

# FACT BOOK

Financial results for first half  
of the fiscal year 2018 ending March 31, 2019

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**FURUKAWA ELECTRIC CO., LTD.**

(Figures are rounded down to the nearest one million yen)

| P/L   | FY2012  | FY2013  | FY2014  | FY2015  | FY2016  | FY2017  | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|---|---------|---------|---------|---------|---------|---------|------------|------------|------------|
| Net sales   | 924,717 | 931,781 | 867,817 | 874,879 | 843,344 | 967,333 | 397,569    | 457,517    | 487,437    |
| Cost of sales   | 786,825 | 790,541 | 741,076 | 733,943 | 689,160 | 801,411 | 327,765    | 375,377    | 407,546    |
| Gross profit  | 137,891 | 141,240 | 126,741 | 140,935 | 154,184 | 165,921 | 69,803     | 82,139     | 79,891     |
| SG&A  | 120,128 | 115,783 | 108,867 | 113,819 | 115,560 | 121,117 | 56,527     | 60,388     | 62,338     |
| Selling expenses  | 36,930  | 36,812  | 35,759  | 36,728  | 35,724  | 39,047  | 16,779     | 18,844     | 19,725     |
| G&A expenses  | 83,197  | 78,970  | 73,107  | 77,090  | 79,836  | 82,069  | 39,747     | 41,543     | 42,612     |
| Operating income/loss                                   | 17,763  | 25,456  | 17,873  | 27,116  | 38,623  | 44,804  | 13,275     | 21,751     | 17,552     |
| Non-operating income                                    | 7,142   | 7,927   | 7,147   | 5,874   | 4,954   | 10,457  | 2,350      | 4,847      | 2,728      |
| Interest income   | 614     | 846     | 551     | 617     | 586     | 654     | 266        | 273        | 290        |
| Dividend income   | 1,524   | 1,724   | 1,719   | 1,817   | 1,501   | 1,910   | 731        | 911        | 1,024      |
| Foreign exchange gains                                  | 2,678   | 2,033   | -       | -       | -       | -       | -          | -          | -          |
| Profit in equity method affiliates                      | 112     | -       | 1,855   | -       | 102     | 4,311   | -          | 2,022      | 377        |
| Other   | 2,212   | 3,323   | 3,021   | 3,439   | 2,763   | 3,581   | 1,353      | 1,639      | 1,035      |
| Non-operating expenses                                  | 7,293   | 7,852   | 6,422   | 14,281  | 7,553   | 8,352   | 5,451      | 4,495      | 4,380      |
| Interest expenses                                       | 5,067   | 4,551   | 3,993   | 3,715   | 3,484   | 3,977   | 1,827      | 1,977      | 1,918      |
| Foreign exchange losses                                 | -       | -       | 60      | 2,084   | 1,184   | 1,216   | 1,195      | 640        | 615        |
| Loss in equity method affiliates                        | -       | 825     | -       | 5,684   | -       | -       | 1,003      | -          | -          |
| Other   | 2,226   | 2,474   | 2,368   | 2,795   | 2,884   | 3,158   | 1,424      | 1,877      | 1,847      |
| Ordinary income   | 17,612  | 25,532  | 18,598  | 18,710  | 36,024  | 46,908  | 10,175     | 22,103     | 15,900     |
| Extraordinary income                                    | 2,936   | 8,931   | 15,661  | 21,864  | 12,437  | 9,776   | 4,513      | 6,978      | 1,550      |
| Extraordinary loss                                      | 7,717   | 17,160  | 18,091  | 19,193  | 20,496  | 16,219  | 2,928      | 846        | 2,746      |
| Profit/Loss before income taxes                         | 12,831  | 17,303  | 16,168  | 21,380  | 27,965  | 40,466  | 11,761     | 28,235     | 14,704     |
| Income taxes-current                                    | 4,823   | 6,228   | 3,736   | 6,942   | 6,747   | 8,402   | 2,519      | 4,216      | 3,021      |
| Income taxes for prior periods                          | -       | -       | -       | 717     | -       | -       | -          | -          | -          |
| Income taxes - deferred                                 | 2,217   | 2,809   | 2,956   | 280     | -1,212  | -251    | 484        | 770        | 305        |
| Net income  | 5,791   | 8,264   | 9,475   | 13,440  | 22,430  | 32,314  | 8,757      | 23,249     | 11,377     |
| Net income attributable to non-controlling interests    | 2,214   | 2,656   | 2,120   | 3,433   | 4,860   | 3,767   | 2,085      | 1,552      | 1,536      |
| Net income attributable to owners of the parent company | 3,576   | 5,608   | 7,355   | 10,007  | 17,570  | 28,547  | 6,671      | 21,696     | 9,840      |
| Average exchange rate(¥/US\$) April-March               | 82.9    | 100.2   | 109.8   | 120.1   | 108.3   | 110.9   | 105.2      | 111.0      | 110.3      |
| Average cooper price(¥/kg) April-March                  | 696.4   | 757.6   | 765.8   | 675.5   | 603.9   | 756.7   | 544.3      | 708.7      | 760.1      |

| Segment (Net sales)              | FY2012  | FY2013  | FY2014  | FY2015  | FY2016  | FY2017  | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|----------------------------------|---------|---------|---------|---------|---------|---------|------------|------------|------------|
| Infrastructure                   |         |         |         | 252,671 | 263,751 | 293,396 | 122,515    | 141,598    | 139,213    |
| Communications Solutions         |         |         |         | 159,122 | 168,499 | 191,318 | 79,787     | 91,585     | 90,908     |
| Energy infrastructure            |         |         |         | 93,548  | 95,252  | 102,077 | 42,728     | 50,012     | 48,305     |
| Electronics & Automotive Systems |         |         |         | 491,095 | 455,457 | 533,790 | 215,153    | 248,276    | 276,837    |
| Automotive Products & Batteries  |         |         |         | 234,119 | 223,401 | 248,148 | 104,659    | 114,024    | 127,382    |
| Electronics Component Materials  |         |         |         | 256,975 | 232,055 | 285,641 | 110,493    | 134,251    | 149,454    |
| Functional Products              |         |         |         | 136,318 | 131,485 | 153,065 | 65,932     | 74,530     | 78,289     |
| Service and Developments, etc.   |         |         |         | 51,505  | 49,653  | 51,001  | 23,860     | 24,711     | 23,170     |
| Adjusted amount                  |         |         |         | -56,711 | -57,003 | -63,920 | -29,892    | -31,599    | -30,072    |
| Total                            | 924,717 | 931,781 | 867,817 | 874,879 | 843,344 | 967,333 | 397,569    | 457,517    | 487,437    |

| Segment (Operating income)       | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|----------------------------------|--------|--------|--------|--------|--------|--------|------------|------------|------------|
| Infrastructure                   |        |        |        | 7,717  | 14,339 | 12,375 | 5,347      | 7,751      | 2,326      |
| Communications Solutions         |        |        |        | 7,973  | 14,193 | 14,009 | 5,845      | 7,961      | 6,136      |
| Energy infrastructure            |        |        |        | -256   | 145    | -1,633 | -498       | -210       | -3,809     |
| Electronics & Automotive Systems |        |        |        | 10,468 | 12,793 | 18,360 | 3,312      | 7,256      | 7,738      |
| Automotive Products & Batteries  |        |        |        | 8,023  | 10,052 | 13,241 | 2,727      | 4,850      | 4,809      |
| Electronics Component Materials  |        |        |        | 2,445  | 2,741  | 5,118  | 584        | 2,405      | 2,928      |
| Functional Products              |        |        |        | 8,457  | 11,683 | 14,032 | 5,013      | 6,976      | 7,515      |
| Service and Developments, etc.   |        |        |        | 413    | -148   | -22    | -409       | -244       | -44        |
| Adjusted amount                  |        |        |        | 59     | -45    | 58     | 12         | 11         | 17         |
| Total                            | 17,763 | 25,456 | 17,873 | 27,116 | 38,623 | 44,804 | 13,275     | 21,751     | 17,552     |

| Segment | (Operating income margin on sales) | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|---------|------------------------------------|--------|--------|--------|--------|--------|--------|------------|------------|------------|
|         | Infrastructure                     |        |        |        | 3.1%   | 5.4%   | 4.2%   | 4.4%       | 5.5%       | 1.7%       |
|         | Communications Solutions           |        |        |        | 5.0%   | 8.4%   | 7.3%   | 7.3%       | 8.7%       | 6.7%       |
|         | Energy infrastructure              |        |        |        | -0.3%  | 0.2%   | -1.6%  | -1.2%      | -0.4%      | -7.9%      |
|         | Electronics & Automotive Systems   |        |        |        | 2.1%   | 2.8%   | 3.4%   | 1.5%       | 2.9%       | 2.8%       |
|         | Automotive Products & Batteries    |        |        |        | 3.4%   | 4.5%   | 5.3%   | 2.6%       | 4.3%       | 3.8%       |
|         | Electronics Component Materials    |        |        |        | 1.0%   | 1.2%   | 1.8%   | 0.5%       | 1.8%       | 2.0%       |
|         | Functional Products                |        |        |        | 6.2%   | 8.9%   | 9.2%   | 7.6%       | 9.4%       | 9.6%       |
|         | Service and Developments, etc.     |        |        |        | 0.8%   | -0.3%  | 0.0%   | -1.7%      | -1.0%      | -0.2%      |
|         | Adjusted amount                    |        |        |        | -0.1%  | 0.1%   | -0.1%  | 0.0%       | 0.0%       | -0.1%      |
|         | Total                              | 1.9%   | 2.7%   | 2.1%   | 3.1%   | 4.6%   | 4.6%   | 3.3%       | 4.8%       | 3.6%       |

| CAPEX / Depreciation / R&D        | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|-----------------------------------|--------|--------|--------|--------|--------|--------|------------|------------|------------|
| CAPEX                             | 47,772 | 37,436 | 30,674 | 25,687 | 31,584 | 38,543 | 11,587     | 15,903     | 20,910     |
| Depreciation                      | 35,347 | 28,106 | 22,508 | 23,235 | 23,370 | 25,106 | 11,521     | 12,293     | 13,032     |
| Research and development expenses | 20,210 | 17,461 | 16,599 | 16,845 | 17,454 | 19,532 | 8,352      | 9,444      | 10,284     |

| B/S                                  | FY2012   | FY2013   | FY2014   | FY2015   | FY2016   | FY2017   | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|--------------------------------------|----------|----------|----------|----------|----------|----------|------------|------------|------------|
| Assets                               |          |          |          |          |          |          |            |            |            |
| Current assets                       | 392,644  | 360,009  | 368,818  | 364,030  | 382,398  | 416,191  | 343,124    | 405,134    | 418,292    |
| Cash and deposits                    | 31,293   | 26,719   | 30,010   | 52,504   | 47,165   | 50,635   | 46,869     | 53,064     | 47,942     |
| Notes and accounts receivable-trade  | 222,430  | 199,286  | 190,431  | 187,028  | 198,864  | 224,335  | 170,231    | 209,955    | 219,833    |
| Securities                           | 17       | 20       | 19       | 15       | 54       | 0        | 32         | 29         | 0          |
| Merchandise and finished goods       | 30,714   | 29,946   | 36,479   | 29,561   | 32,967   | 36,814   | 30,701     | 39,643     | 41,021     |
| Work in process                      | 31,593   | 27,073   | 28,238   | 29,027   | 31,273   | 32,273   | 26,735     | 35,567     | 39,124     |
| Raw materials and supplies           | 41,940   | 36,648   | 34,726   | 34,578   | 40,114   | 44,703   | 33,514     | 42,928     | 45,464     |
| Deferred tax assets                  | 6,311    | 5,025    | 4,209    | 5,292    | 8,243    | -        | 5,130      | -          | -          |
| Other                                | 29,562   | 36,690   | 46,064   | 27,433   | 24,945   | 28,643   | 31,073     | 25,158     | 26,218     |
| Allowance for doubtful accounts      | -1,220   | -1,400   | -1,360   | -1,412   | -1,231   | -1,215   | -1,164     | -1,213     | -1,313     |
| Non-current assets                   | 427,057  | 354,835  | 365,307  | 341,694  | 367,727  | 392,441  | 337,670    | 380,715    | 397,298    |
| Property, plant and equipment        |          |          |          |          |          |          |            |            |            |
| Buildings and structures             | 261,521  | 206,375  | 210,430  | 215,242  | 215,304  | 218,385  | 209,004    | 217,269    | 220,001    |
| Machinery and delivery equipment     | 664,682  | 439,047  | 449,949  | 448,824  | 457,180  | 463,538  | 438,701    | 458,078    | 465,208    |
| Tools, furniture and fixtures        | 83,746   | 68,137   | 70,184   | 70,756   | 71,193   | 72,325   | 69,266     | 71,152     | 74,129     |
| Land                                 | 86,154   | 40,630   | 39,845   | 37,490   | 38,348   | 39,981   | 36,234     | 39,648     | 39,324     |
| Other                                | 22,140   | 17,611   | 21,756   | 16,854   | 20,447   | 24,292   | 18,728     | 24,246     | 32,271     |
| Accumulated depreciation             | -838,157 | -580,732 | -592,948 | -592,623 | -596,983 | -601,794 | -582,537   | -596,563   | -606,867   |
| Total; Property, plant and equipment | 280,086  | 191,069  | 199,217  | 196,544  | 205,490  | 216,728  | 189,398    | 213,832    | 224,068    |
| Intangible assets                    |          |          |          |          |          |          |            |            |            |
| Goodwill                             | 4,910    | 4,070    | 3,879    | 3,768    | 3,149    | 2,542    | 3,430      | 2,861      | 2,211      |
| Other                                | 7,704    | 5,525    | 5,147    | 4,747    | 6,592    | 8,762    | 4,390      | 6,814      | 7,735      |
| Total; Intangible assets             | 12,614   | 9,596    | 9,027    | 8,516    | 9,742    | 11,304   | 7,820      | 9,676      | 9,946      |
| Investments and other assets         |          |          |          |          |          |          |            |            |            |
| Investment securities                | 107,006  | 128,884  | 132,124  | 109,028  | 125,227  | 132,270  | 112,660    | 127,226    | 134,405    |
| Net defined benefit asset            | -        | 3,472    | 4,177    | 4,660    | 4,884    | 5,143    | 4,769      | 5,007      | 5,549      |
| Deferred tax assets                  | 5,895    | 3,529    | 3,090    | 6,855    | 4,013    | 6,359    | 6,375      | 3,881      | 5,742      |
| Other                                | 23,898   | 19,727   | 19,813   | 18,612   | 19,780   | 21,839   | 18,052     | 22,502     | 18,784     |
| Allowance for doubtful accounts      | -2,443   | -1,445   | -2,142   | -2,522   | -1,410   | -1,206   | -1,406     | -1,411     | -1,198     |
| Total; Investments and other assets  | 134,356  | 154,169  | 157,062  | 136,633  | 152,494  | 164,407  | 140,451    | 157,207    | 163,283    |
| Total assets                         | 819,702  | 714,845  | 734,125  | 705,725  | 750,126  | 808,632  | 680,795    | 785,849    | 815,591    |

| B/S             |   | FY2012  | FY2013  | FY2014  | FY2015  | FY2016  | FY2017  | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|-----------------|---|---------|---------|---------|---------|---------|---------|------------|------------|------------|
| Liabilities and | Current liabilities   | 327,868 | 293,869 | 287,149 | 299,341 | 293,364 | 330,335 | 261,129    | 307,809    | 323,299    |
| Net assets      | Notes and accounts payable - trade                            | 133,125 | 104,377 | 110,404 | 100,398 | 108,087 | 124,387 | 91,069     | 115,473    | 125,673    |
|                 | Short-term debt   | 125,049 | 119,913 | 96,749  | 113,081 | 90,310  | 106,279 | 91,574     | 105,034    | 107,051    |
|                 | Bonds payable   | 2,333   | 100     | 10,000  | 10,000  | 10,000  | 10,000  | 10,000     | 10,000     | -          |
|                 | Income taxes payable  | 2,846   | 1,653   | 1,408   | 4,390   | 3,287   | 4,024   | 3,510      | 3,314      | 3,216      |
|                 | Provision for product defect compensation                     | 1,396   | 1,099   | 1,601   | 3,008   | 15,971  | 22,827  | 2,897      | 15,949     | 22,639     |
|                 | Other   | 63,117  | 66,725  | 66,985  | 68,462  | 65,706  | 62,815  | 62,077     | 58,038     | 64,719     |
|                 | Non-current liabilities                                       | 268,990 | 221,242 | 232,232 | 207,796 | 219,711 | 206,226 | 219,416    | 215,867    | 217,419    |
|                 | Bonds payable   | 30,284  | 40,000  | 30,000  | 20,000  | 20,000  | 20,000  | 20,000     | 20,000     | 20,000     |
|                 | Long-term debt  | 162,830 | 117,842 | 137,783 | 114,764 | 132,234 | 122,227 | 126,334    | 134,132    | 131,752    |
|                 | Provision for retirement benefits                             | 52,294  | -       | -       | -       | -       | -       | -          | -          | -          |
|                 | Net defined benefit liability                                 | -       | 42,525  | 43,486  | 51,058  | 45,178  | 43,174  | 50,466     | 43,732     | 43,860     |
|                 | Provision for environmental measures                          | 12,048  | 11,768  | 10,495  | 10,345  | 10,322  | 10,470  | 10,281     | 10,017     | 10,407     |
|                 | Asset retirement obligations                                  | 1,214   | 566     | 573     | 543     | 502     | 1,084   | 507        | 533        | 1,280      |
|                 | Other   | 10,318  | 8,539   | 9,893   | 11,085  | 11,473  | 9,270   | 11,826     | 7,451      | 10,119     |
|                 | Total liabilities   | 596,858 | 515,111 | 519,382 | 507,137 | 513,075 | 536,561 | 480,545    | 523,676    | 540,719    |
|                 | Capital stock   | 69,395  | 69,395  | 69,395  | 69,395  | 69,395  | 69,395  | 69,395     | 69,395     | 69,395     |
|                 | Other capital surplus   | 21,467  | 21,467  | 21,467  | 21,466  | 21,562  | 22,271  | 21,562     | 21,572     | 22,534     |
|                 | Retained earnings   | 76,125  | 79,219  | 83,265  | 90,313  | 103,942 | 128,130 | 93,271     | 121,279    | 132,519    |
|                 | Treasury shares   | -274    | -276    | -278    | -280    | -633    | -613    | -627       | -612       | -599       |
|                 | Total shareholders' equity                                    | 166,712 | 169,805 | 173,849 | 180,894 | 194,267 | 219,182 | 183,601    | 211,635    | 223,849    |
|                 | Valuation difference on available-for-sale securities         | 18,160  | 19,094  | 21,590  | 14,070  | 26,622  | 30,020  | 23,316     | 28,499     | 31,601     |
|                 | Deferred gains or losses on hedges                            | 419     | -298    | 516     | -1,391  | 717     | -495    | -1,222     | 657        | -99        |
|                 | Remeasurements of foreign subsidiaries' defined benefit plans | -4,206  | -       | -       | -       | -       | -       | -          | -          | -          |
|                 | Remeasurements of defined benefit plans                       | -       | -5,555  | -9,293  | -13,917 | -8,138  | -6,525  | -12,613    | -7,700     | -6,460     |
|                 | Foreign currency translation adjustment                       | -15,346 | -5,808  | 4,078   | -6,492  | -6,756  | -5,664  | -18,747    | -5,228     | -7,163     |
|                 | Total accumulated other comprehensive income                  | -973    | 7,431   | 16,892  | -7,731  | 12,445  | 17,335  | -9,266     | 16,228     | 17,877     |
|                 | Non-controlling interests                                     | 57,103  | 22,496  | 24,001  | 25,424  | 30,338  | 35,552  | 25,915     | 34,308     | 33,144     |
|                 | Total net assets  | 222,843 | 199,733 | 214,743 | 198,587 | 237,051 | 272,071 | 200,250    | 262,172    | 274,871    |
|                 | Total liabilities and net assets                              | 819,702 | 714,845 | 734,125 | 705,725 | 750,126 | 808,632 | 680,795    | 785,849    | 815,591    |

| Cash flow   | FY2012  | FY2013  | FY2014  | FY2015  | FY2016  | FY2017  | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|---|---------|---------|---------|---------|---------|---------|------------|------------|------------|
| <b>I Cash flows from operating activities</b>   | 54,947  | 18,912  | 41,489  | 41,569  | 40,402  | 38,429  | 20,725     | 5,559      | 14,929     |
| Profit/Loss before income taxes   | 12,831  | 17,303  | 16,168  | 21,380  | 27,965  | 40,466  | 11,761     | 28,235     | 14,704     |
| Depreciation  | 35,347  | 28,106  | 22,508  | 23,235  | 23,370  | 25,106  | 11,521     | 12,293     | 13,016     |
| Loss (Profit : -) in equity method affiliates   | -112    | 825     | -1,855  | 5,684   | -102    | -4,311  | 1,003      | -2,022     | -377       |
| Loss (gain : -) on sales of securities and investment securities                                  | 672     | 580     | -643    | -18,879 | -2,982  | -8,394  | -2,877     | -6,658     | 714        |
| Loss (gain;-) on valuation of investment securities   | 2,581   | 6,805   | 1,346   | 995     | 192     | 3,122   | 1          | 3          | -          |
| Loss (gain;-) on disposal of non-current assets   | 1,770   | 1,446   | 867     | 624     | 928     | 1,297   | 656        | 537        | 811        |
| Impairment loss   | -2,139  | -2,571  | -2,270  | -2,435  | -2,088  | -2,564  | -997       | -1,185     | -1,315     |
| Loss on valuation of inventories  | 5,067   | 4,551   | 3,993   | 3,715   | 3,484   | 3,977   | 1,827      | 1,977      | 1,918      |
| Interest and dividend income  | -431    | -263    | -795    | 168     | 559     | -137    | 886        | 4          | -354       |
| Interest expenses   | 9,022   | -13,699 | 20,118  | -1,537  | -10,935 | -26,363 | 8,431      | -11,266    | 3,697      |
| Foreign exchange losses (gains;-)   | -6,284  | -13,100 | -3,108  | 5,572   | -7,457  | -9,387  | -1,085     | -12,298    | -13,169    |
| Increase (decrease;-) in notes and accounts payable - trade                                       | 5,002   | -2,591  | -1,114  | -7,660  | 7,278   | 17,057  | -3,850     | 7,661      | 1,975      |
| Other   | -3,215  | 1,871   | -11,551 | 14,993  | 15,274  | 6,567   | -3,443     | -7,297     | -2,054     |
| Subtotal  | 60,111  | 29,263  | 43,664  | 45,855  | 55,486  | 46,436  | 23,834     | 9,984      | 19,566     |
| Interest and dividend income received   | 2,705   | 3,384   | 3,734   | 3,460   | 3,346   | 3,961   | 1,984      | 2,092      | 2,883      |
| Interest expenses paid  | -5,211  | -4,541  | -4,055  | -3,763  | -3,587  | -3,953  | -1,870     | -1,972     | -1,955     |
| Income taxes (paid;-) refund  | -2,656  | -9,193  | -1,853  | -3,982  | -7,719  | -8,014  | -3,222     | -4,544     | -5,564     |
| Other   | -       | -       | -       | -       | -7,123  | -       | -          | -          | -          |
| <b>II Cash flows from operating activities</b>  | -44,939 | -40,290 | -23,533 | 1,947   | -36,361 | -34,319 | -15,714    | -9,509     | -14,202    |
| Purchase of investment securities   | -4,740  | -3,285  | -3,162  | -2,033  | -4,148  | -799    | -1,071     | -166       | -2,127     |
| Proceeds from sales of investment securities  | 306     | 7,227   | 9,611   | 3,043   | 2,992   | 526     | 1,544      | 111        | 463        |
| Purchase of property, plant and equipment   | -45,753 | -39,364 | -27,676 | -25,646 | -28,443 | -34,349 | -12,818    | -16,090    | -21,343    |
| Purchase of intangible assets   | -2,202  | -964    | -737    | -824    | -2,539  | -3,533  | -449       | -817       | -1,085     |
| Proceeds from sales of non-current assets   | 508     | 2,374   | 2,592   | 22,571  | 6,031   | 9,951   | 4,989      | 7,419      | 1,795      |
| Decrease (increase;-) in short-term loans receivable  | 4,684   | -5,174  | -4,610  | 3,134   | -7,984  | -5,886  | -7,726     | 421        | 7,114      |
| Other   | 2,258   | -1,104  | 449     | 1,702   | -2,270  | -229    | -183       | -387       | 981        |
| <b>III Cash flows from financing activities</b>   | -11,402 | 29,917  | -15,537 | -20,942 | -10,378 | -1,943  | -9,099     | 8,942      | -2,080     |
| Net increase (decrease;-) in short-term loans payable   | -12,145 | 4,116   | -2,234  | -3,510  | -3,140  | 875     | -4,103     | 7,081      | 9,252      |
| Proceeds from long-term loans payable   | 52,298  | 46,475  | 36,230  | 14,434  | 35,822  | 19,668  | 17,485     | 12,033     | 15,919     |
| Repayments of long-term loans payable   | -45,177 | -29,235 | -44,601 | -18,540 | -38,297 | -17,778 | -18,386    | -6,255     | -13,632    |
| Proceeds from issuance of bonds   | 10,070  | 10,070  | -       | -       | 10,000  | 10,000  | 10,000     | 10,000     | -          |
| Redemption of bonds   | -16,562 | -2,295  | -100    | -10,000 | -10,000 | -10,000 | -10,000    | -10,000    | -10,000    |
| Cash dividends paid   | -22     | -2,120  | -2,115  | -2,112  | -2,823  | -3,985  | -2,811     | -3,875     | -5,634     |
| Dividends paid to non-controlling interests   | -1,257  | -883    | -575    | -547    | -701    | -1,226  | -458       | -1,142     | -2,737     |
| Other   | 1,393   | 3,789   | -2,142  | -667    | -1,239  | 403     | -826       | 1,100      | 4,752      |
| Effect of exchange rate change on cash and cash equivalents                                       | 1,670   | 591     | 1,466   | -1,422  | -314    | 1,040   | -2,932     | 417        | -955       |
| Net increase in cash and cash equivalents   | 276     | 9,131   | 3,885   | 21,151  | -6,652  | 3,206   | -7,022     | 5,409      | -2,307     |
| Cash and cash equivalents at beginning of the year  | 30,084  | 30,476  | 25,320  | 29,488  | 51,659  | 46,147  | 51,659     | 46,147     | 49,758     |
| Increase in cash and cash equivalents from newly consolidated subsidiary                          | 109     | 135     | 244     | 1,019   | 1,529   | 463     | 1,529      | 463        | 223        |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | -       | -14,422 | -9      | -       | -416    | -59     | -          | -          | -          |
| Increase in cash and cash equivalents resulting from merger                                       | 5       | -       | 48      | -       | 27      | -       | 27         | -          | -          |
| Cash and cash equivalents at end of the year  | 30,476  | 25,320  | 29,488  | 51,659  | 46,147  | 49,758  | 46,194     | 52,021     | 47,673     |

| Financial index |   | FY2012  | FY2013  | FY2014  | FY2015  | FY2016   | FY2017   | FY2016, 1H | FY2017, 1H | FY2018, 1H |
|-----------------|---|---------|---------|---------|---------|----------|----------|------------|------------|------------|
| Profitability   | Net sales   | 924,717 | 931,781 | 867,817 | 874,879 | 843,344  | 967,333  | 397,569    | 457,517    | 487,437    |
|                 | Operating income  | 17,763  | 25,456  | 17,873  | 27,116  | 38,623   | 44,804   | 13,275     | 21,751     | 17,552     |
|                 | Ordinary income   | 17,612  | 25,532  | 18,598  | 18,710  | 36,024   | 46,908   | 10,175     | 22,103     | 15,900     |
|                 | Profit/Loss before income taxes                         | 12,831  | 17,303  | 16,168  | 21,380  | 27,965   | 40,466   | 11,761     | 28,235     | 14,704     |
|                 | Net income attributable to owners of the parent company | 3,576   | 5,608   | 7,355   | 10,007  | 17,570   | 28,547   | 6,671      | 21,696     | 9,840      |
|                 | Total assets  | 819,702 | 714,845 | 734,125 | 705,725 | 750,126  | 808,632  | 680,795    | 785,849    | 815,591    |
|                 | Net assets  | 222,843 | 199,733 | 214,743 | 198,587 | 237,051  | 272,071  | 200,250    | 262,172    | 274,871    |
|                 | Equity Capital  | 165,739 | 177,237 | 190,741 | 173,163 | 206,712  | 236,518  | 174,334    | 227,864    | 241,727    |
|                 | Operating income margin on sales                        | 1.9%    | 2.7%    | 2.1%    | 3.1%    | 4.6%     | 4.6%     | 3.3%       | 4.8%       | 3.6%       |
|                 | Ordinary income margin on sales                         | 1.9%    | 2.7%    | 2.1%    | 2.1%    | 4.3%     | 4.8%     | 2.6%       | 4.8%       | 3.3%       |
|                 | Net profit margin on sales                              | 0.4%    | 0.6%    | 0.8%    | 1.1%    | 2.1%     | 3.0%     | 1.7%       | 4.7%       | 2.0%       |
| Safety          | Equity capital ratio                                    | 20.2%   | 24.8%   | 26.0%   | 24.5%   | 27.6%    | 29.2%    | 25.6%      | 29.0%      | 29.6%      |
|                 | Interest-bearing debt balance                           | 320,497 | 277,855 | 274,532 | 257,845 | 252,544  | 258,506  | 247,908    | 269,166    | 263,803    |
|                 | D/E ratio   | 1.9     | 1.6     | 1.4     | 1.5     | 1.2      | 1.1      | 1.4        | 1.2        | 1.1        |
|                 | Net Interest bearing debt balance                       | 289,204 | 251,136 | 244,521 | 205,341 | 205,378  | 207,870  | 201,039    | 216,101    | 215,861    |
|                 | NET D/E ratio   | 1.7     | 1.4     | 1.3     | 1.2     | 1.0      | 0.9      | 1.2        | 0.9        | 0.9        |
|                 | Current assets  | 392,644 | 360,009 | 368,818 | 364,030 | 382,398  | 416,191  | 343,124    | 405,134    | 418,292    |
|                 | Current liabilities                                     | 327,868 | 293,869 | 287,149 | 299,341 | 293,364  | 330,335  | 261,129    | 307,809    | 323,299    |
| Current ratio   | 119.8%  | 122.5%  | 128.4%  | 121.6%  | 130.3%  | 126.0%   | 131.4%   | 131.6%     | 129.4%     |            |
| Efficiency      | Total asset turnover ratio                              | 1.15    | 1.21    | 1.20    | 1.22    | 1.16     | 1.24     | 1.15       | 1.19       | 1.20       |
|                 | Balance of inventory assets                             | 104,249 | 93,668  | 99,443  | 93,167  | 104,355  | 113,792  | 90,951     | 118,139    | 125,609    |
|                 | Inventory turnover ratio                                | 9.29    | 9.42    | 8.99    | 9.08    | 8.54     | 8.87     | 8.64       | 8.23       | 8.14       |
|                 | Balance of account receivable                           | 222,430 | 199,286 | 190,431 | 187,028 | 198,864  | 224,335  | 170,231    | 209,955    | 219,833    |
|                 | Receivables turnover ratio                              | 4.16    | 4.42    | 4.45    | 4.64    | 4.37     | 4.57     | 4.45       | 4.48       | 4.39       |
| Index per share | Net income per share (Yen) ※                            | 5.07    | 7.94    | 10.42   | 14.17   | 249.17   | 405.05   | 94.55      | 307.86     | 139.62     |
|                 | Net assets per share (Yen) ※                            | 234.73  | 251.02  | 270.15  | 245.26  | 2,933.21 | 3,355.77 |            |            |            |

※The company executed a one-for-ten reverse stock split of its common shares effective October 1, 2016.