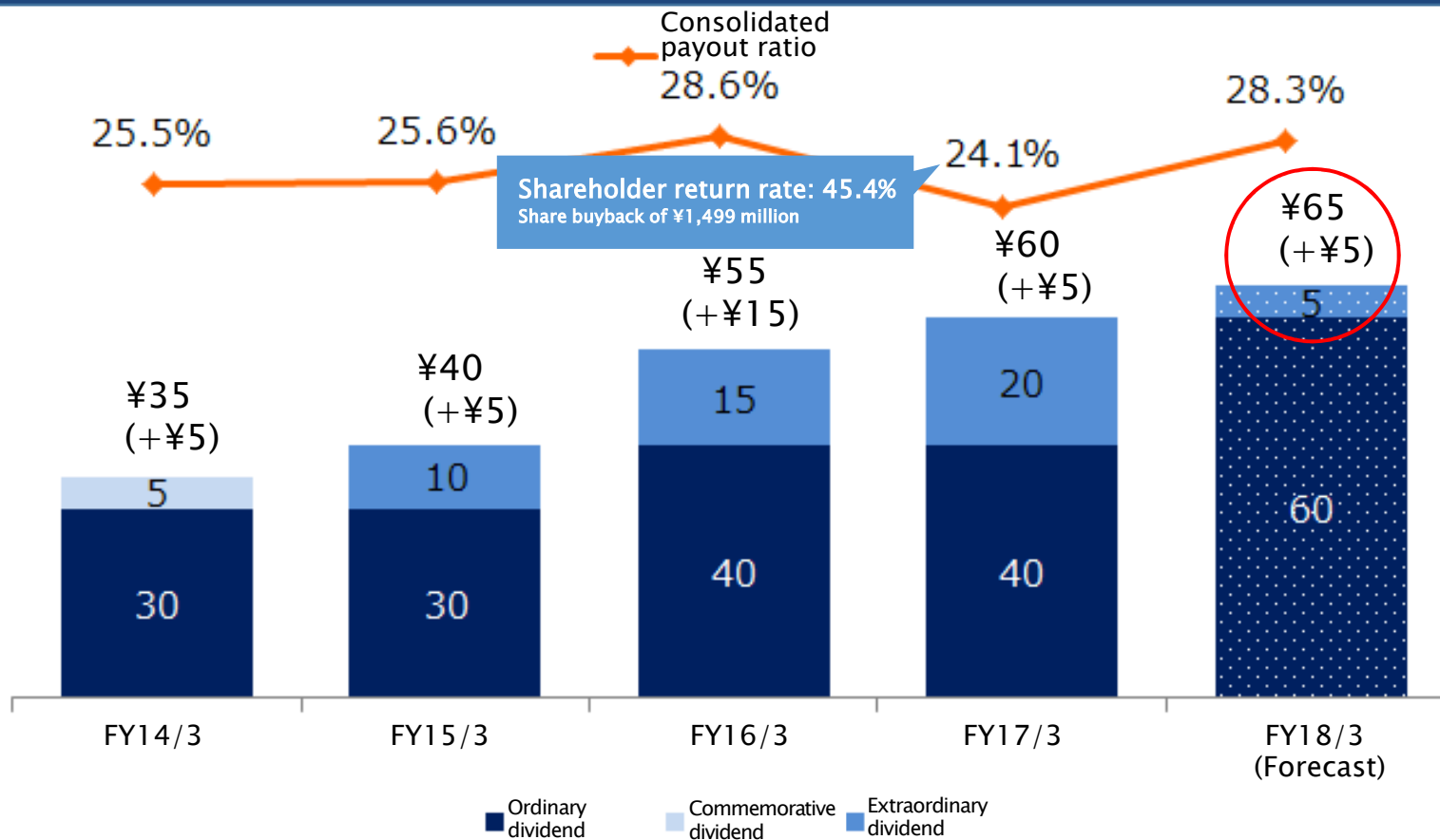
【Drone pilot training school】



【Ultra-mini infrared camera modules manufactured by FLIR Systems, Inc.】

# Shareholder Return: Trend of Dividend

Increased interim dividend by ¥5 in FY18/3.  
Plan to increase dividend for 5 consecutive years.



## Basic policy of profit distribution

- Aim at stable dividend payments while maintaining consolidated dividend payout ratio of 25% to 35%
- Share buyback as needed, taking into account the market environment and capital efficiency
- Use internal reserve to business investment, capital expenditures and M&A that will contribute to enhancement of corporate value

---

# <References>

# Products and Services by Business Segment

|                              |  |
|------------------------------|--|
| <b>Electronic components</b> | <ul style="list-style-type: none"><li>• Sale of semiconductors (general-purpose products and customized products)</li><li>• Sale of electronic components (transformers, condensers, cables, connectors, and switches, etc.), LED, and storage devices</li><li>• Development, manufacture and sales related to EMS (air-conditioning, office equipment, automotive devices, industrial equipment, amusement machines, electric tool, communication equipment, medical equipment, etc.)</li></ul> |
| <b>Information equipment</b> | <ul style="list-style-type: none"><li>• Sales of PCs and PC peripherals, home electric appliances/lighting fixtures, photograph and imaging products, original brand products, etc.)</li></ul>   |
| <b>Software</b>              | <ul style="list-style-type: none"><li>• Production of computer graphics, planning and development of amusement products, and other activities</li></ul>  |
| <b>Others</b>                | <ul style="list-style-type: none"><li>• Repair and supports for electronics equipment, manufacture and sales of amusement equipment, and wholesale/retail of sports goods, etc.)</li></ul>   |



# Glossary

|   |  |
|---|--|
| <b>EMS</b><br>(Electronics Manufacturing Service)   | <ul style="list-style-type: none"><li>• Provide high-volume lot production based on an agreement with customers, in contrast to simple subcontract services</li><li>• The Company excels in offering one-stop service to customers by getting involved in processes including design, components procurement, sales, and support in addition to manufacturing.</li></ul>   |
| <b>AR</b><br>(Augmented Reality)                    | <ul style="list-style-type: none"><li>• Technology which augments a reality environment perceived by human using computers. Also refers to the computer-augmented reality environment itself</li></ul>   |
| <b>VR</b><br>(Virtual Reality)                      | <ul style="list-style-type: none"><li>• Technology which scientifically generates an environment that is not real or original but essentially functions in the same way, by stimulating human senses including users' five senses</li></ul>  |
| <b>ADAS</b><br>(Advanced Driver-Assistance Systems) | <ul style="list-style-type: none"><li>• Systems developed to automate, adjust, and enhance the vehicle systems for safe and better driving</li></ul>   |
| <b>DMS</b><br>(Driver Monitor System)               | <ul style="list-style-type: none"><li>• Driver support system for safe and comfortable driving. It consists of sensor, image/signal processing and indicator.</li></ul>  |
| <b>LPWA</b><br>(Low Power Wide Area)                | <ul style="list-style-type: none"><li>• Wireless communication technology with lower power consumption that enables long-distance telecommunication in relatively wider area with one base station</li><li>• It is expected to be customized for IoT (all things are connected to the Internet) and M2M (direct communication between devices via the Internet).</li></ul> |



---

# Data File

FY2014/3 – FY2018/3

\*Excel files are available on IR information section of the Company's website.

# Major Financial Indicators

| (Million Yen)                           | FY2014/3                    | FY2015/3 | FY2016/3 | FY2017/3 | FY2018/3   | FY2018/3  |   |
|---|-----------------------------|----------|----------|----------|------------|-----------|---|
|   | Results                     | Results  | Results  | Results  | 1H Results | Forecasts |   |
| Net sales                               | 257,852                     | 255,143  | 245,387  | 227,209  | 116,582    | 232,000   |   |
| Operating income                        | 5,106                       | 6,362    | 7,788    | 6,879    | 4,394      | 7,500     |   |
| Ordinary income                         | 5,847                       | 7,664    | 7,908    | 7,343    | 4,703      | 8,200     |   |
| Profit attributable to owners of parent | 3,877                       | 4,416    | 5,437    | 6,975    | 3,516      | 6,300     |   |
| EPS (Yen)                               | 137.22                      | 156.28   | 192.43   | 249.43   | 128.16     | 229.63    |   |
| BPS (Yen)                               | 1,868.07                    | 2,108.04 | 2,185.94 | 2,401.00 | 2,512.69   | -         |   |
| ROE (%)                                 | 7.6                         | 7.8      | 9.0      | 10.9     | -          | 9.2       |   |
| Annual dividend (Yen)                   | 35.00                       | 40.00    | 55.00    | 60.00    | 30.00      | 65.00     |   |
| Payout ratio (%)                        | 25.5                        | 25.6     | 28.6     | 24.1     | -          | 28.3      |   |
| Shareholder return rate (%)             | 25.54                       | 25.61    | 28.60    | 45.41    | -          | -         |   |
| EBITDA                                  | 8,397                       | 9,688    | 9,647    | 8,924    | 5,458      | -         |   |
| EBITDA margin (%)                       | 3.26                        | 3.80     | 3.93     | 3.93     | 4.68       | -         |   |
| EV/EBITDA (times)                       | 5.22                        | 3.96     | 3.22     | 4.47     | 8.59       | -         |   |
| PBR (times)                             | 0.76                        | 0.69     | 0.65     | 0.82     | 1.33       | -         |   |
| PER (times)                             | 10.38                       | 9.37     | 7.42     | 7.92     | 14.50      | -         |   |
| Stock price (Yen)                       | as of the end of the period | 1,425    | 1,465    | 1,428    | 1,976      | 3,330     | - |
| Market capitalization                   | as of the end of the period | 40,900   | 42,048   | 40,986   | 56,715     | 95,578    | - |

# Financial Highlights (Full Year)

(Million Yen)

|   | FY2014/3<br>Results | FY2015/3<br>Results | FY2016/3<br>Results | FY2017/3<br>Results | FY2018/3<br>Forecasts |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Net sales                               | 257,852             | 255,143             | 245,387             | 227,209             | 232,000               |
| Gross profit                            | 32,522              | 32,738              | 33,648              | 31,225              | 32,250                |
| (Margin)                                | 12.6%               | 12.8%               | 13.7%               | 13.7%               | 13.9%                 |
| SG&A                                    | 27,416              | 26,376              | 25,859              | 24,346              | 24,750                |
| (SG&A ratio)                            | 10.6%               | 10.3%               | 10.5%               | 10.7%               | 10.7%                 |
| Operating income                        | 5,106               | 6,362               | 7,788               | 6,879               | 7,500                 |
| (Margin)                                | 2.0%                | 2.5%                | 3.2%                | 3.0%                | 3.2%                  |
| Non-operating income/loss (net)         | 740                 | 1,302               | 119                 | 464                 | 700                   |
| Ordinary income                         | 5,847               | 7,664               | 7,908               | 7,343               | 8,200                 |
| Profit attributable to owners of parent | 3,877               | 4,416               | 5,437               | 6,975               | 6,300                 |
| Total assets                            | 126,028             | 127,948             | 124,281             | 125,751             | 127,598               |
| Capital stock                           | 12,133              | 12,133              | 12,133              | 12,133              | 12,133                |
| Shareholders' equity                    | 52,923              | 56,538              | 60,702              | 64,481              | 69,504                |
| Net assets                              | 52,825              | 59,603              | 61,808              | 65,932              | 70,967                |
| Equity ratio                            | 41.9%               | 46.6%               | 49.7%               | 52.4%               | 55.6%                 |
| Short-term loans payable                | 12,172              | 5,925               | 6,295               | 4,883               | 4,321                 |
| Long-term loans payable                 | 4,681               | 8,253               | 6,007               | 4,603               | 3,129                 |
| ROE                                     | 7.6%                | 7.8%                | 9.0%                | 10.9%               | 9.2%                  |

# Financial Highlights (1H: 6 months)

(Million Yen)

|   | FY2014/3<br>1H Results | FY2015/3<br>1H Results | FY2016/3<br>1H Results | FY2017/3<br>1H Results | FY2018/3<br>1H Results |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net sales                               | 122,077                | 120,318                | 122,975                | 109,659                | 116,582                |
| Gross profit                            | 15,728                 | 15,796                 | 16,991                 | 15,172                 | 16,218                 |
| (Margin)                                | 12.9%                  | 13.1%                  | 13.8%                  | 13.8%                  | 13.9%                  |
| SG&A                                    | 13,534                 | 12,729                 | 12,796                 | 11,959                 | 11,824                 |
| (SG&A ratio)                            | 11.1%                  | 10.6%                  | 10.4%                  | 10.9%                  | 10.1%                  |
| Operating income                        | 2,194                  | 3,067                  | 4,195                  | 3,212                  | 4,394                  |
| (Margin)                                | 1.8%                   | 2.5%                   | 3.4%                   | 2.9%                   | 3.8%                   |
| Non-operating income/loss (net)         | 243                    | 569                    | 232                    | -167                   | 309                    |
| Ordinary income                         | 2,437                  | 3,636                  | 4,427                  | 3,045                  | 4,703                  |
| Profit attributable to owners of parent | 1,352                  | 2,157                  | 2,943                  | 3,111                  | 3,516                  |
| Total assets                            | 116,658                | 122,132                | 123,959                | 120,167                | 127,204                |
| Capital stock                           | 12,133                 | 12,133                 | 12,133                 | 12,133                 | 12,133                 |
| Net assets                              | 50,364                 | 55,509                 | 60,924                 | 61,475                 | 69,006                 |
| Equity ratio                            | 43.1%                  | 45.4%                  | 49.1%                  | 51.1%                  | 54.2%                  |
| Short-term loans payable                | 10,141                 | 10,406                 | 5,774                  | 5,527                  | 5,455                  |
| Long-term loans payable                 | 4,395                  | 3,967                  | 7,539                  | 5,293                  | 3,804                  |

# Financial Highlights by Business Segment (Full Year/1H )

(Million Yen)

|                       |                  | FY2014/3 |             | FY2015/3 |             | FY2016/3 |             | FY2017/3 |             | FY2018/3  |             |
|-----------------------|------------------|----------|-------------|----------|-------------|----------|-------------|----------|-------------|-----------|-------------|
|                       |                  | Results  | Composition | Results  | Composition | Results  | Composition | Results  | Composition | Forecasts | Composition |
| Electronic components | Net sales        | 194,782  | 75.5%       | 197,188  | 77.3%       | 189,486  | 77.2%       | 171,227  | 75.4%       | 176,000   | 75.9%       |
|                       | Segment income   | 3,805    | 74.5%       | 4,852    | 76.3%       | 6,515    | 83.7%       | 4,917    | 71.5%       | 5,500     | 73.3%       |
|                       | Margin           | 2.0%     |             | 2.5%     |             | 3.4%     |             | 2.9%     |             | 3.1%      |             |
| Information equipment | Net sales        | 46,505   | 18.0%       | 42,024   | 16.5%       | 40,880   | 16.7%       | 42,547   | 18.7%       | 42,500    | 18.3%       |
|                       | Segment income   | 866      | 17.0%       | 707      | 11.1%       | 811      | 10.4%       | 1,491    | 21.7%       | 1,500     | 20.0%       |
|                       | Margin           | 1.9%     |             | 1.7%     |             | 2.0%     |             | 3.5%     |             | 3.5%      |             |
| Software              | Net sales        | 3,306    | 1.3%        | 2,889    | 1.1%        | 2,897    | 1.2%        | 3,159    | 1.4%        | 2,500     | 1.1%        |
|                       | Segment income   | 79       | 1.6%        | 442      | 7.0%        | 695      | 8.9%        | 528      | 7.7%        | 200       | 2.7%        |
|                       | Margin           | 2.4%     |             | 15.3%    |             | 24.0%    |             | 16.7%    |             | 8.0%      |             |
| Others                | Net sales        | 13,258   | 5.1%        | 13,040   | 5.1%        | 12,123   | 4.9%        | 10,274   | 4.5%        | 11,000    | 4.7%        |
|                       | Segment income   | 410      | 8.0%        | 169      | 2.7%        | -343     | -4.4%       | -212     | -3.1%       | 300       | 4.0%        |
|                       | Margin           | 3.1%     |             | 1.3%     |             | -2.8%    |             | -2.1%    |             | 2.7%      |             |
| Total                 | Net sales        | 257,852  | 100.0%      | 255,143  | 100.0%      | 245,387  | 100.0%      | 227,209  | 100.0%      | 232,000   | 100.0%      |
|                       | Operating income | 5,106    | 100.0%      | 6,362    | 100.0%      | 7,788    | 100.0%      | 6,879    | 100.0%      | 7,500     | 100.0%      |
|                       | Margin           | 2.0%     |             | 2.5%     |             | 3.2%     |             | 3.0%     |             | 3.2%      |             |

(Million Yen)

|                       |                  | FY2014/3   |             | FY2015/3   |             | FY2016/3   |             | FY2017/3   |             | FY2018/3   |             |
|-----------------------|------------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|
|                       |                  | 1H Results | Composition | 1H Results | Composition | 1H Results | Composition | 1H Results | Composition | 1H Results | Composition |
| Electronic components | Net sales        | 94,595     | 77.5%       | 93,519     | 77.7%       | 95,815     | 77.9%       | 82,784     | 75.5%       | 85,918     | 73.7%       |
|                       | Segment income   | 1,601      | 73.0%       | 2,648      | 86.3%       | 3,755      | 89.5%       | 2,366      | 73.7%       | 2,893      | 65.8%       |
|                       | Margin           | 1.7%       |             | 2.8%       |             | 3.9%       |             | 2.9%       |             | 3.4%       |             |
| Information equipment | Net sales        | 19,767     | 16.2%       | 19,828     | 16.5%       | 20,120     | 16.4%       | 20,524     | 18.7%       | 23,446     | 20.1%       |
|                       | Segment income   | 184        | 8.4%        | 162        | 5.3%        | 229        | 5.5%        | 539        | 16.8%       | 1,116      | 25.4%       |
|                       | Margin           | 0.9%       |             | 0.8%       |             | 1.1%       |             | 2.6%       |             | 4.8%       |             |
| Software              | Net sales        | 1,548      | 1.3%        | 1,047      | 0.9%        | 1,136      | 0.9%        | 1,442      | 1.3%        | 1,142      | 1.0%        |
|                       | Segment income   | 231        | 10.5%       | 122        | 4.0%        | 288        | 6.9%        | 307        | 9.6%        | 111        | 2.5%        |
|                       | Margin           | 15.0%      |             | 11.7%      |             | 25.4%      |             | 21.3%      |             | 9.7%       |             |
| Others                | Net sales        | 6,165      | 5.1%        | 5,922      | 4.9%        | 5,901      | 4.8%        | 4,909      | 4.5%        | 6,075      | 5.2%        |
|                       | Segment income   | 175        | 8.0%        | 51         | 1.7%        | -102       | -2.4%       | -57        | -1.8%       | 198        | 4.5%        |
|                       | Margin           | 2.8%       |             | 0.9%       |             | -1.7%      |             | -1.2%      |             | 3.3%       |             |
| Total                 | Net sales        | 122,077    | 100.0%      | 120,318    | 100.0%      | 122,975    | 100.0%      | 109,659    | 100.0%      | 116,582    | 100.0%      |
|                       | Operating income | 2,194      | 100.0%      | 3,067      | 100.0%      | 4,195      | 100.0%      | 3,212      | 100.0%      | 4,394      | 100.0%      |
|                       | Margin           | 1.8%       |             | 2.5%       |             | 3.4%       |             | 2.9%       |             | 3.8%       |             |

# Net Sales by Product (Full Year/ 1H)

(Million Yen)

|                               | FY2014/3       |               | FY2015/3       |               | FY2016/3       |               | FY2017/3       |               | FY2018/3       |               |
|-------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                               | Results        | Composition   | Results        | Composition   | Results        | Composition   | Results        | Composition   | Forecasts      | Composition   |
| Information equipment         | 52,874         | 20.5%         | 46,607         | 18.3%         | 48,940         | 19.9%         | 48,947         | 21.5%         | 48,000         | 20.7%         |
| EMS                           | 90,123         | 35.0%         | 95,102         | 37.3%         | 87,923         | 35.8%         | 80,598         | 35.5%         | 90,000         | 38.8%         |
| Semiconductors                | 60,654         | 23.5%         | 52,965         | 20.8%         | 53,685         | 21.9%         | 42,722         | 18.8%         | 44,000         | 19.0%         |
| General electronic components | 26,825         | 10.4%         | 30,899         | 12.1%         | 29,102         | 11.9%         | 26,917         | 11.8%         | 24,000         | 10.3%         |
| Others                        | 27,375         | 10.6%         | 29,568         | 11.6%         | 25,735         | 10.5%         | 28,024         | 12.3%         | 26,000         | 11.2%         |
| <b>Total</b>                  | <b>257,852</b> | <b>100.0%</b> | <b>255,143</b> | <b>100.0%</b> | <b>245,387</b> | <b>100.0%</b> | <b>227,209</b> | <b>100.0%</b> | <b>232,000</b> | <b>100.0%</b> |

(Million Yen)

|                               | FY2014/3       |               | FY2015/3       |               | FY2016/3       |               | FY2017/3       |               | FY2018/3       |               |
|-------------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                               | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   |
| Information equipment         | 22,711         | 18.6%         | 22,305         | 18.5%         | 24,243         | 19.7%         | 23,457         | 21.4%         | 26,521         | 22.7%         |
| EMS                           | 44,382         | 36.4%         | 42,747         | 35.5%         | 45,001         | 36.6%         | 39,569         | 36.1%         | 42,255         | 36.2%         |
| Semiconductors                | 30,483         | 25.0%         | 25,668         | 21.3%         | 26,090         | 21.2%         | 20,514         | 18.7%         | 21,902         | 18.8%         |
| General electronic components | 12,151         | 10.0%         | 14,731         | 12.2%         | 15,025         | 12.2%         | 12,181         | 11.1%         | 14,677         | 12.6%         |
| Others                        | 12,347         | 10.1%         | 14,864         | 12.4%         | 12,613         | 10.3%         | 13,936         | 12.7%         | 11,226         | 9.6%          |
| <b>Total</b>                  | <b>122,077</b> | <b>100.0%</b> | <b>120,318</b> | <b>100.0%</b> | <b>122,975</b> | <b>100.0%</b> | <b>109,659</b> | <b>100.0%</b> | <b>116,582</b> | <b>100.0%</b> |

# Net Sales by Region (Full Year/ 1H)

(Million Yen)

|               | FY2014/3       |               | FY2015/3       |               | FY2016/3       |               | FY2017/3       |               | FY2018/3       |               |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|               | Results        | Composition   | Results        | Composition   | Results        | Composition   | Results        | Composition   | Forecasts      | Composition   |
| Japan         | 180,170        | 69.9%         | 173,048        | 67.8%         | 167,914        | 68.4%         | 151,912        | 66.9%         | 147,000        | 63.4%         |
| North America | 3,918          | 1.5%          | 5,363          | 2.1%          | 5,840          | 2.4%          | 5,995          | 2.6%          | 7,500          | 3.2%          |
| Europe        | 2,430          | 0.9%          | 2,506          | 1.0%          | 2,662          | 1.1%          | 2,518          | 1.1%          | 2,500          | 1.1%          |
| East Asia     | 71,333         | 27.7%         | 74,225         | 29.1%         | 68,970         | 28.1%         | 66,783         | 29.4%         | 75,000         | 32.3%         |
| <b>Total</b>  | <b>257,852</b> | <b>100.0%</b> | <b>255,143</b> | <b>100.0%</b> | <b>245,387</b> | <b>100.0%</b> | <b>227,209</b> | <b>100.0%</b> | <b>232,000</b> | <b>100.0%</b> |

(Million Yen)

|               | FY2014/3       |               | FY2015/3       |               | FY2016/3       |               | FY2017/3       |               | FY2018/3       |               |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|               | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   | 1H Results     | Composition   |
| Japan         | 84,033         | 68.8%         | 80,505         | 66.9%         | 84,170         | 68.4%         | 74,151         | 67.6%         | 73,789         | 63.3%         |
| North America | 1,920          | 1.6%          | 2,600          | 2.2%          | 3,293          | 2.7%          | 3,352          | 3.1%          | 4,580          | 3.9%          |
| Europe        | 1,212          | 1.0%          | 1,281          | 1.1%          | 1,400          | 1.1%          | 1,170          | 1.1%          | 1,779          | 1.5%          |
| East Asia     | 34,909         | 28.6%         | 35,930         | 29.9%         | 34,111         | 27.7%         | 30,985         | 28.3%         | 36,433         | 31.3%         |
| <b>Total</b>  | <b>122,077</b> | <b>100.0%</b> | <b>120,318</b> | <b>100.0%</b> | <b>122,975</b> | <b>100.0%</b> | <b>109,659</b> | <b>100.0%</b> | <b>116,582</b> | <b>100.0%</b> |

# Breakdown of SG&A (Full Year/ 1H)

(Million Yen)

|                                 | FY2014/3<br>Results | FY2015/3<br>Results | FY2016/3<br>Results | FY2017/3<br>Results | FY2018/3<br>Forecasts | Percentage<br>of sales |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|------------------------|
| Net sales                       | 257,852             | 255,143             | 245,387             | 227,209             | 232,000               | 100.0%                 |
| Gross profit                    | 32,522              | 32,738              | 33,648              | 31,225              | 32,250                | 13.9%                  |
| SG&A                            | 27,416              | 26,376              | 25,859              | 24,346              | 24,750                | 10.7%                  |
| of which) Personnel expenses*   | 15,269              | 15,056              | 15,106              | 14,632              | 14,509                | 6.3%                   |
| Packing and freightage expenses | 2,569               | 2,606               | 2,455               | 2,278               | 2,248                 | 1.0%                   |
| R&D expenses                    | 219                 | 151                 | 280                 | 186                 | 57                    | 0.0%                   |
| Depreciation                    | 768                 | 773                 | 686                 | 561                 | 535                   | 0.2%                   |
| Rent expenses                   | 2,061               | 1,118               | 1,153               | 1,140               | 1,248                 | 0.5%                   |
| Operating income                | 5,106               | 6,362               | 7,788               | 6,879               | 7,500                 | 3.2%                   |
| Number of employees             | 4,752               | 5,092               | 5,243               | 5,216               | 5,188                 | -                      |

\*Personnel expenses : Directors' compensations, Employees' bonuses and salaries, Retirement payments, Legal welfare expenses.

(Million Yen)

|                                 | FY2014/3<br>1H Results | FY2015/3<br>1H Results | FY2016/3<br>1H Results | FY2017/3<br>1H Results | FY2018/3<br>1H Results | Percentage<br>of sales |
|---------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net sales                       | 122,077                | 120,318                | 122,975                | 109,659                | 116,582                | 100.0%                 |
| Gross profit                    | 15,728                 | 15,796                 | 16,991                 | 15,172                 | 16,218                 | 13.9%                  |
| SG&A                            | 13,534                 | 12,729                 | 12,796                 | 11,959                 | 11,824                 | 10.1%                  |
| of which) Personnel expenses*   | 7,537                  | 7,297                  | 7,437                  | 7,145                  | 6,988                  | 6.0%                   |
| Packing and freightage expenses | 1,254                  | 1,255                  | 1,226                  | 1,113                  | 1,189                  | 1.0%                   |
| R&D expenses                    | 130                    | 76                     | 116                    | 117                    | 40                     | 0.0%                   |
| Depreciation                    | 357                    | 341                    | 315                    | 284                    | 251                    | 0.2%                   |
| Rent expenses                   | 1,052                  | 558                    | 576                    | 573                    | 611                    | 0.5%                   |
| Operating income                | 2,194                  | 3,067                  | 4,195                  | 3,212                  | 4,394                  | 3.8%                   |
| Number of employees             | 4,715                  | 4,922                  | 5,048                  | 4,979                  | 5,198                  | -                      |

\*Personnel expenses : Directors' compensations, Employees' bonuses and salaries, Retirement payments, Legal welfare expenses.



# Balance Sheet

(Million Yen)

|  | 2014/3         | 2015/3         | 2016/3         | 2017/3         | 2017/9         |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>                                |                |                |                |                |                |
| Current assets                               | 102,930        | 104,424        | 101,961        | 103,684        | 104,238        |
| Cash and deposits                            | 14,192         | 18,130         | 22,516         | 26,423         | 30,393         |
| Notes and accounts receivable –trade         | 60,667         | 58,167         | 54,795         | 52,009         | 50,024         |
| Inventories                                  | 21,217         | 22,701         | 19,174         | 19,325         | 19,136         |
| Others                                       | 6,854          | 5,426          | 5,476          | 5,925          | 4,683          |
| Non-current assets                           | 23,098         | 23,524         | 22,319         | 22,067         | 22,966         |
| Property, plant and equipment                | 12,625         | 12,725         | 12,058         | 11,745         | 11,999         |
| Intangible assets                            | 1,533          | 1,131          | 1,003          | 841            | 754            |
| Investments and other assets                 | 8,938          | 9,667          | 9,257          | 9,479          | 10,211         |
| <b>Total assets</b>                          | <b>126,028</b> | <b>127,948</b> | <b>124,281</b> | <b>125,751</b> | <b>127,204</b> |
| <b>LIABILITIES</b>                           |                |                |                |                |                |
| Current liabilities                          | 63,410         | 54,612         | 51,169         | 50,242         | 48,972         |
| Notes and accounts payable –trade            | 41,695         | 40,543         | 36,858         | 37,553         | 35,512         |
| Short-term loans payable                     | 12,172         | 5,925          | 6,295          | 4,883          | 5,455          |
| Other  | 9,541          | 8,142          | 8,014          | 7,806          | 8,005          |
| Non-current liabilities                      | 9,792          | 13,733         | 11,303         | 9,576          | 9,224          |
| Long-term loans payable                      | 4,681          | 8,253          | 6,007          | 4,603          | 3,804          |
| Other  | 5,111          | 5,480          | 5,296          | 4,973          | 5,420          |
| <b>Total liabilities</b>                     | <b>73,202</b>  | <b>68,345</b>  | <b>62,472</b>  | <b>59,819</b>  | <b>58,197</b>  |
| <b>NET ASSETS</b>                            |                |                |                |                |                |
| Shareholders' equity                         | 52,923         | 56,538         | 60,702         | 64,481         | 66,977         |
| Capital stock                                | 12,133         | 12,133         | 12,133         | 12,133         | 12,133         |
| Capital surplus                              | 13,912         | 13,912         | 13,912         | 13,912         | 13,853         |
| Retained earnings                            | 27,414         | 31,029         | 35,195         | 40,476         | 43,032         |
| Treasury shares                              | -536           | -537           | -539           | -2,040         | -2,041         |
| Total accumulated other comprehensive income | -137           | 3,026          | 1,061          | 1,391          | 1,958          |
| Non-controlling interests                    | 39             | 38             | 44             | 59             | 71             |
| <b>Total net assets</b>                      | <b>52,825</b>  | <b>59,603</b>  | <b>61,808</b>  | <b>65,932</b>  | <b>69,006</b>  |
| <b>Total liabilities and net assets</b>      | <b>126,028</b> | <b>127,948</b> | <b>124,281</b> | <b>125,751</b> | <b>127,204</b> |

# Cash Flows

(Million Yen)

|   | FY2014/3<br>Results | FY2015/3<br>Results | FY2016/3<br>Results | FY2017/3<br>Results | FY2018/3<br>1H Results |
|---|---------------------|---------------------|---------------------|---------------------|------------------------|
| Cash flows from operating activities          | 3,334               | 9,127               | 9,546               | 10,746              | 5,875                  |
| Cash flows from investing activities          | -3,339              | -1,465              | -1,263              | -258                | -1,345                 |
| Cash flows from financing activities          | 1,024               | -4,431              | -3,067              | -6,118              | -1,265                 |
| Cash and cash equivalents<br>at end of period | 13,361              | 17,569              | 21,879              | 26,021              | 29,387                 |
| Capital expenditures<br>/Investment and loans | 4,087               | 2,649               | 2,166               | 1,464               | 1,912                  |
| Depreciation                                  | 2,418               | 1,907               | 1,604               | 1,452               | 694                    |

“Everything we do is  
for our customers”



20 Kandamatsunagacho, Chiyoda-ku, Tokyo 101-8629

**Contact: Secretarial & Public Relations Office**

TEL:+81-3-5657-0106

FAX:+81-3-3254-7133

E-mail: [webmaster@taxan.co.jp](mailto:webmaster@taxan.co.jp)

<http://www.taxan.co.jp>

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.