

Consolidated Financial Results for the Fiscal Year Ended March 31, 2018
[Japanese GAAP]

Company name:	C. Uyemura & Co., Ltd.	Listing:	Second Section of the Tokyo Stock Exchange
Stock code:	4966	URL:	http://www.uyemura.co.jp/
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Scheduled date of annual general meeting of shareholders:	June 28, 2018		
Scheduled date of filing of annual securities report:	June 28, 2018		
Starting date of dividend payment:	June 29, 2018		
Preparation of supplementary materials for financial results:	Yes		
Holding of financial results meeting:	Yes (for institutional investors and analysts)		

Note: The original disclosure in Japanese was released on May 11, 2018 at 13:20 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Results of operations (Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	48,120	14.3	8,322	46.7	8,424	47.3	5,336	0.8
Fiscal year ended Mar. 31, 2017	42,081	(11.5)	5,671	(15.3)	5,720	(14.4)	5,293	24.5

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2018: 6,340 (up 34.1%)

Fiscal year ended Mar. 31, 2017: 4,729 (up 54.9%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2018	592.83	-	9.6	11.7	17.3
Fiscal year ended Mar. 31, 2017	584.82	-	10.2	8.3	13.5

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Fiscal year ended Mar. 31, 2018: -

Fiscal year ended Mar. 31, 2017: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	73,841	58,225	78.9	6,468.14
As of Mar. 31, 2017	69,703	53,636	76.4	5,912.84

Reference: Shareholders' equity (million yen) As of Mar. 31, 2018: 58,225 As of Mar. 31, 2017: 53,228

(3) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	operating activities	investing activities	financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2018	6,150	(4,374)	(1,975)	27,645
Fiscal year ended Mar. 31, 2017	6,620	(391)	(2,067)	27,731

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2017	-	0.00	-	140.00	140.00	1,260	23.9	2.5
Fiscal year ended Mar. 31, 2018	-	0.00	-	150.00	150.00	1,350	25.3	2.4
Fiscal year ending Mar. 31, 2019 (forecast)	-	0.00	-	150.00	150.00		26.4	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	23,250	1.9	3,830	(0.8)	3,910	(0.9)	2,650	1.4	294.38
Full year	51,390	6.8	8,430	1.3	8,550	1.5	5,120	(4.1)	568.76

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2018: 9,878,040 shares As of Mar. 31, 2017: 9,878,040 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2018: 876,091 shares As of Mar. 31, 2017: 875,785 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2018: 9,002,068 shares Fiscal year ended Mar. 31, 2017: 9,051,277 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Results of operations

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	25,143	15.0	3,861	84.7	8,953	117.9	6,187	99.6
Fiscal year ended Mar. 31, 2017	21,855	(10.5)	2,091	(7.8)	4,109	(3.5)	3,099	75.7

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2018	687.38	-
Fiscal year ended Mar. 31, 2017	342.43	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	44,707	36,208	81.0	4,022.35
As of Mar. 31, 2017	39,957	31,197	78.0	3,465.54

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2018: 36,208

As of Mar. 31, 2017: 31,197

Reason for the difference between non-consolidated financial results for the fiscal years ended March 31, 2017 and 2018

Actual sales increased year-over-year due to an increase in sales of plating chemicals and plating machinery as demand for electronic components used for smartphones and car electronics products expanded in the current fiscal year.

Actual ordinary profit and net profit also increased year-over-year due to higher sales and an increase in dividends received from subsidiaries (an increase of 3,077 million yen from the previous fiscal year to 5,167 million yen).

***The current financial report is not subject to audit by certified public accountants or auditing firms.**

***Cautionary statement with respect to forward-looking statements and other special items**

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to 1. Overview of Results of Operations, 1. Overview of Results of Operations, (4) Outlook” on page 4 of the attachments.

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1. Overview of Results of Operations

(1) Results of Operations

The Japanese economy for the current fiscal year under review remained on track to recovery as employment conditions and personal income continued improving. Such a recovery was realized by the strong US economy and a moderate growth in the world economy overall despite concerns over the rise of geopolitical risks overseas.

In the electronic devices market, which is the Uyemura Group's main market area, demand for electronic components expanded due to improvement of automobile safety and convenience that has caused the number of on-board electrical components to increase, and sophistication of smartphones that has also caused the number of parts per unit to increase.

In this management environment, the Group has focused on development of high value-added products, and proposal and sales activities for these products, while strengthening efforts to improve productivity, so as to make the operations more profitable.

As a result, consolidated sales for the current fiscal year amounted to 48,120 million yen (up 14.3% year-over-year), operating profit 8,322 million yen (up 46.7% year-over-year), ordinary profit 8,424 million yen (up 47.3% year-over-year), and profit attributable to owners of parent 5,336 million yen (up 0.8% year-over-year).

Performance by business segment is shown as below.

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs increased thanks to expanding demand for electronic components used for smartphones and car electronics products. In addition, sales of plating chemicals for automotive power devices and on-board products requiring lubricity remained strong, exceeding sales for the previous fiscal year.

Consequently, sales in the surface finishing materials business increased 14.6% year-over-year to 36,740 million yen, and segment profit increased 25.8% year-over-year to 7,647 million yen.

2) Surface finishing machinery business

Supported by the recovering economy, order-taking environment for machines has improved as capital investment in the electronic components and automotive parts industry home and abroad remained strong, leading to a year-over-year increase in both sales and segment profit.

Consequently, sales in the surface finishing machinery business increased 21.0% year-over-year to 5,896 million yen, and there was a segment profit of 528 million yen (compared with a segment loss of 807 million yen for the previous fiscal year).

3) Plating job business

The segment increased sales year-over-year due to the recovery of the automobile industry in Thailand and Indonesia. However, the segment posted a loss because orders of large-scaled items requiring high level of expertise lowered the yield and replacement of production facilities to cope with the orders increased the production cost at the consolidated subsidiary in Indonesia.

Consequently, sales in the plating job business increased 7.5% year-over-year to 5,058 million yen, while there was a segment loss of 236 million yen (compared with a segment profit of 35 million yen for the previous fiscal year).

4) Real estate rental business

Both segment sales and profit increased year-over-year due to an improvement in the occupancy rate of the office buildings and also an effort to reduce overhead costs.

Consequently, sales in the real estate rental business increased 0.3% year-over-year to 722 million yen, and segment profit increased 1.6% to 417 million yen.

It is noted that intersegment sales and transfers are included in the above segment sales.

(2) Financial Position

Analysis of assets, liabilities, net assets

Total assets increased 4,138 million yen from the end of the previous fiscal year to 73,841 million yen at the end of the current fiscal year. This was primarily attributable to a 2,260 million yen increase in notes and accounts receivable-trade, a 1,186 million yen increase in investment securities, and a 953 million yen increase in construction in progress, which were partially offset by a 671 million yen decrease in deferred tax assets (current), a 337 million yen decrease in buildings and structures, net, and a 221 million yen decrease in raw materials and supplies.

Total liabilities decreased 451 million yen from the end of the previous fiscal year to 15,615 million yen. This was primarily attributable to a 177 million yen decrease in long-term loans payable and a 144 million yen decrease in income taxes payable, while there were a 721 million yen increase in notes and accounts payable-trade, and a 597 million yen increase in electronically recorded obligations-operating.

Net assets increased 4,589 million yen from the end of the previous fiscal year to 58,225 million yen. This was primarily attributable to a 4,076 million yen increase in retained earnings and an 866 million yen increase in foreign currency translation adjustments, which were partially offset by a 407 million yen decrease in non-controlling interests.

As a result, the equity ratio increased to 78.9%, an improvement from 76.4% at the end of the previous fiscal year.

(3) Cash Flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year decreased 86 million yen from the end of the previous fiscal year to 27,645 million yen.

A summary of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 6,150 million yen (compared with net cash provided of 6,620 million yen in the previous fiscal year). Positive factors included profit before income taxes of 7,807 million yen, depreciation and amortization of 2,033 million yen, and a 730 million yen increase in notes and accounts payable-trade, while negative factors included income taxes paid of 2,084 million yen, a 2,036 million yen increase in notes and accounts receivable-trade, and a 480 million yen increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 4,374 million yen (compared with net cash used of 391 million yen in the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 1,194 million yen, while negative factors included payment for acquisition of fixed assets of 3,314 million yen, payments into time deposits of 1,237 million yen, and payment for acquisition of investment securities of 1,053 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,975 million yen (compared with 2,067 million yen used in the previous fiscal year). Negative factors included cash dividends paid of 1,260 million yen, payment for acquisition of treasury shares of subsidiaries of 487 million yen, and repayments for long-term loans payable of 230 million yen.

The following table illustrates the movements of cash flow-related indicators

	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018
Shareholders' equity ratio (%)	70.8	69.3	73.8	76.4	78.9
Shareholders' equity ratio based on market prices (%)	78.4	77.9	64.1	78.3	100.0
Cash flows to debt ratio (years)	0.4	0.4	0.3	0.2	0.2
Interest coverage ratio (x)	177.1	127.3	177.9	318.0	299.4

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. These indicators are calculated on a consolidated basis.
2. Market capitalization: Closing price of stock on the balance sheet date x Number of shares outstanding (net of treasury stock) on the balance sheet date.
3. Net cash provided by operating activities on the consolidated statements of cash flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest. Interests paid on the consolidated statements of cash flows are used as interest payments.

(4) Outlook

Regarding the future prospects of the domestic economy, moderate recovery trend will continue be observed backed by improved corporate earnings and employment environment. However, the outlook remains uncertain with sluggish personal consumption and a concern over downside risks due to a drastic change in the world situation.

In the Group's mainstay electronic device market, smartphone shipment, which has been a driver of the market, is slowing its pace of growth due to the maturity of the Chinese market, the largest in the world. However, demand for high value-added electronic components is expected to remain strong thanks to sophistication of high-end models and other terminals. In the car electronics segment, the number of automobiles equipped with advanced driver assistance system, power devices and other in-vehicle components is expected to increase to enhance automobile eco-friendliness, safety and convenience.

Under these environment, the Uyemura Group will aim for continued growth in the 21st century. We will optimize the collective strength of our group in order to get well-prepared to take immediate measures in response to business globalization, and we will improve our competitive position by emphasizing innovation at the factory level.

We will proactively engage in marketing and technological development by strengthening development and sales capabilities for the plating chemicals which are used in the semiconductor and car electronics industries and also for those which meet environmental regulations, and at the same time by establishing the machinery business that can deliver new functions to the customers and win the competition for lower cost.

By taking these measures, we forecast sales of 51,390 million yen (up 6.8% year-over-year), operating profit of 8,430 million yen (up 1.3% year-over-year), ordinary profit of 8,550 million yen (up 1.5% year-over-year), and profit attributable to owners of parent of 5,120 million yen (down 4.1% year-over-year) for the fiscal year ending March 31, 2019.

(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years

As we recognize profit distribution to our shareholders as an important management issue, we will continue stable payment of dividends with the amount linked to operating results as our basic policy while striving to establish a solid management foundation and to increase return on equity.

In accordance with the policy above, we have set the medium- to long-term dividend payout target of approximately 25% on a consolidated basis after considering various financial ratios in a comprehensive manner.

We plan to pay an ordinary year-end dividend of 150 yen per share (consolidated dividend payout ratio of 25.3%) for the current fiscal year.

Regarding the fiscal year ending March 31, 2019, we plan to pay an ordinary dividend of 150 yen per share at this moment. However, the final decision will be made based on an overall consideration of financial position and operating results.

2. Basic Approach to the Selection of Accounting Standards

The Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being so as to ensure cross-sectional as well as inter-temporal comparability of the consolidated financial statements.

We will nevertheless consider applying International Financial Reporting Standards (IFRS) in light of future trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheets**

(Thousands of yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits with banks	31,254,565	31,403,251
Notes and accounts receivable-trade	11,276,010	*3 13,536,467
Marketable securities	38,960	40,581
Merchandise and finished goods	2,003,559	2,027,445
Work in process	726,098	1,263,488
Raw materials and supplies	1,367,844	1,146,193
Deferred tax assets	976,613	305,591
Other current assets	1,792,623	782,927
Allowance for doubtful accounts	(56,210)	(51,936)
Total current assets	49,380,066	50,454,008
Fixed assets		
Tangible fixed assets		
Buildings and structures	*1 20,153,872	*1 20,671,622
Accumulated depreciation	(11,152,340)	*2 (12,007,809)
Buildings and structures, net	9,001,532	8,663,812
Machinery and vehicles	9,253,396	10,890,322
Accumulated depreciation	*2 (7,000,051)	*2 (8,052,879)
Machinery and vehicles, net	2,253,345	2,837,443
Land	*1 4,034,830	*1 4,692,402
Lease assets	220,420	203,539
Accumulated depreciation	(114,030)	*2 (115,901)
Lease assets, net	106,389	87,638
Construction in progress	996,634	1,950,302
Other tangible fixed assets	4,463,226	4,750,187
Accumulated depreciation	*2 (3,419,923)	*2 (3,667,656)
Other tangible fixed assets, net	1,043,302	1,082,531
Total tangible fixed assets	17,436,034	19,314,130
Intangible assets	360,424	302,273
Investments and other assets		
Investment securities	1,850,579	3,037,070
Net defined benefit asset	76,469	90,535
Deferred tax assets	138,608	168,074
Other investments and other assets	532,930	548,517
Allowance for doubtful accounts	(71,943)	(73,365)
Total investments and other assets	2,526,645	3,770,832
Total fixed assets	20,323,104	23,387,235
Total assets	69,703,170	73,841,243

	(Thousands of yen)	
	FY3/2017	FY3/2018
	(As of Mar. 31, 2017)	(As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,994,497	2,715,595
Electronically recorded obligations-operating	2,581,602	*3 3,179,285
Short-term loans payable	*1 820,000	*1 882,448
Current portion of long-term loans payable	235,167	171,704
Lease obligations	51,814	53,014
Income taxes payable	1,904,553	1,760,095
Accrued bonuses	151,154	154,369
Allowance for directors' bonuses	136,250	152,950
Other current liabilities	3,667,002	2,111,939
Total current liabilities	11,542,042	11,181,402
Long-term liabilities		
Long-term loans payable	220,174	42,676
Long-term guarantee deposit	574,659	592,790
Lease obligations	86,265	86,847
Deferred tax liabilities	2,634,092	2,553,778
Allowance for directors' retirement benefits	179,695	190,595
Net defined benefit liability	622,605	736,907
Other long-term liabilities	207,121	230,380
Total long-term liabilities	4,524,613	4,433,975
Total liabilities	16,066,656	15,615,377
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,321,570	1,269,750
Retained earnings	50,003,674	54,080,028
Treasury shares	(3,324,935)	(3,326,952)
Total shareholders' equity	49,337,246	53,359,762
Accumulated other comprehensive income		
Cumulative securities holding gain	824,565	917,857
Foreign currency translation adjustments	3,091,036	3,957,658
Remeasurements of defined benefit plans	(23,958)	(9,412)
Total accumulated other comprehensive income	3,891,642	4,866,103
Non-controlling interests	407,625	-
Total net assets	53,636,514	58,225,865
Total liabilities and net assets	69,703,170	73,841,243

(2) Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	FY3/2017		FY3/2018	
	(Apr. 1, 2016 – Mar. 31, 2017)		(Apr. 1, 2017 – Mar. 31, 2018)	
Sales		42,081,747		48,120,469
Cost of goods sold	*1	26,918,538	*1	29,874,223
Gross profit		15,163,208		18,246,246
Selling, general and administrative expenses				
Packing and transportation		488,910		538,817
Provision of allowance for doubtful accounts		17,661		(2,818)
Salaries and wages		2,667,477		2,763,913
Bonuses		436,601		520,139
Provision of accrued bonuses		70,713		68,898
Provision of allowance for directors' bonuses		136,250		154,531
Retirement benefit expenses		185,464		225,839
Provision for directors' retirement benefits		14,100		13,970
Telecommunication and traveling expenses		374,809		389,416
Depreciation		391,307		419,877
Tax and public charges		147,549		153,445
R&D expenses	*2	2,014,670	*2	2,092,871
Others		2,545,724		2,584,442
Total selling, general and administrative expenses		9,491,241		9,923,344
Operating profit		5,671,967		8,322,902
Non-operating income				
Interests received		111,519		116,240
Dividends received		35,635		43,552
Gains on valuable resources recovery		41,970		21,940
Subsidy income		36,537		-
Other non-operating income		79,484		113,949
Total non-operating income		305,147		295,683
Non-operating expenses				
Interest expense		24,678		13,424
Sales discounts		6,310		6,805
Foreign exchange losses		188,012		153,632
Commission fee		13,515		14,195
Other non-operating expenses		24,292		6,516
Total non-operating expenses		256,809		194,575
Ordinary profit		5,720,304		8,424,010

	(Thousands of yen)	
	FY3/2017	FY3/2018
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Extraordinary income		
Gains on sales of fixed assets	*3 5,061	*3 24,938
Total extraordinary income	5,061	24,938
Extraordinary loss		
Loss on disposal and sales of fixed assets	*4 13,644	*4 69,438
Impairment loss	30,526	*5 571,631
Total extraordinary losses	44,171	641,070
Profit before income taxes	5,681,194	7,807,878
Income taxes-current	1,919,963	1,927,916
Income taxes-deferred	(1,573,478)	523,152
Total income taxes	346,485	2,451,068
Profit	5,334,709	5,356,809
Profit attributable to:		
Owners of parent	5,293,390	5,336,669
Non-controlling interests	41,319	20,140
Other comprehensive income		
Cumulative securities holding gain	149,105	93,292
Foreign currency translation adjustments	(772,650)	875,870
Remeasurements of defined benefit plans, net of tax	18,011	14,546
Total other comprehensive income	*6 (605,533)	*6 983,709
Comprehensive income	4,729,176	6,340,519
Comprehensive income attributable to:		
Owners of parent	4,691,669	6,311,129
Non-controlling interests	37,506	29,389

(3) Consolidated Statements of Change in Shareholders' Equity

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,321,581	45,802,745	(2,826,802)	45,634,461
Changes of items during period					
Dividends of surplus			(1,092,461)		(1,092,461)
Profit attributable to owners of parent			5,293,390		5,293,390
Purchase of treasury stock				(498,133)	(498,133)
Purchase of shares of consolidated subsidiaries		(10)			(10)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(10)	4,200,928	(498,133)	3,702,784
Balance at end of current period	1,336,936	1,321,570	50,003,674	(3,324,935)	49,337,246

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	675,459	3,859,873	(41,970)	4,493,363	395,154	50,522,979
Changes of items during period						
Dividends of surplus						(1,092,461)
Profit attributable to owners of parent						5,293,390
Purchase of treasury stock						(498,133)
Purchase of shares of consolidated subsidiaries						(10)
Net changes of items other than shareholders' equity	149,105	(768,837)	18,011	(601,720)	12,471	(589,249)
Total changes of items during period	149,105	(768,837)	18,011	(601,720)	12,471	3,113,535
Balance at end of current period	824,565	3,091,036	(23,958)	3,891,642	407,625	53,636,514

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,321,570	50,003,674	(3,324,935)	49,337,246
Changes of items during period					
Dividends of surplus			(1,260,315)		(1,260,315)
Profit attributable to owners of parent			5,336,669		5,336,669
Purchase of treasury stock				(2,016)	(2,016)
Purchase of shares of consolidated subsidiaries		(51,820)			(51,820)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(51,820)	4,076,353	(2,016)	4,022,516
Balance at end of current period	1,336,936	1,269,750	54,080,028	(3,326,952)	53,359,762

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	824,565	3,091,036	(23,958)	3,891,642	407,625	53,636,514
Changes of items during period						
Dividends of surplus						(1,260,315)
Profit attributable to owners of parent						5,336,669
Purchase of treasury stock						(2,016)
Purchase of shares of consolidated subsidiaries						(51,820)
Net changes of items other than shareholders' equity	93,292	866,621	14,546	974,460	(407,625)	566,835
Total changes of items during period	93,292	866,621	14,546	974,460	(407,625)	4,589,351
Balance at end of current period	917,857	3,957,658	(9,412)	4,866,103	-	58,225,865

(4) Consolidated Statements of Cash Flows

	(Thousands of yen)	
	FY3/2017	FY3/2018
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	5,681,194	7,807,878
Depreciation and amortization	1,929,219	2,033,150
Impairment loss	30,526	571,631
Increase (decrease) in allowance for doubtful accounts	17,661	(2,818)
Increase (decrease) in allowance for directors' bonuses	16,050	16,700
Increase (decrease) in net defined benefit liability	121,405	79,861
Decrease (increase) in net defined benefit asset	(9,832)	1,073
Increase (decrease) in allowance for directors' retirement benefits	14,100	10,900
Interests and dividends income	(147,154)	(159,793)
Interest expense	24,678	13,424
Losses (gains) on disposal and sales of fixed assets	8,583	44,500
Decrease (increase) in notes and accounts receivable-trade	(194,004)	(2,036,946)
Decrease (increase) in inventories	(121,127)	(480,163)
Increase (decrease) in notes and accounts payable-trade	(90,297)	730,405
Others	1,150,391	(533,732)
Subtotal	8,431,395	8,096,071
Interests and dividends received	144,227	159,901
Interests paid	(20,865)	(20,545)
Income taxes paid	(1,934,656)	(2,084,581)
Net cash provided by operating activities	6,620,100	6,150,846
Cash flows from investing activities		
Payments into time deposits	(4,414,146)	(1,237,930)
Proceeds from withdrawal of time deposits	5,597,505	1,194,787
Proceeds from withdrawal of long-term time deposits	500,000	-
Payment for acquisition of fixed assets	(1,953,402)	(3,314,611)
Proceeds from sales of fixed assets	18,549	73,956
Payment for acquisition of investment securities	(105,273)	(1,053,812)
Others	(34,892)	(36,561)
Net cash used in investing activities	(391,661)	(4,374,173)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(23,119)	62,309
Repayments for long-term loans payable	(373,798)	(230,276)
Repayments for lease obligations	(54,801)	(58,021)
Payment for acquisition of treasury shares	(498,133)	(2,016)
Payment for acquisition of treasury shares of subsidiaries	-	(487,334)
Cash dividends paid	(1,092,461)	(1,260,315)
Dividends paid to non-controlling interests	(25,046)	-
Net cash used in financing activities	(2,067,359)	(1,975,656)
Effect of exchange rate changes on cash and cash equivalents	(82,420)	112,688
Increase (decrease) in cash and cash equivalents	4,078,659	(86,294)
Cash and cash equivalents at beginning of period	23,653,188	27,731,847
Cash and cash equivalents at end of period	27,731,847	27,645,553

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Basis for Presentation of the Consolidated Financial Statements

1. Scope of consolidation

The number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Sumix Corporation
Taiwan Uyemura Co., Ltd.
Uyemura International Corporation
Uyemura (Shanghai) Co., Ltd.
Sum Hitech Co., Ltd.
Uyemura (Malaysia) Sdn. Bhd.
Uyemura International (Singapore) Pte., Ltd.
Uyemura International (Hong Kong) Co., Ltd.
Uyemura (Shenzhen) Co., Ltd.
Uyemura Korea Co., Ltd.
PT. Uyemura Indonesia

2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

3. Closing date of consolidated subsidiaries

Of the consolidated subsidiaries, overseas subsidiaries' fiscal year ends on December 31. Therefore, the financial statements of the overseas consolidated subsidiaries as of their closing date are used herein with necessary adjustments applied for consolidation purposes regarding the important transactions that have occurred between the said closing date, December 31 and the consolidated closing date, March 31.

4. Accounting policies

(1) Valuation standards and method for major assets

1. Marketable securities

1) Trading securities

Valued at the market price, cost of sales that is determined by the moving average method.

2) Other securities

Securities with market quotations

Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold that is determined by the moving average method.

Securities without market quotations

Valued at cost that is determined by the moving average method.

2. Inventories

1) Merchandise

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

2) Finished goods and work in process

Plating chemicals

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

Surface finishing machinery

Primarily valued at cost that is determined by the identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

3) Raw materials and supplies

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation and amortization method for major depreciable assets

1) Tangible fixed assets (excluding lease assets)

The declining balance method is used in the Company and its domestic consolidated subsidiary, while the straight-line method is primarily used in overseas consolidated subsidiaries.

Useful life of principle assets is as follows:

Buildings and structures: 10-50 years

Machinery and vehicles: 2-15 years

2) Intangible assets

Intangible assets are amortized using the straight-line method.

Software for internal use is amortized over an estimated useful period of internal use, which is 3 to 5 years.

3) Lease assets

Lease assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

(3) Recognition of major reserves

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are accounted for based on historical write-off ratio for general receivables, and based on case-by-case determination of collectibility for bad receivables and claims in bankruptcy.

2) Accrued bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to employees, an allowance is accounted for a portion accrued for the current fiscal year of the estimated amount of future payment.

3) Allowance for directors' bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to directors, an allowance is accounted for the estimated bonus obligations in the current fiscal year.

4) Allowance for directors' retirement benefits

In the Company and its domestic consolidated subsidiary, to prepare for the payment of retirement benefits to directors, an allowance is accounted for in the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on directors' retirement benefits.

(4) Accounting method for retirement benefit obligations

i. Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the straight-line method for attributing estimated retirement benefit obligations to periods.

ii. Amortization of actuarial differences

The actuarial differences are mainly amortized and charged to expense in the year following the fiscal year in which such actuarial differences are recognized by the straight-line method over a certain period (12 years) which is within the average length of remaining work period of employees.

iii. Adoption of a simplified method by small-scale companies, etc.

One domestic consolidated subsidiary calculate net defined benefit liability and retirement benefit expenses by using a simplified method in which the retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested retirement benefits at the end of the fiscal year.

(5) Translation of the important assets or liabilities in foreign currency into Japanese currency

The monetary assets and liabilities in foreign currency are translated into Japanese currency based on the spot exchange rate as of the closing date of the current fiscal year, with the conversion difference to be accounted for as profit or loss. The assets and liabilities of overseas consolidated subsidiaries are translated into Japanese currency based on the spot exchange rate as of the closing date of the current fiscal year, and revenue and expenses into Japanese currency based on the average conversion rate throughout the entire

period, with the conversion difference to be accounted for so as to be included in foreign currency translation adjustments and non-controlling interests in the net assets section.

(6) Amortization method and amortization period of goodwill

Goodwill is amortized by the straight-line method over a period of five years.

(7) Definition of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows is composed of 1) cash on hand, 2) bank deposit payable on demand, and 3) short-term investments readily redeemable within six months from the acquisition that has little risk on changes in valuation.

(8) Other important principles for presentation of consolidated financial statements

Consumption taxes

All amounts stated are exclusive of consumption taxes.

Notes to Consolidated Balance Sheets

*1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral	(Thousands of yen)	
	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Buildings and structures	1,524,090	1,439,905
Land	47,200	47,200
Total	1,571,290	1,487,105

Liabilities with collateral	(Thousands of yen)	
	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Short-term loans payable	400,000	400,000
Total	400,000	400,000

*2. Accumulated depreciation

Amounts of accumulated depreciation include accumulated impairment losses.

*3. Notes receivable and payable maturing on the balance sheet date

The settlement of notes receivable and payable maturing on the balance sheet date is accounted for as of the clearing date or the settlement date of the notes. As the balance sheet date for the current fiscal year was a bank holiday, the following notes receivable and payable maturing on the balance sheet date were included in the balance at the end of the fiscal year.

	(Thousands of yen)	
	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Notes receivable	-	448,259
Electronically recorded obligations-operating	-	228,132

Notes to Consolidated Statements of Income and Comprehensive Income

*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of goods sold.

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
	329,758	12,171

*2. R&D expenses included in selling, general and administrative expenses

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
	2,014,670	2,092,871

*3. Gains on sales of fixed assets

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Buildings and structures	1,689	-
Machinery and vehicles	1,918	22,955
Others	1,453	1,983
Total	5,061	24,938

*4. Losses on disposal and sales of fixed assets

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Buildings and structures	880	12,434
Machinery and vehicles	2,607	34,165
Retirement cost	6,696	21,750
Others	3,460	1,089
Total	13,644	69,438

*5. Impairment loss

The Group recognized impairment losses on the following groups of assets.

Location	Use	Item
West Java Province, Indonesia	Operating assets	Buildings and structures, machinery and vehicles, lease assets, other
Taoyuan County, Taiwan	Operating assets	Land

In principle, we group our operating assets into the smallest unit that generates largely independent cash flows.

For the current fiscal year, we wrote down the carrying value of the groups of assets that have reported operating losses on a consistent basis to its recoverable amount. The difference between the carrying value and the recoverable amount was then accounted for as impairment loss of 571,631 thousand yen and presented as an extraordinary loss. The amount of impairment loss consists of 564,313 thousand yen for West Java Province, Indonesia (of which, 223,074 thousand yen for buildings and structures, 288,983 thousand yen for machinery and vehicles, 32,169 thousand yen for lease assets, and 20,085 thousand yen for other items) and 7,317 thousand yen for Taoyuan County, Taiwan (all of which is for land).

The recoverable amounts of the groups of assets are measured at net selling price. The net selling price is calculated based on real estate appraisal price. The assets other than land and buildings are evaluated at the memorandum value because it was determined that they had no substantial value.

*6. Re-classification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cumulative securities holding gain		
Amount incurred during the year	215,466	133,058
Re-classification adjustments	-	-
Before tax effect adjustments	215,466	133,058
Tax effect	(66,360)	(39,766)
Cumulative securities holding gain	149,105	93,292
Foreign currency translation adjustments		
Amount incurred during the year	(772,650)	875,870
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	17,474	15,138
Re-classification adjustments	8,485	5,827
Before tax effect adjustments	25,960	20,966
Tax effect	(7,949)	(6,419)
Remeasurements of defined benefit plans, net of tax	18,011	14,546
Total other comprehensive income	(605,533)	983,709

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2016 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2017 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares (Note)	774,194	101,591	-	875,785
Total	774,194	101,591	-	875,785

Note: The number of common shares of treasury stock was increased by 101,400 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting and by 191 shares due to purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2016	Common shares	1,092,461	120	Mar. 31, 2016	Jun. 30, 2016

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2017	Common shares	1,260,315	Retained earnings	140	Mar. 31, 2017	Jun. 30, 2017

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2017 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2018 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares (Note)	875,785	306	-	876,091
Total	875,785	306	-	876,091

Note: The number of common shares of treasury stock was increased by 306 shares due to purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2017	Common shares	1,260,315	140	Mar. 31, 2017	Jun. 30, 2017

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 28, 2018	Common shares	1,350,292	Retained earnings	150	Mar. 31, 2018	Jun. 29, 2018

Notes to Consolidated Statements of Cash Flows

*1. Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and the amount stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Cash and deposits with banks	31,254,565	31,403,251
Time deposits maturing with deposit period of more than 6 months	(3,522,717)	(3,757,697)
Cash and cash equivalents	27,731,847	27,645,553

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company has established individual sales divisions that oversee specific product, merchandise and service categories. Each division conducts its business in line with the comprehensive strategy it has devised for products, merchandise and services in both domestic and overseas markets.

The Company's business activities thus comprise of four reportable business segments classified by type and nature of the products, merchandise and services; the surface finishing materials business, the surface finishing machinery business, the plating job business and the real estate rental business.

The surface finishing materials business mainly handles the sale of plating chemicals for PWBs, plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals and others. The surface finishing machinery business mainly deals with plating machinery for PWBs and plating machinery for aluminum magnetic disks. The plating job business is mainly engaged in plastic plating services and PWB plating services. The real estate rental business generates revenue by renting out office buildings and apartment houses.

2. Calculation method for sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is the same as the methods listed in "Basis for Presentation of the Consolidated Financial Statements."

Intersegment sales and transfer sum are based on market prices.

3. Information related to sales, profit or loss, assets or liabilities, and other items for each reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	31,942,443	4,704,612	4,704,549	720,583	42,072,188	9,559	42,081,747	-	42,081,747
Intersegment sales and transfers	126,128	169,562	554	-	296,245	-	296,245	(296,245)	-
Total	32,068,571	4,874,175	4,705,103	720,583	42,368,433	9,559	42,377,992	(296,245)	42,081,747
Segment profit (loss)	6,078,121	(807,312)	35,971	410,797	5,717,577	7,723	5,725,301	(53,334)	5,671,967
Segment assets	34,853,486	6,711,949	8,094,622	2,414,248	52,074,307	-	52,074,307	17,628,863	69,703,170
Other items									
Depreciation	1,036,468	128,462	653,971	110,317	1,929,219	-	1,929,219	-	1,929,219
Amortization of goodwill	16,733	7,171	-	-	23,904	-	23,904	-	23,904
Impairment loss	-	-	-	30,526	30,526	-	30,526	-	30,526
Increase in tangible fixed assets and intangible assets	980,420	75,373	742,953	409,452	2,208,199	-	2,208,199	-	2,208,199

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.

(2) The 17,628,863 thousand yen adjustment of segment assets includes minus 43,712 thousand yen in elimination of inter-segment transactions and corporate assets of 17,672,575 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is adjusted with operating profit shown on the consolidated financial statements.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	36,610,843	5,719,108	5,057,999	722,766	48,110,717	9,752	48,120,469	-	48,120,469
Intersegment sales and transfers	130,121	177,692	360	-	308,174	-	308,174	(308,174)	-
Total	36,740,965	5,896,800	5,058,359	722,766	48,418,891	9,752	48,428,644	(308,174)	48,120,469
Segment profit (loss)	7,647,585	528,389	(236,908)	417,528	8,356,594	8,106	8,364,700	(41,798)	8,322,902
Segment assets	35,866,105	6,550,955	8,433,997	2,722,396	53,573,454	-	53,573,454	20,267,789	73,841,243
Other items									
Depreciation	1,065,672	129,997	752,480	105,428	2,053,579	-	2,053,579	-	2,053,579
Amortization of goodwill	12,890	5,524	-	-	18,414	-	18,414	-	18,414
Impairment loss	-	-	564,313	7,317	571,631	-	571,631	-	571,631
Increase in tangible fixed assets and intangible assets	2,109,349	127,913	1,280,926	400,982	3,919,172	-	3,919,172	-	3,919,172

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.

(2) The 20,267,789 thousand yen adjustment of segment assets includes minus 53,340 thousand yen in elimination of inter-segment transactions and corporate assets of 20,321,130 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is adjusted with operating profit shown on the consolidated financial statements.

Related information

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
16,171,537	7,134,347	6,390,502	12,385,359	42,081,747

(2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,041,360	3,581,615	2,606,041	3,207,016	17,436,034

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Sales (Thousands of yen)

Japan	Taiwan	China	Other	Total
18,454,682	8,571,316	7,255,576	13,838,894	48,120,469

(2) Tangible fixed assets (Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
10,090,000	3,907,448	2,839,200	2,477,480	19,314,130

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

Information related to impairment losses of fixed assets for each reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

Omitted because the same information is presented in the segment information section.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

Omitted because the same information is presented in the segment information section.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or corporate	Total
Amortization for the period	16,733	7,171	-	-	-	-	23,904
Balance at the end of period	13,454	5,766	-	-	-	-	19,220

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or corporate	Total
Amortization for the period	12,890	5,524	-	-	-	-	18,414
Balance at the end of period	-	-	-	-	-	-	-

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Data

(Yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Net assets per share	5,912.84	6,468.14
Net income per share (basic)	584.82	592.83

Notes: 1. Net income per share (diluted) is not disclosed since there is no dilutive share.

2. Basis for calculation of net assets per share is as follows:

(Thousands of yen)

	FY3/2017 (As of Mar. 31, 2017)	FY3/2018 (As of Mar. 31, 2018)
Total net assets on balance sheets	53,636,514	58,225,865
Deduction from total net assets	407,625	-
[of which non-controlling interests]	[407,625]	[-]
Net assets applicable to common stock	53,228,889	58,225,865
Number of shares outstanding (common stock)	9,878,040 shares	9,878,040 shares
Number of treasury stock (common stock)	875,785 shares	876,091 shares
Number of common stock used in calculation of net assets per share	9,002,255 shares	9,001,949 shares

3. Basis for calculation of net income per share (basic) is as follows:

(Thousands of yen)

	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/2018 (Apr. 1, 2017 – Mar. 31, 2018)
Profit attributable to owners of parent	5,293,390	5,336,669
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	5,293,390	5,336,669
Average number of shares outstanding during period	9,051,277 shares	9,002,068

Material Subsequent Events

Not applicable.

5. Others

Changes in Directors and Corporate Auditors

1) Changes in representative director

Not applicable.

2) Changes in other directors and corporate auditors

Candidate for a newly appointed director

Director: Hiroshi Otake

3) Scheduled date of appointment

June 28, 2018

Note: This report of consolidated financial results is solely a translation of summary of Japanese “Kessan Tanshin” (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.