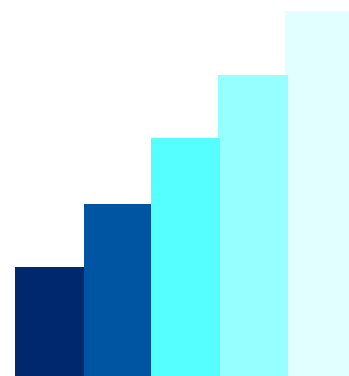


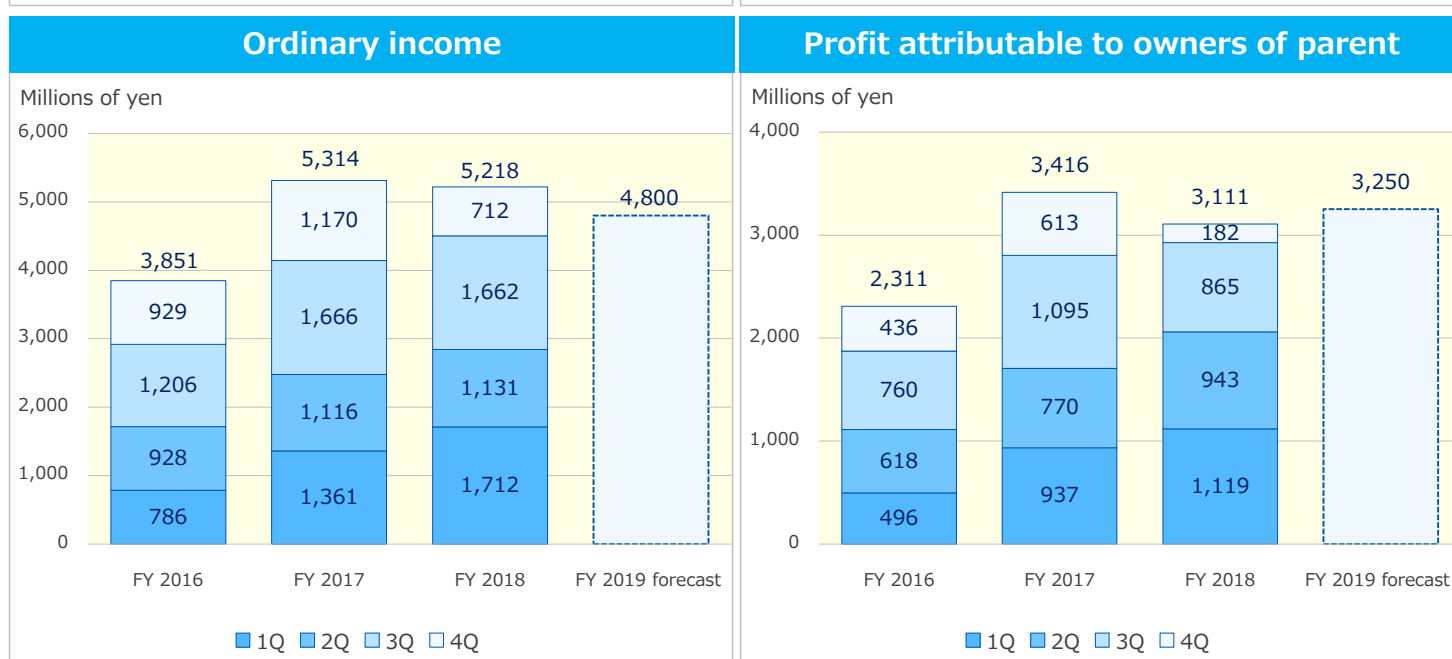
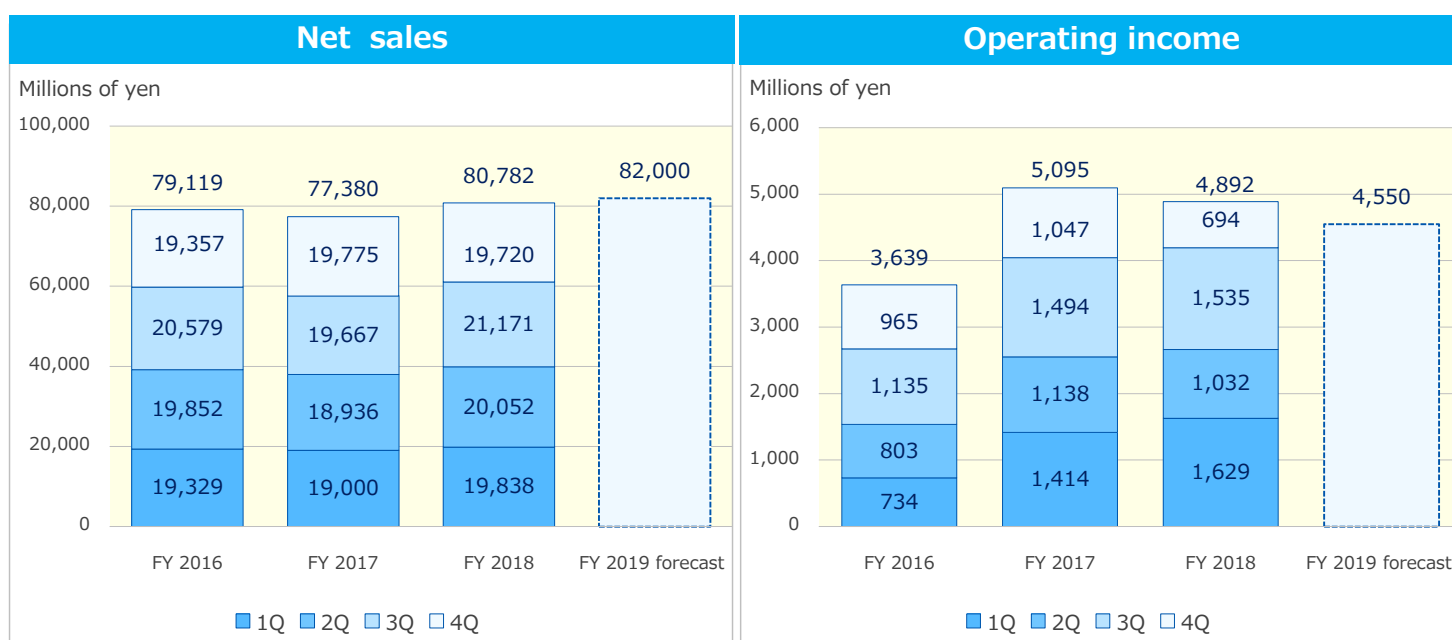
# DATA BOOK

# FY2018

Year ended March 31, 2018

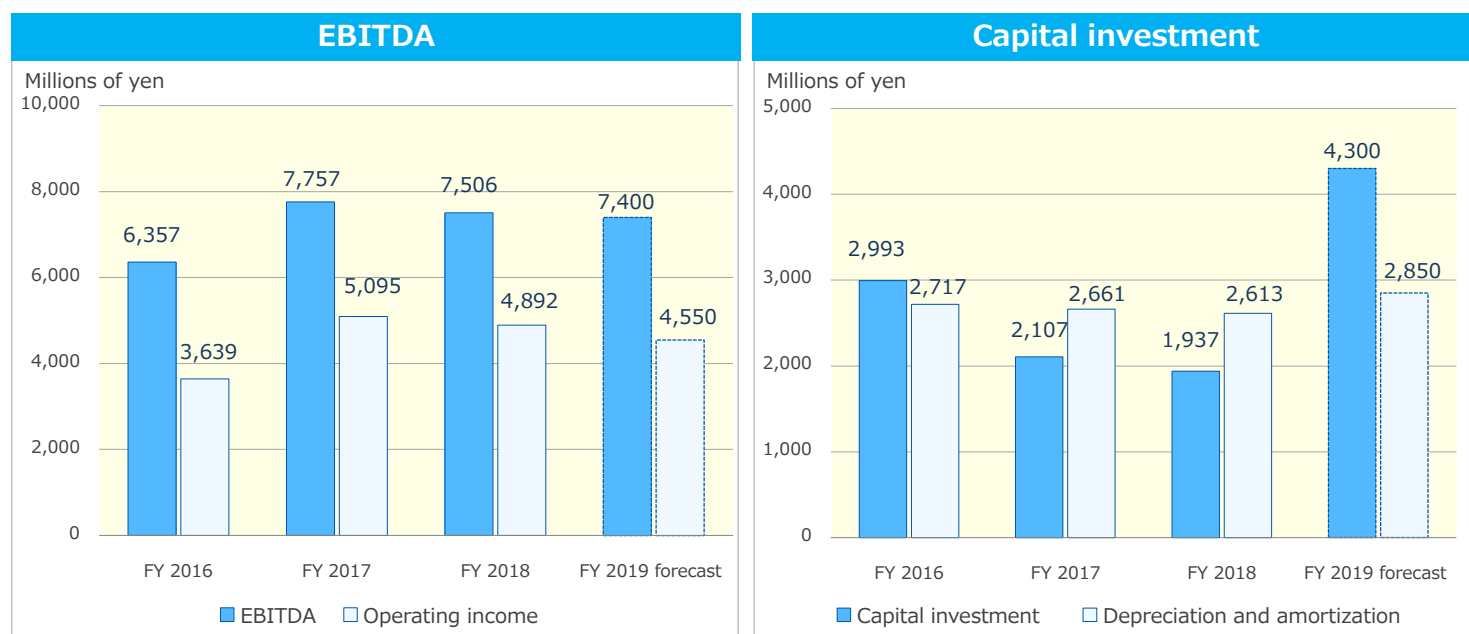


## Achievement Transition ( Consolidated )



Consolidated	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
<b>Net sales</b>	81,742	10.7	79,119	△ 3.2	77,380	△ 2.2	<b>80,782</b>	<b>4.4</b>	82,000	1.5
<b>Operating income</b>	2,961	24.1	3,639	22.9	5,095	40.0	<b>4,892</b>	<b>△ 4.0</b>	4,550	△ 7.0
<b>Ordinary income</b>	3,431	39.4	3,851	12.2	5,314	38.0	<b>5,218</b>	<b>△ 1.8</b>	4,800	△ 8.0
<b>Profit attributable to owners of parent</b>	2,224	51.3	2,311	3.9	3,416	47.8	<b>3,111</b>	<b>△ 8.9</b>	3,250	4.4

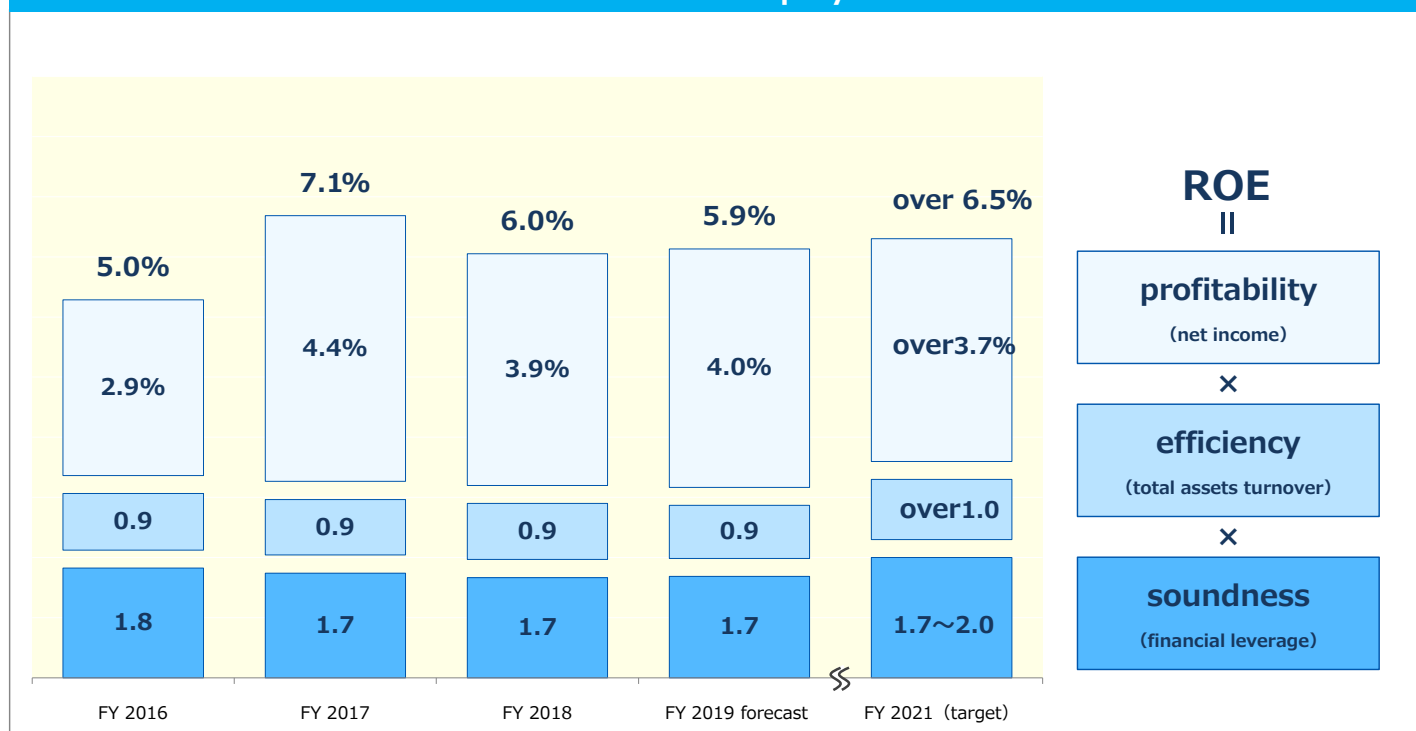
## Management index Transition



Consolidated	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019 forecast	
	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease	Millions of yen	Increase /Decrease
Capital investment	1,807	906	2,993	1,185	2,107	△ 885	<b>1,937</b>	△ 170	4,300	2,362
Depreciation and amortization	2,700	△ 405	2,717	17	2,661	△ 55	<b>2,613</b>	△ 48	2,850	236
R&D expenses	2,703	44	2,819	116	3,179	359	<b>3,220</b>	41	3,300	79
Interest-bearing debt	17,275	197	17,426	151	13,300	△ 4,126	<b>11,269</b>	△ 2,031	15,500	4,230
<b>EBITDA</b>	<b>5,661</b>	<b>267</b>	<b>6,357</b>	<b>695</b>	<b>7,757</b>	<b>1,400</b>	<b>7,506</b>	△ 251	<b>7,400</b>	△ 106

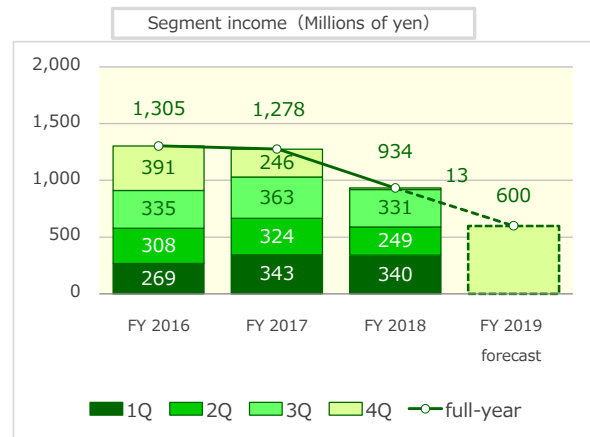
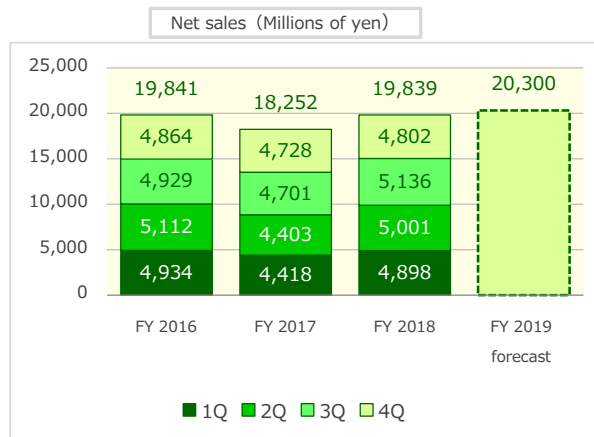
[ **EBITDA** ] Earnings Before Interest , Taxes , Depreciation , and Amortization

## Return on equity

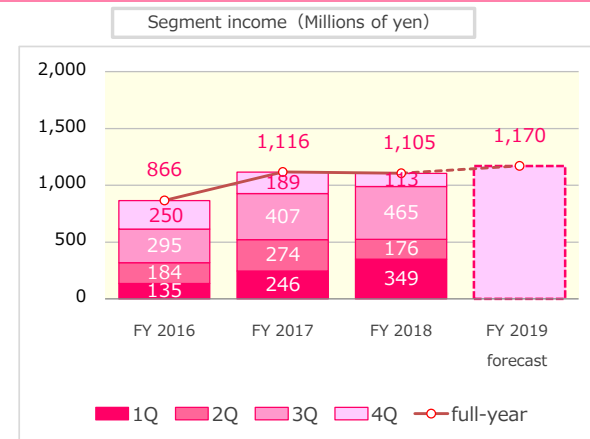
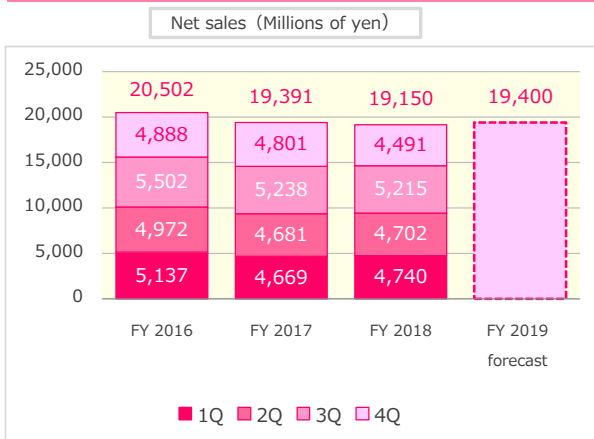


## Segment Information (Consolidated)

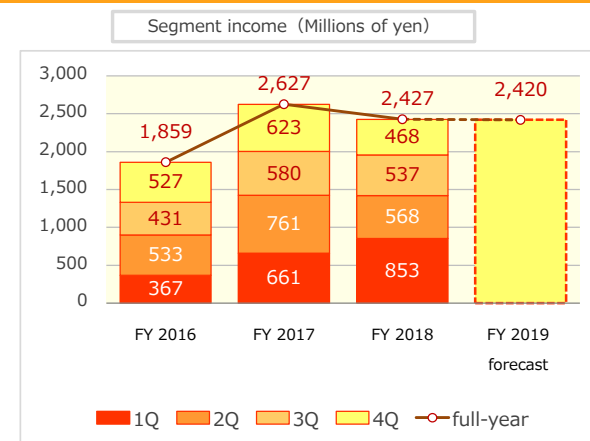
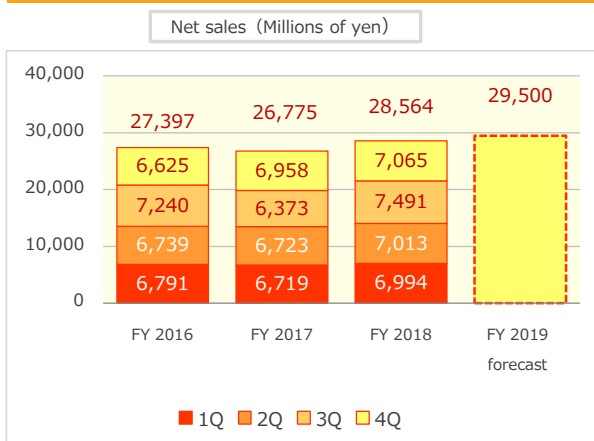
### Paper Chemicals



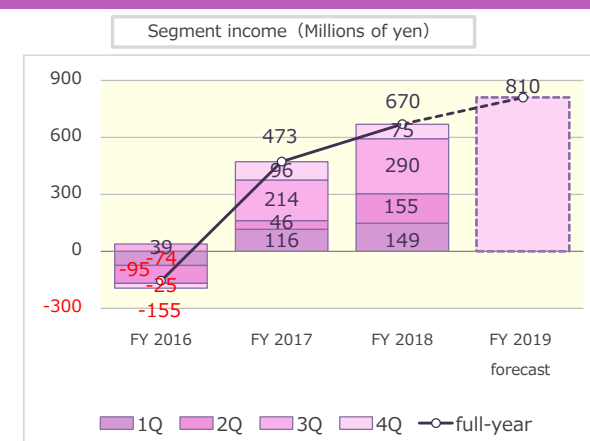
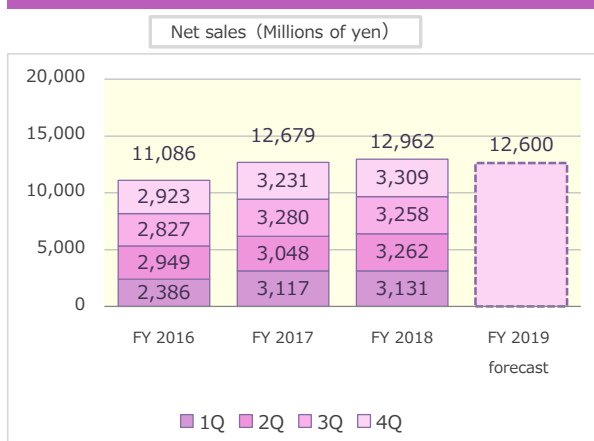
### Coating Chemicals



### Adhesive Materials



### Functional Materials



## Segment Information (Consolidated)

Consolidated		FY 2016		FY 2017		FY 2018		FY 2019 forecast	
		Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
Paper Chemicals	Net sales	19,841	△ 4.5	18,252	△ 8.0	<b>19,839</b>	<b>8.7</b>	20,300	2.3
	Segment income	1,305	17.3	1,278	△ 2.0	<b>934</b>	<b>△ 26.9</b>	600	△ 35.8
	Segment income/sales	6.6%		7.0%		<b>4.7%</b>		3.0%	
Coating Chemicals	Net sales	20,502	△ 3.6	19,391	△ 5.4	<b>19,150</b>	<b>△ 1.2</b>	19,400	1.3
	Segment income	866	89.7	1,116	28.9	<b>1,105</b>	<b>△ 1.0</b>	1,170	5.9
	Segment income/sales	4.2%		5.8%		<b>5.8%</b>		6.0%	
Adhesive Materials	Net sales	27,397	△ 4.3	26,775	△ 2.3	<b>28,564</b>	<b>6.7</b>	29,500	3.3
	Segment income	1,859	36.8	2,627	41.3	<b>2,427</b>	<b>△ 7.6</b>	2,420	△ 0.3
	Segment income/sales	6.8%		9.8%		<b>8.5%</b>		8.2%	
Functional Materials	Net sales	11,086	2.7	12,679	14.4	<b>12,962</b>	<b>2.2</b>	12,600	△ 2.8
	Segment income	△ 155	—	473	—	<b>670</b>	<b>41.5</b>	810	20.9
	Segment income/sales	△ 1.4%		3.7%		<b>5.2%</b>		6.4%	
Others	Net sales	291	6.9	282	△ 3.1	<b>265</b>	<b>△ 5.8</b>	200	△ 24.7
	Segment income	13	11.0	16	19.3	<b>24</b>	<b>55.3</b>	20	△ 19.5
	Segment income/sales	4.6%		5.7%		<b>9.4%</b>		10.0%	
Subtotal	Net sales	79,119	△ 3.2	77,380	△ 2.2	<b>80,782</b>	<b>4.4</b>	82,000	1.5
	Segment income	3,889	34.3	5,512	41.7	<b>5,162</b>	<b>△ 6.4</b>	5,020	△ 2.8
	Segment income/sales	4.9%		7.1%		<b>6.4%</b>		6.1%	
Consolidated total	Development Investment	△ 302	—	△ 385	—	<b>△ 374</b>	<b>—</b>	△ 420	—
	Segment income	3,586	39.2	5,126	42.9	<b>4,787</b>	<b>△ 6.6</b>	4,600	△ 3.9
	Segment income/sales	4.5%		6.6%		<b>5.9%</b>		5.6%	

\*Applied research and development expense that will be the source of growth in the medium to long term.

The sales of business segmentation do not include intersegment sales.

[Paper Chemicals] Size agent, Paper strengthening agent, Latex, etc.

[Coating Chemicals] Printing ink resin, Paint resin, Polymerization emulsifier, UV/EB curable resin, etc.

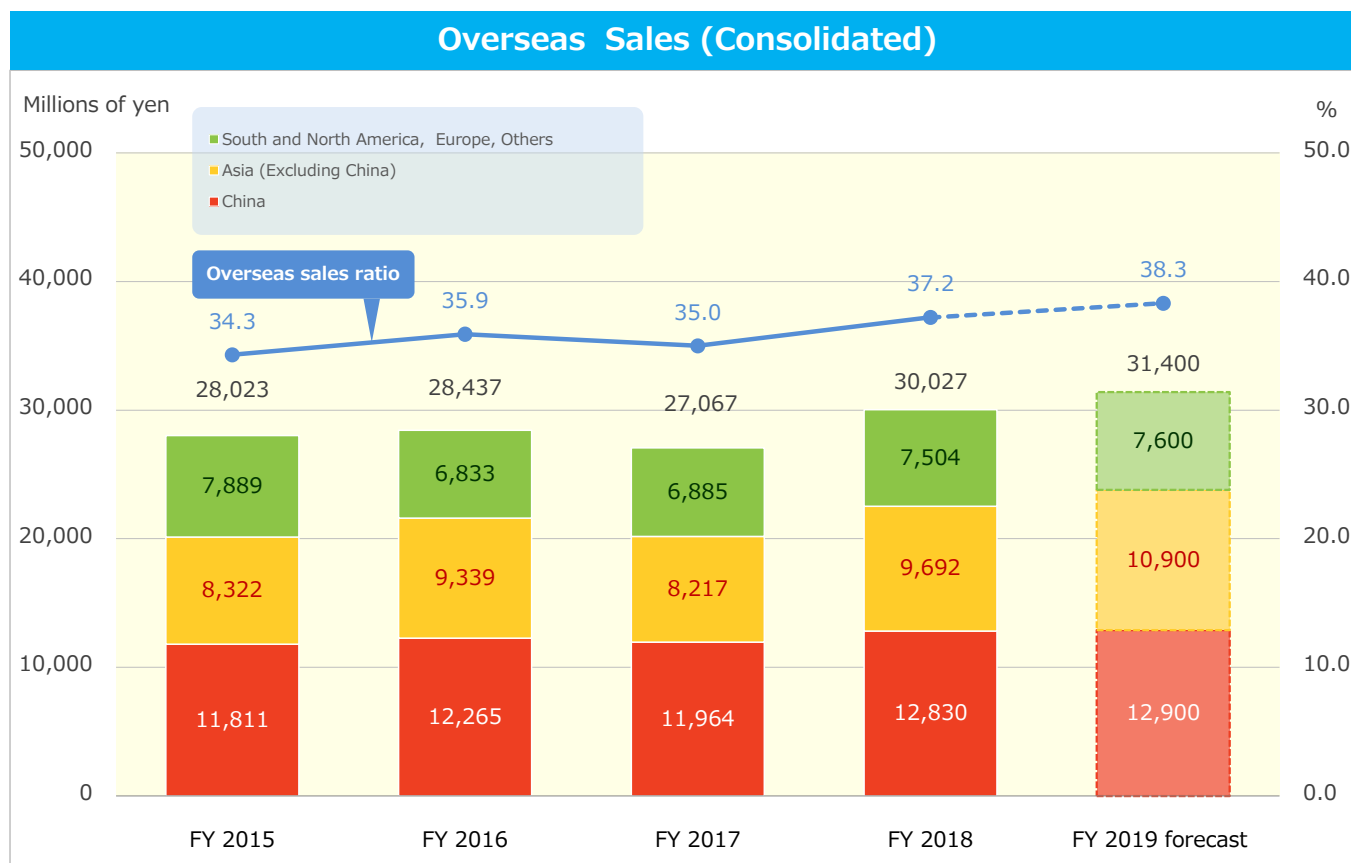
[Adhesive Materials] Adhesive resin, Colorless rosin derivatives, etc.

[Functional Materials] Compound materials for electronics, Functional fine chemical materials, Polishing agent for hard disk substrates, Flux cleanig System, etc.

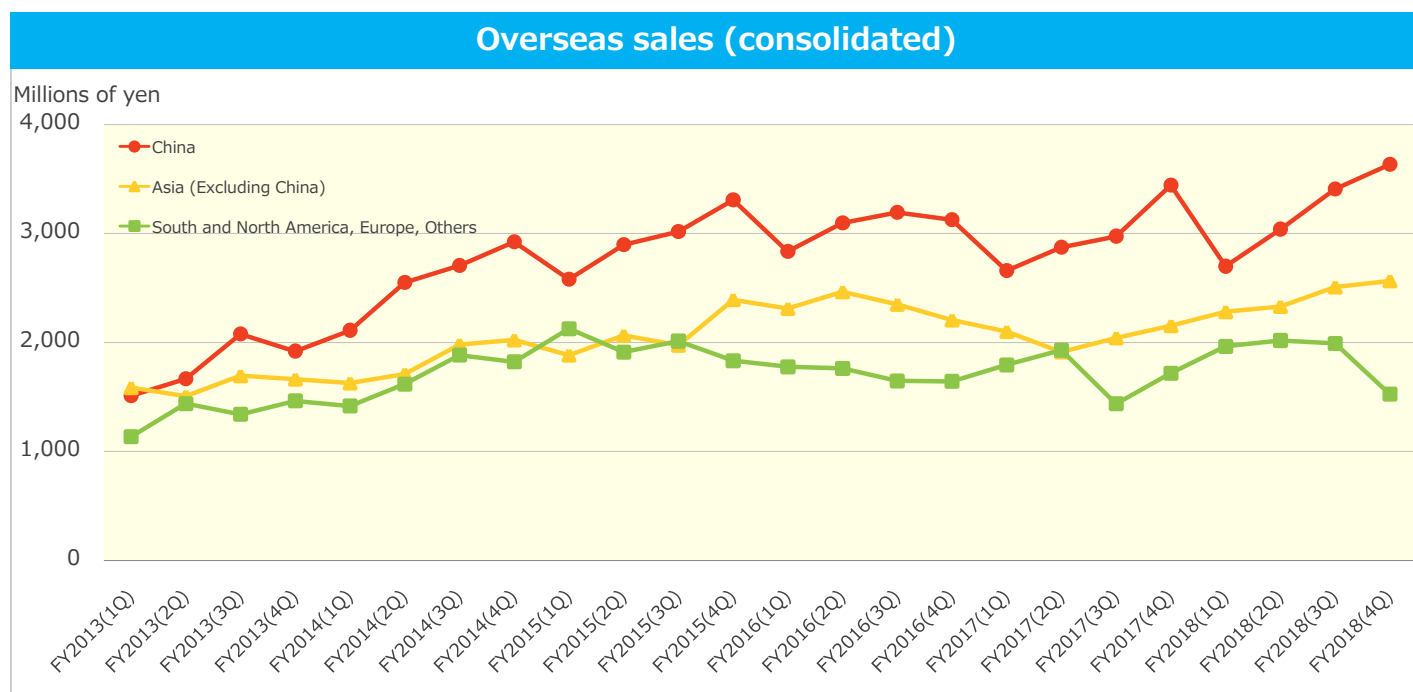
[Others] Insurance business, Real estate agent, etc.

\*Some products of Functional Materials will be reclassified into Adhesive Materials from 2018.(Net sales of approximately 1,400 million yen.)

## Overseas Sales (Consolidated)



Consolidated	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019 forecast	
	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change	Millions of yen	% Change
<b>Overseas sales</b>	28,023	28.2	28,437	1.5	27,067	△ 4.8	<b>30,027</b>	<b>10.9</b>	31,400	4.6
Overseas sales in Asia	20,133	29.4	21,604	7.3	20,182	△ 6.6	<b>22,522</b>	<b>11.6</b>	23,800	5.7
Overseas sales in China	11,811	43.4	12,265	3.8	11,964	△ 2.4	<b>12,830</b>	<b>7.2</b>	12,900	0.5
Overseas sales ratio	34.3%		35.9%		35.0%		<b>37.2%</b>		38.3%	



## Management Index(Consolidated)

	FY2014 (‘13/4-‘14/3)	FY2015 (‘14/4-‘15/3)	FY2016 (‘15/4-‘16/3)	FY2017 (‘16/4-‘17/3)	FY2018 (‘17/4-‘18/3)	FY2019 (‘18/4-‘19/3)
Capital investment (Completion basis) (Millions of yen)	1,997	1,807	2,993	2,107	1,937	4,300
Capital investment (Cash flows basis) (Millions of yen)	1,913	1,781	2,992	1,857	2,215	9,100
Depreciation and amortization (Millions of yen)	2,953	2,700	2,717	2,661	2,613	2,850
R & D expenses (Millions of yen)	2,790	2,703	2,819	3,179	3,220	3,300
Interest-bearing debt (Millions of yen)	18,605	17,275	17,426	13,300	11,269	15,500
Debt equity ratio (Times)	0.44	0.37	0.38	0.27	0.21	0.28
Total assets (Millions of yen)	82,342	85,245	83,380	83,898	89,562	96,000
Shareholders' equity (Millions of yen)	42,408	46,252	46,129	49,915	54,123	56,000
Shareholders' equity to total assets (%)	51.5	54.3	55.3	59.5	60.4	58.3
Return on equity (%)	3.7	5.0	5.0	7.1	6.0	5.9
Net profit to sales(%)	2.0	2.7	2.9	4.4	3.9	4.0
Total asset turnover	0.9	1.0	0.9	0.9	0.9	0.9
Financial Leverage	1.9	1.8	1.8	1.7	1.7	1.7
Operating income to net sales (%)	3.1	3.5	4.6	6.6	6.1	5.5
Ordinary income to net sales (%)	3.6	4.0	4.9	6.9	6.5	5.9
Earnings per share (Yen)	73.86	109.94	113.10	166.18	150.76	157.47
Book-value per share (Yen)	2,105.85	2,279.68	2,247.53	2,418.47	2,622.38	2,810.19
Price to earnings ratio (Times)	12.4	11.5	8.6	12.3	12.5	—
Annual dividends per share (Yen)	25.00	28.00	30.00	38.00	38.00	40.00
Payout ratio (%)	33.8	25.5	26.5	22.9	25.2	25.4
Number of employees	1,330	1,349	1,422	1,442	1,477	1,510

## Balance Sheets ( Consolidated )

	(Unit : Millions of yen)				
	FY2014 ( '13/4-'14/3 )	FY2015 ( '14/4-'15/3 )	FY2016 ( '15/4-'16/3 )	FY2017 ( '16/4-'17/3 )	FY2018 ( '17/4-'18/3 )
<b>Assets</b>					
◇ Current assets	54,406	56,018	54,541	53,804	56,875
Cash and deposits	6,668	8,228	9,620	10,212	8,471
Notes and accounts receivable-trade	28,167	29,142	26,529	25,939	28,342
Electronically recorded monetary claims - operating	—	507	935	1,161	1,829
Securities	—	—	232	—	—
Inventories	17,478	16,987	16,166	15,019	16,217
Deferred tax assets	579	549	532	668	717
Other	1,670	745	655	956	1,420
Allowance for doubtful accounts	△ 157	△ 142	△ 131	△ 153	△ 123
◇ Noncurrent assets	27,936	29,227	28,839	30,094	32,686
• Property, plant and equipment	21,072	20,827	21,553	20,199	20,691
Buildings and structures	7,933	7,793	8,105	7,766	7,708
Machinery, equipment and vehicles	7,828	7,352	7,032	6,614	6,181
Land	4,724	4,797	5,204	5,190	5,195
Construction in progress	266	553	739	163	1,139
Other	318	331	471	465	466
• Intangible assets	674	571	983	1,481	1,204
• Investments and other assets	6,189	7,828	6,301	8,413	10,790
Investment securities	5,480	7,125	5,549	7,430	8,806
Net defined benefit asset	—	—	—	386	1,538
Deferred tax assets	193	187	204	159	116
Other	523	530	635	521	401
Allowance for doubtful accounts	△ 8	△ 14	△ 87	△ 85	△ 72
Total assets	82,342	85,245	83,380	83,898	89,562
<b>Liabilities</b>					
◇ Current liabilities	29,047	26,926	30,996	24,459	25,651
Notes and accounts payable-trade	12,867	11,807	10,286	9,967	12,043
Short-term loans payable	11,525	9,592	9,993	7,957	6,269
Current portion of bonds	—	—	5,000	—	—
Income taxes payable	272	451	650	880	642
Accrued consumption taxes	36	243	219	179	135
Provision for bonuses	989	1,035	1,086	1,276	1,272
Notes payable-facilities	212	134	54	63	214
Other	3,143	3,661	3,706	4,134	5,073
◇ Noncurrent liabilities	9,660	10,474	4,639	7,881	8,214
Bonds payable	5,000	5,000	—	5,000	5,000
Long-term loans payable	2,079	2,683	2,433	343	—
Deferred tax liabilities	968	1,393	895	1,695	2,266
Provision for retirement benefits/Net defined benefit liability	1,015	813	764	335	328
Other	597	583	546	507	618
Total liabilities	38,708	37,400	35,636	32,340	33,865
<b>Net assets</b>					
◇ Shareholders' equity	39,066	40,893	42,819	45,697	47,962
Capital stock	3,128	3,192	3,293	3,343	3,343
Capital surplus	3,350	3,414	3,514	3,564	3,564
Retained earnings	32,599	34,298	36,022	38,802	41,068
Treasury stock	△ 11	△ 11	△ 12	△ 12	△ 13
◇ Accumulated other comprehensive income	3,342	5,358	3,310	4,218	6,161
Valuation difference on available-for-sale securities	1,370	2,572	1,619	2,904	3,880
Foreign currency translation adjustment	1,714	2,620	1,746	1,026	1,434
Remeasurements of defined benefit plans	256	165	△ 56	286	847
◇ Subscription rights to shares	27	23	16	—	—
◇ Minority interests	1,199	1,570	1,598	1,641	1,572
Total net assets	43,634	47,845	47,744	51,557	55,696
Total liabilities and net assets	82,342	85,245	83,380	83,898	89,562



## Statements of Income (Consolidated)

(Unit : Millions of yen)

	FY2014 ('13/4-'14/3)	FY2015 ('14/4-'15/3)	FY2016 ('15/4-'16/3)	FY2017 ('16/4-'17/3)	FY2018 ('17/4-'18/3)
◇ Net sales	75,025	81,742	79,119	77,380	80,782
◇ Cost of sales	61,028	66,777	62,757	59,111	62,478
Gross profit	13,997	14,965	16,361	18,269	18,303
Selling, general and administrative expenses	11,662	12,004	12,722	13,173	13,410
Operating income	2,335	2,961	3,639	5,095	4,892
◇ Non-operating income	747	849	674	527	568
Interest income	11	33	30	25	13
Dividends income	119	126	156	157	184
Real estate rent	116	119	121	58	113
Foreign exchange gains	291	246	28	3	23
Other	208	324	338	282	233
◇ Non-operating expenses	386	379	463	308	242
Interest expenses	262	261	239	177	164
Equity in losses of affiliates	20	49	26	—	—
Bond issuance cost	28	—	—	31	—
Commission fee	—	—	89	—	—
Other	74	69	106	98	78
Ordinary income	2,697	3,431	3,851	5,314	5,218
◇ Extraordinary income	91	511	188	36	452
Gain on sales of noncurrent assets	75	21	45	5	0
Gain on sales of investment securities	—	—	126	1	151
Reversal of foreign currency transaction adjustment	—	—	—	—	285
Gain on reversal of share acquisition rights	—	—	—	13	—
Other	15	490	15	15	15
◇ Extraordinary loss	113	58	177	174	949
Loss on sales and retirement of noncurrent assets	113	54	25	80	99
Loss on explosion and fire accident	—	—	—	—	554
Loss on valuation of noncurrent assets	—	4	—	2	—
Loss on sales of investment securities	—	—	—	0	—
Loss on valuation of investment securities	—	—	—	—	44
Loss on valuation of investments in capital of subsidiaries and associates	—	—	—	91	—
Loss on liquidation of subsidiaries and associates	—	—	—	—	251
Other	—	—	152	—	—
Income before income taxes	2,674	3,884	3,862	5,176	4,721
Income taxes-current	678	1,164	1,166	1,469	1,258
Income taxes-deferred	348	139	133	△ 17	△ 123
Profit attributable to non-controlling interests	160	356	251	307	475
Profit attributable to owners of parent	1,487	2,224	2,311	3,416	3,111

**Statements of Cash Flows (Consolidated)**

(Unit : Millions of yen)

	FY2014 ( <sup>13</sup> /4- <sup>14</sup> /3)	FY2015 ( <sup>14</sup> /4- <sup>15</sup> /3)	FY2016 ( <sup>15</sup> /4- <sup>16</sup> /3)	FY2017 ( <sup>16</sup> /4- <sup>17</sup> /3)	FY2018 ( <sup>17</sup> /4- <sup>18</sup> /3)
<b>I . Net cash provided by (used in) operating</b>					
Income before income taxes	2,674	3,884	3,862	5,176	4,721
Depreciation and amortization	2,953	2,700	2,717	2,661	2,613
Amortization of goodwill	58	61	155	210	282
Increase (decrease) in allowance for doubtful accounts	17	△ 15	67	30	△ 47
Increase (decrease) in provision for bonuses	112	41	48	192	△ 6
Increase (decrease) in provision for directors' bonuses	2	6	11	23	—
Increase (decrease) in provision for retirement benefits	△ 780	△ 205	△ 53	△ 427	△ 9
Decrease (increase) in net defined benefit asset	—	—	—	△ 386	△ 1,151
Loss (gain) on valuation of investment securities	—	—	—	—	44
Loss (gain) on sales of investment securities	—	—	△ 126	△ 1	△ 151
Gain on reversal of share acquisition rights	—	—	—	△ 13	—
Reversal of foreign currency transaction adjustment	—	—	—	—	△ 285
Loss on explosion and fire accident	—	—	—	—	554
Loss on liquidation of subsidiaries and associates	—	—	—	—	251
Loss (gain) on sales and retirement of non-current assets	38	33	△ 20	74	98
Loss on valuation of investments in capital of subsidiaries and associates	—	—	—	91	—
Interest and dividends income	△ 131	△ 160	△ 186	△ 182	△ 198
Interest expenses	262	261	239	209	164
Share of (profit) loss of entities accounted for using equity method	20	49	26	—	—
Decrease (increase) in notes and accounts receivable-trade	405	△ 767	1,853	△ 166	△ 2,705
Decrease (increase) in inventories	△ 1,331	839	575	944	△ 912
Increase (decrease) in notes and accounts payable-trade	△ 379	△ 1,305	△ 1,622	△ 139	1,897
Increase (decrease) in accrued consumption taxes	△ 294	206	△ 23	△ 30	△ 54
Other, net	△ 1,738	1,682	△ 515	872	203
Sub-total	3,453	6,177	7,008	9,140	5,310
Interest and dividends income received	133	165	188	183	194
Interest expenses paid	△ 235	△ 286	△ 247	△ 212	△ 145
Income taxes (paid) refund	△ 679	△ 961	△ 1,008	△ 1,267	△ 1,551
Net cash provided by (used in) operating activities	2,671	5,094	5,941	7,843	3,808
<b>II . Net cash provided by (used in) investment activities</b>					
Purchase of noncurrent assets	△ 1,913	△ 1,781	△ 2,992	△ 1,857	△ 2,215
Purchase of investment securities	△ 24	△ 25	△ 27	△ 35	△ 32
Proceeds from sales of investment securities	—	—	244	8	179
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	—	△ 1,498	—	—
Purchase of shares of subsidiaries and associates	△ 139	—	—	—	—
Payments for transfer of business	—	—	—	△ 911	—
Other, net	151	△ 2	110	98	20
Net cash provided by (used in) investment activities	△ 1,926	△ 1,810	△ 4,163	△ 2,698	△ 2,048
<b>III . Net cash provided by (used in) financing activities</b>					
Net increase (decrease) in short-term loans payable	△ 1,121	△ 2,145	569	△ 1,715	△ 549
Proceeds from long-term loans payable	2,000	2,660	2,200	—	—
Repayment of long-term loans payable	△ 1,500	△ 1,995	△ 2,264	△ 2,001	△ 1,688
Proceeds from issuance of bonds	4,971	—	—	5,000	—
Redemption of bonds	△ 5,000	—	—	△ 5,000	—
Proceeds from share issuance to non-controlling shareholders	—	—	—	—	19
Cash dividends paid	△ 473	△ 525	△ 611	△ 636	△ 846
Dividends paid to non-controlling interests	△ 441	△ 136	△ 159	△ 194	△ 521
Other, net	26	124	190	94	△ 0
Net cash provided by (used in) financing activities	△ 1,538	△ 2,017	△ 75	△ 4,452	△ 3,586
<b>IV . Effect of exchange rate change on cash and cash equivalents</b>	468	293	△ 217	△ 196	111
<b>V . Net increase (decrease) in cash and cash equivalents</b>	△ 325	1,560	1,485	496	△ 1,714
<b>VI . Cash and cash equivalents, beginning of term</b>	6,901	6,576	8,136	9,622	10,118
<b>VII . Cash and cash equivalents, end of term</b>	6,576	8,136	9,622	10,118	8,404

## Balance Sheets (Consolidated)

(Unit: Millions of yen)

Item	FY2017 (As of March 31, 2017)		FY2018 (As of March 31, 2018)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
(Assets)		%		%	
<b>I Current assets</b>					
1. Cash and deposits	10,212		8,471		△ 1,740
2. Notes and accounts receivable - trade	25,939		28,342		2,402
3. Electronically recorded monetary claims - operating	1,161		1,829		668
4. Merchandise and finished goods	7,661		8,051		389
5. Work in process	998		893		△ 105
6. Raw materials and supplies	6,359		7,272		913
7. Deferred tax assets	668		717		48
8. Other	956		1,420		464
9. Allowance for doubtful accounts	△ 153		△ 123		30
Total current assets	53,804	64.1	56,875	63.5	3,071
<b>II Noncurrent assets</b>					
1. Property, plant and equipment					
(1) Buildings and structures	7,766		7,708		△ 57
(2) Machinery, equipment and vehicles	6,614		6,181		△ 433
(3) Land	5,190		5,195		5
(4) Construction in progress	163		1,139		975
(5) Other	465		466		1
Total property, plant and equipment	20,199	24.1	20,691	23.1	491
2. Intangible assets					
(1) Goodwill	1,107		824		△ 282
(2) Other	374		379		5
Total intangible assets	1,481	1.8	1,204	1.3	△ 276
3. Investments and other assets					
(1) Investment securities	7,430		8,806		1,376
(2) Net defined benefit asset	386		1,538		1,151
(3) Deferred tax assets	159		116		△ 42
(4) Other	521		401		△ 120
Allowance for doubtful accounts	△ 85		△ 72		13
Total investments and other assets	8,413	10.0	10,790	12.1	2,377
Total noncurrent assets	30,094	35.9	32,686	36.5	2,592
<b>Total assets</b>	<b>83,898</b>	<b>100.0</b>	<b>89,562</b>	<b>100.0</b>	<b>5,664</b>

(Unit: Millions of yen)

Item	FY2017 (As of March 31, 2017)		FY2018 (As of March 31, 2018)		Increase /Decrease
	Amount	Com- position ratio	Amount	Com- position ratio	
(Liabilities)					
<b>I Current liabilities</b>					
1. Notes and accounts payable - trade	9,967		12,043		2,075
2. Short-term loans payable	7,957		6,269		△ 1,688
3. Income taxes payable	880		642		△ 237
4. Accrued consumption taxes	179		135		△ 44
5. Deferred tax liabilities	45		0		△ 45
6. Provision for bonuses	1,276		1,272		△ 3
7. Provision for directors' bonuses	80		80		-
8. Provision for repairs	80		-		△ 80
9. Notes payable - facilities	63		214		150
10. Other	3,929		4,993		1,064
Total current liabilities	24,459	29.1	25,651	28.6	1,192
<b>II Noncurrent liabilities</b>					
1. Bonds payable	5,000		5,000		-
2. Long-term loans payable	343		-		△ 343
3. Deferred tax liabilities	1,695		2,266		571
4. Provision for repairs	-		45		45
5. Net defined benefit liability	335		328		△ 7
6. Asset retirement obligations	212		297		85
7. Other	295		276		△ 18
Total noncurrent liabilities	7,881	9.4	8,214	9.2	332
Total liabilities	32,340	38.5	33,865	37.8	1,525
(Net assets)					
<b>I Shareholders' equity</b>					
1. Capital stock	3,343		3,343		-
2. Capital surplus	3,564		3,564		-
3. Retained earnings	38,802		41,068		2,265
4. Treasury shares	△ 12		△ 13		△ 0
Total shareholders' equity	45,697	54.5	47,962	53.6	2,264
<b>II Accumulated other comprehensive income</b>					
1. Valuation difference on available-for-sale securities	2,904		3,880		975
2. Foreign currency translation adjustment	1,026		1,434		407
3. Remeasurements of defined benefit plans	286		847		560
Total accumulated other comprehensive income	4,218	5.0	6,161	6.9	1,943
<b>III Minority interests</b>	1,641	2.0	1,572	1.7	△ 68
Total net assets	51,557	61.5	55,696	62.2	4,139
Total liabilities and net assets	83,898	100.0	89,562	100.0	5,664

## Statements of Income (Consolidated)

(Unit: Millions of yen)

Item	FY2017		FY2018		Increase /Decrease	
	'16/4-'17/3		'17/4-'18/3		Amount	Rate of change
	Amount	Ratio	Amount	Ratio		
I Net sales	77,380	100.0	80,782	100.0	3,401	4.4
II Cost of sales	59,111	76.4	62,478	77.3	3,367	5.7
Gross profit	18,269	23.6	18,303	22.7	34	0.2
III Selling, general and administrative expenses	13,173	17.0	13,410	16.6	237	1.8
Operating income	5,095	6.6	4,892	6.1	△ 202	△ 4.0
IV Non-operating income						
Interest income	25		13		△ 12	
Dividend income	157		184		27	
Real estate rent	58		113		55	
Foreign exchange gains	3		23		19	
Other	282		233		△ 49	
Total non-operating income	527	0.7	568	0.7	40	7.7
V Non-operating expenses						
Interest expenses	177		164		△ 12	
Bond issuance cost	31		-		△ 31	
Other	98		78		△ 20	
Total non-operating expenses	308	0.4	242	0.3	△ 65	△ 21.1
Ordinary income	5,314	6.9	5,218	6.5	△ 96	△ 1.8
VI Extraordinary income						
Gain on sales of non-current assets	5		0		△ 5	
Gain on sales of investment securities	1		151		150	
Reversal of foreign currency transaction adjustment	-		285		285	
State subsidy	15		15		-	
Gain on reversal of share acquisition rights	13		-		△ 13	
Total extraordinary income	36	0.0	452	0.6	416	-
VII Extraordinary loss						
Loss on sales and retirement of non-current assets	80		99		18	
Loss on explosion and fire accident	-		554		554	
Loss on valuation of non-current assets	2		-		△ 2	
Loss on sales of investment securities	0		-		△ 0	
Loss on valuation of investment securities	-		44		44	
Loss on valuation of investments in capital of subsidiaries and associates	91		-		△ 91	
Loss on liquidation of subsidiaries and associates	-		251		251	
Total extraordinary loss	174	0.2	949	1.3	774	443.3
Income before income taxes	5,176	6.7	4,721	5.8	△ 454	△ 8.8
Income taxes-current	1,469	1.9	1,258	1.6	△ 211	△ 14.4
Income taxes-deferred	△ 17	0.0	△ 123	△ 0.2	△ 106	-
Income before minority interests	3,724	4.8	3,587	4.4	△ 137	△ 3.7
Profit attributable to non-controlling interests	307	0.4	475	0.5	168	54.6
Profit attributable to owners of parent	3,416	4.4	3,111	3.9	△ 305	△ 8.9

### <Reference> Statements of Comprehensive Income (Consolidated)

(Unit: Millions of yen)

Income before minority interests	3,724	3,587	△ 137	△ 3.7
Other comprehensive income				
Valuation difference on available-for-sale securities	1,285	975	△ 310	
Foreign currency translation adjustment	△ 780	367	1,147	
Remeasurements of defined benefit plans, net of tax	341	557	215	
Total other comprehensive income	846	1,900	1,053	
Comprehensive income	4,571	5,487	915	20.0

## Statements of Cash Flows (Consolidated)

(Unit: Millions of yen)

Item	FY2017	FY2018	Increase /Decrease
	'16/4-'17/3	'17/4-'18/3	
	Amount	Amount	
<b>I Net cash provided by (used in) operating</b>			
Income before income taxes	5,176	4,721	△ 454
Depreciation	2,661	2,613	△ 48
Amortization of goodwill	210	282	△ 71
Increase (decrease) in allowance for doubtful accounts	30	△ 47	△ 77
Increase (decrease) in provision for bonuses	192	△ 6	△ 198
Increase (decrease) in provision for directors' bonuses	23	-	△ 23
Increase (decrease) in net defined benefit liability	△ 427	△ 9	△ 418
Decrease (increase) in net defined benefit asset	△ 386	△ 1,151	△ 764
Loss (gain) on sales of investment securities	△ 1	△ 151	△ 150
Gain on reversal of share acquisition rights	△ 13	-	△ 13
Loss on valuation of non-current assets	2	-	△ 2
Loss (gain) on valuation of investment securities	-	44	△ 44
Reversal of foreign currency transaction adjustment	-	△ 285	△ 285
Loss on explosion and fire accident	-	554	554
Loss on liquidation of subsidiaries and associates	-	251	251
Loss (gain) on sales and retirement of non-current assets	74	98	24
Loss on valuation of investments in capital of subsidiaries and associates	91	-	△ 91
Interest and dividend income	△ 182	△ 198	△ 15
Interest expenses	209	164	△ 44
Decrease (increase) in notes and accounts receivable - trade	△ 166	△ 2,705	△ 2,538
Decrease (increase) in inventories	944	△ 912	△ 1,857
Increase (decrease) in notes and accounts payable - trade	△ 139	1,897	2,037
Increase (decrease) in accrued consumption taxes	△ 30	△ 54	△ 23
Other	870	203	△ 666
Subtotal	9,140	5,310	△ 3,829
Interest and dividend income received	183	194	11
Interest expenses paid	△ 212	△ 145	△ 67
Income taxes (paid) refund	△ 1,267	△ 1,551	△ 283
<b>Net cash provided by (used in) operating activities</b>	<b>7,843</b>	<b>3,808</b>	<b>△ 4,035</b>
<b>II Net cash provided by (used in) investing activities</b>			
Decrease (increase) in time deposits	138	26	△ 111
Purchase of property, plant and equipment	△ 1,801	△ 2,160	△ 358
Proceeds from sales of property, plant and equipment	42	21	△ 20
Purchase of investment securities	△ 35	△ 32	△ 2
Proceeds from sales of investment securities	8	179	171
Purchase of intangible assets	△ 55	△ 55	0
Payments for transfer of business	△ 911	-	△ 911
Decrease (increase) in short-term loans receivable	△ 34	34	68
Decrease (increase) in other investments	△ 8	5	△ 3
Other	△ 56	△ 66	△ 10
<b>Net cash provided by (used in) investing activities</b>	<b>△ 2,698</b>	<b>△ 2,048</b>	<b>650</b>
<b>III Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	△ 1,715	△ 549	1,165
Repayments of long-term loans payable	△ 2,001	△ 1,688	313
Proceeds from issuance of bonds	5,000	-	△ 5,000
Redemption of bonds	△ 5,000	-	5,000
Proceeds from share issuance to non-controlling shareholders	-	19	19
Proceeds from issuance of shares resulting from exercise of share acquisition rights	95	-	△ 95
Purchase of treasury shares	△ 0	△ 0	0
Cash dividends paid	△ 636	△ 846	△ 209
Dividends paid to non-controlling interests	△ 194	△ 521	△ 326
<b>Net cash provided by (used in) financing activities</b>	<b>△ 4,452</b>	<b>△ 3,586</b>	<b>866</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>△ 196</b>	<b>111</b>	<b>307</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>496</b>	<b>△ 1,714</b>	<b>△ 2,211</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>9,622</b>	<b>10,118</b>	<b>496</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>10,118</b>	<b>8,404</b>	<b>△ 1,714</b>