

Summary of Non-consolidated Financial Results
for the 1st quarter of Fiscal Year Ending June 2019 (Japanese GAAP)

October 31, 2018

1. Financial results for this term (July 1, 2018 to September 30, 2018)

(Percentage represents year-on-year change)

(Rounded down to the nearest million yen)

(1) Results of operations

	Net sales		Operating income		Ordinary income		Net income	
1 st Quarter, June 2019	Million yen 2,337	% 0.7	Million yen 70	% (45.1)	Million yen 78	% (38.7)	Million yen 48	% (42.3)
1 st Quarter, June 2018	2,322	40.4	128	239.6	128	243.1	83	313.8

	EPS	Fully diluted EPS
1 st Quarter, June 2019	Yen 1.83	Yen —
1 st Quarter, June 2018	3.16	—

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
1st Quarter, June 2019	Million yen 8,896	Million yen 5,543	% 62.3
FY ended June 2018	8,837	5,715	64.7

2. Dividends

	Dividend per share				
	Q1-end	Q2-end	Q3-end	Year-end	Annual
Year ended June 30, 2018	Yen —	Yen 0.00	Yen —	Yen 7.00	Yen 7.00
Year ending June 30, 2019	—				
Year ending June 30, 2019 (Forecast)		0.00	—	7.00	7.00

(Note) Revision of forecasts on the dividends: No

3. Forecast of financial results for the fiscal year ending June 30, 2019
(July 1, 2018 to June 30, 2019)

	Net sales		Operating income		Ordinary income		Net income		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First Half	4,700	0.2	320	68.3	330	67.5	230	77.9	8.74
Full Year	10,700	0.9	880	60.7	900	56.9	620	64.3	23.56

(Note) Revision of forecast on the financial results: No

Notes:

(1) Adaption of unique accounting method for quarterly financial statements: No

(2) Changes in Accounting Policies and Accounting Estimates / Restatements

- (i) Changes in accounting policies due to revisions of accounting standards, etc.: No
- (ii) Changes in accounting policies other than (i) above: No
- (iii) Changes in accounting estimates: No
- (iv) Restatements: No

(3) Number of shares issued (common stock)

(i) Number of shares issued at year-end (including treasury stock)	As of September 30, 2018	26,340,000	As of June 30, 2018	26,340,000
(ii) Number of shares of treasury stock at year-end		25,800		23,800
(iii) Average number of shares during the full year		26,314,705	As of September 30, 2017	26,328,000

4. Financial Statements

(1) Balance Sheet

	(Thousands of yen)	
	Previous term end (as of June 30, 2018)	Current term end (as of September 30, 2018)
Assets		
Current assets		
Cash and deposits	2,839,698	2,569,109
Notes and accounts receivable - trade	1,092,603	1,072,103
Inventories	547,000	798,135
Other	554,733	679,473
Total current assets	<u>5,034,035</u>	<u>5,118,821</u>
Non-current assets		
Property, plant and equipment	519,838	543,482
Intangible assets		
Software	1,098,004	1,341,846
Other	416,842	188,622
Total intangible assets	<u>1,514,846</u>	<u>1,530,468</u>
Investments and other assets		
Investment securities	954,052	854,790
Other	875,874	910,334
Allowance for doubtful accounts	(61,629)	(61,629)
Total investments and other assets	<u>1,768,297</u>	<u>1,703,494</u>
Total non-current assets	<u>3,802,981</u>	<u>3,777,446</u>
Total assets	<u>8,837,017</u>	<u>8,896,267</u>
Liabilities		
Current liabilities		
Notes and accounts payable - trade	543,354	681,357
Income taxes payable	83,433	85,466
Advances received	1,053,670	1,187,966
Provision for product warranties	14,580	—
Provision for bonuses	237,254	350,485
Provision for directors' bonuses	18,960	3,939
Other	571,559	459,222
Total current liabilities	<u>2,522,812</u>	<u>2,768,438</u>
Non-current liabilities		
Provision for retirement benefits	421,554	418,499
Provision for directors' retirement benefits	22,102	19,333
Asset retirement obligations	80,948	81,133
Other	74,313	65,425
Total non-current liabilities	<u>598,918</u>	<u>584,391</u>
Total liabilities	<u>3,121,730</u>	<u>3,352,830</u>
Net assets		
Shareholders' equity		
Capital stock	843,750	843,750
Capital surplus	561,186	561,186
Retained earnings	4,018,414	3,882,271
Treasury shares	(14,872)	(14,872)
Total shareholders' equity	<u>5,408,478</u>	<u>5,272,336</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	306,807	271,101
Total valuation and translation adjustments	<u>306,807</u>	<u>271,101</u>
Total net assets	<u>5,715,286</u>	<u>5,543,437</u>
Total liabilities and net assets	<u>8,837,017</u>	<u>8,896,267</u>

(2) Income Statement

	Previous term (July 1, 2017 to September 30, 2017)	Current term (July 1, 2018 to September 30, 2018)	(Thousands of yen)
Net sales	2,322,076	2,337,451	
Cost of sales	1,771,352	1,811,925	
Gross profit	550,724	525,526	
Selling, general and administrative expenses	422,125	454,956	
Operating income	128,598	70,569	
Non-operating income			
Interest income	256	195	
Dividend income	450	506	
Insurance income	—	4,000	
Subsidy income	—	3,474	
Other	520	946	
Total non-operating income	1,227	9,122	
Non-operating expenses			
Interest expenses	325	46	
Commitment fee	936	1,005	
Other	312	17	
Total non-operating expenses	1,575	1,070	
Ordinary income	128,250	78,622	
Extraordinary income	—	—	
Extraordinary losses			
Loss on retirement of non-current assets	0	—	
Total extraordinary losses	0	—	
Income before income taxes	128,250	78,622	
Income taxes-current	64,185	74,107	
Income taxes-deferred	(19,198)	(43,556)	
Total income taxes	44,987	30,551	
Net income	83,263	48,070	