

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 [under Japanese GAAP]

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

#### (1) Consolidated operating results

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Six months ended September 30, 2018		Six months ended September 30, 2017	
		%		%
Net sales	25,130	0.8	24,920	3.4
Operating income	3,441	(13.3)	3,967	16.9
Ordinary income	3,746	(11.3)	4,225	17.9
Net income attributable to owners of the Parent	2,541	(11.6)	2,876	19.3
Basic earnings per share (Yen)	43.50		49.23	
Diluted earnings per share (Yen)	-		-	
Note: Comprehensive income	2,699 million yen	(35.1%)	4,158 million yen	101.6%

#### (2) Consolidated financial position

(Millions of yen)

	September 30, 2018	March 31, 2018
Total assets	91,195	90,417
Total equity	70,067	68,029
Ratio of equity attributable to owners of the Parent	76.0%	74.4%
Reference: Equity attributable to owners of the Parent	69,310 million yen	67,264 million yen

### 2 . Dividends

	Year ending March 31, 2019 (Forecast)	Year ending March 31, 2019	Year ended March 31, 2018
Annual cash dividends per share (Yen)			
1st quarter end		-	-
2nd quarter end		11.00	11.00
3rd quarter end	-		-
Fiscal year end	11.00		11.00
Total	22.00		22.00

Note: Revisions to the cash dividends forecasts most recently announced: None

### 3 . Forecast of consolidated operating results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Millions of yen, except per share amounts; Percentages indicate year-on-year changes)

	Year ending March 31, 2019	
		%
Net sales	52,200	2.8
Operating income	7,300	(10.6)
Ordinary income	7,600	(10.1)
Net income attributable to owners of the Parent	5,200	(21.3)
Basic earnings per share (Yen)	89.01	

Note: Revisions to the consolidated operating results forecasts most recently announced: None

**4 . Others**

Number of issued shares outstanding at the end of the periods (ordinary shares)

	September 30, 2018	March 31, 2018
Number of issued shares including treasury shares	58,948,063 shares	58,948,063 shares
Number of treasury shares	527,352 shares	527,254 shares

	Six months ended September 30, 2018	Six months ended September 30, 2017
Average number of shares outstanding during the period	58,420,747 shares	58,423,436 shares

**Explanation regarding the appropriate use of forecast of operating results and other special items**

Forward-looking statements such as earnings forecasts and other projections contained in this report are based on information currently available and certain assumptions judged by management to be reasonable, and do not constitute guarantees of future performance. Actual results may differ materially from expectations due to various factors.

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2018	September 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	27,872	27,001
Notes and accounts receivable - trade	13,927	13,476
Electronically recorded monetary claims - operating	1,524	1,476
Securities	—	1,800
Merchandise and finished goods	5,719	5,600
Work in process	45	65
Raw materials and supplies	2,623	2,759
Other	178	211
Allowance for doubtful accounts	△1	△0
Total current assets	51,891	52,390
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,541	5,433
Machinery, equipment and vehicles, net	4,633	4,858
Land	8,835	8,835
Construction in progress	77	173
Other, net	608	539
Total property, plant and equipment	19,695	19,840
Intangible assets	224	192
Investments and other assets		
Investment securities	17,596	17,783
Deferred tax assets	294	304
Other	718	688
Allowance for doubtful accounts	△3	△3
Total investments and other assets	18,605	18,772
Total non-current assets	38,525	38,805
Total assets	90,417	91,195
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,769	6,863
Electronically recorded obligations - operating	405	428
Short-term loans payable	1,930	1,930
Current portion of long-term loans payable	120	936
Income taxes payable	1,677	1,188
Provision for directors' bonuses	79	30
Other	4,092	4,183
Total current liabilities	16,075	15,560
Non-current liabilities		
Long-term loans payable	1,520	729
Deferred tax liabilities	417	472
Deferred tax liabilities for land revaluation	1,111	1,111
Provision for directors' retirement benefits	110	102
Net defined benefit liability	2,211	2,233
Asset retirement obligations	377	377
Other	563	539
Total non-current liabilities	6,313	5,567
Total liabilities	22,388	21,127

Consolidated Financial Statements  
Consolidated Balance Sheets

(Millions of yen)

	March 31, 2018	September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	6,867	6,867
Capital surplus	5,741	5,740
Retained earnings	47,686	49,584
Treasury shares	△321	△321
Total shareholders' equity	59,974	61,871
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,991	5,125
Deferred gains or losses on hedges	18	△30
Revaluation reserve for land	2,533	2,533
Foreign currency translation adjustment	△127	△74
Remeasurements of defined benefit plans	△126	△115
Total accumulated other comprehensive income	7,290	7,438
Non-controlling interests	764	757
Total net assets	68,029	70,067
Total liabilities and net assets	90,417	91,195

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales	24,920	25,130
Cost of sales	14,731	15,346
Gross profit	10,188	9,783
Selling, general and administrative expenses		
Transportation and warehousing expenses	1,973	2,021
Advertising expenses	335	373
Salaries	1,095	1,122
Provision for directors' bonuses	31	33
Retirement benefit expenses	94	93
Provision for directors' retirement benefits	9	9
Research and development expenses	605	621
Other	2,076	2,067
Total selling, general and administrative expenses	6,221	6,342
Operating profit	3,967	3,441
Non-operating income		
Interest income	5	6
Dividend income	267	291
Foreign exchange gains	52	98
Miscellaneous income	10	11
Total non-operating income	335	408
Non-operating expenses		
Interest expenses	9	8
Sales discounts	59	58
Loss on abandonment of inventories	—	35
Miscellaneous loss	8	1
Total non-operating expenses	77	103
Ordinary profit	4,225	3,746
Extraordinary income		
Gain on sales of non-current assets	0	2
Subsidy income	9	—
Total extraordinary income	9	2
Extraordinary losses		
Loss on retirement of non-current assets	8	10
Total extraordinary losses	8	10
Profit before income taxes	4,226	3,738
Income taxes	1,344	1,183
Profit	2,881	2,554
Profit attributable to non-controlling interests	5	13
Profit attributable to owners of parent	2,876	2,541

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	2,881	2,554
Other comprehensive income		
Valuation difference on available-for-sale securities	1,268	129
Deferred gains or losses on hedges	△13	△49
Foreign currency translation adjustment	4	53
Remeasurements of defined benefit plans, net of tax	16	10
Total other comprehensive income	1,276	144
Comprehensive income	4,158	2,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,142	2,689
Comprehensive income attributable to non-controlling interests	15	9

## Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,226	3,738
Depreciation	1,090	1,080
Increase (decrease) in provision for directors' retirement benefits	8	△8
Increase (decrease) in net defined benefit liability	42	29
Decrease (increase) in net defined benefit asset	27	22
Interest and dividend income	△272	△298
Interest expenses	9	8
Subsidy income	△9	—
Loss on retirement of property, plant and equipment	8	10
Decrease (increase) in notes and accounts receivable - trade	513	585
Decrease (increase) in inventories	397	△8
Increase (decrease) in notes and accounts payable - trade	△367	△930
Other, net	204	△641
Subtotal	5,878	3,588
Interest and dividend income received	272	298
Interest expenses paid	△9	△8
Proceeds from subsidy income	9	—
Income taxes (paid) refund	△914	△1,665
Net cash provided by (used in) operating activities	5,236	2,212
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△1,661	△714
Payments for retirement of property, plant and equipment	△2	△7
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	13	—
Purchase of investment securities	△589	△3
Proceeds from sales and redemption of investment securities	22	—
Decrease (increase) in time deposits	△1,000	△1,000
Other, net	9	4
Net cash provided by (used in) investing activities	△3,208	△1,721
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	△19	—
Proceeds from long-term loans payable	100	100
Repayments of long-term loans payable	△135	△75
Purchase of treasury shares	△5	△0
Cash dividends paid	△584	△642
Dividends paid to non-controlling interests	△3	△3
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of	—	△14
Other, net	△44	△21
Net cash provided by (used in) financing activities	△691	△657
Effect of exchange rate change on cash and cash equivalents	23	94
Net increase (decrease) in cash and cash equivalents	1,360	△71
Cash and cash equivalents at beginning of period	22,817	26,872
Cash and cash equivalents at end of period	24,178	26,801