

**Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2020
(Six Months Ended September 30, 2019)**

[Japanese GAAP]

Company name: **C. Uyemura & Co., Ltd.** Listing: Second Section of the Tokyo Stock Exchange
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 Scheduled date of filing of Quarterly Report: November 11, 2019
 Starting date of dividend payment: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)
Note: The original disclosure in Japanese was released on November 11, 2019 at 13:20 (GMT +9).

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

1. Consolidated Financial Results (April 1, 2019 – September 30, 2019)

(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 | % |
| Six months ended Sep. 30, 2019 | 24,335 | (3.3) | 3,380 | (16.3) | 3,477 | (18.6) | 2,445 | (11.3) |
| Six months ended Sep. 30, 2018 | 25,163 | 10.3 | 4,038 | 4.6 | 4,272 | 8.3 | 2,758 | 5.6 |

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2019: 1,721 (up 11.1%)
 Six months ended Sep. 30, 2018: 1,550 (down 42.3%)

| | Net income per share (basic) | Net income per share (diluted) |
|--------------------------------|------------------------------|--------------------------------|
| | Yen | Yen |
| Six months ended Sep. 30, 2019 | 271.66 | - |
| Six months ended Sep. 30, 2018 | 306.40 | - |

(2) Financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of Sep. 30, 2019 | 76,510 | 61,514 | 80.4 | 6,833.49 |
| As of Mar. 31, 2019 | 77,943 | 61,142 | 78.4 | 6,792.21 |

Reference: Shareholders' equity (million yen) As of Sep. 30, 2019: 61,514 As of Mar. 31, 2019: 61,142

2. Dividends

| | Dividend per share | | | | |
|---|--------------------|--------|--------|----------|--------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended Mar. 31, 2019 | - | 0.00 | - | 150.00 | 150.00 |
| Fiscal year ending Mar. 31, 2020 | - | 0.00 | - | - | - |
| Fiscal year ending Mar. 31, 2020 (forecast) | - | - | - | 160.00 | 160.00 |

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(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 |
| Full year | 53,600 | 3.1 | 8,300 | 1.1 | 8,600 | 0.5 | 5,600 | (0.9) | 622.09 |

Note: Revisions to the most recently announced consolidated forecast: None

***Notes**

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

Newly added: -

Excluded: -

(2) Application of the specific method for accounting treatment for preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 8 of the attachments for further information.

(4) Number of shares outstanding (common shares)

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

| | | | |
|----------------------|------------------|----------------------|------------------|
| As of Sep. 30, 2019: | 9,878,040 shares | As of Mar. 31, 2019: | 9,878,040 shares |
|----------------------|------------------|----------------------|------------------|

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

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of Sep. 30, 2019: | 876,145 shares | As of Mar. 31, 2019: | 876,129 shares |
|----------------------|----------------|----------------------|----------------|

3) Average number of shares outstanding during the period

| | | | |
|---------------------------------|------------------|---------------------------------|------------------|
| Six months ended Sep. 30, 2019: | 9,001,898 shares | Six months ended Sep. 30, 2018: | 9,001,917 shares |
|---------------------------------|------------------|---------------------------------|------------------|

***The quarterly financial report is not subject to quarterly review 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 of the attachments.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

The Japanese economy for the first half of the fiscal year under review (hereinafter “the period under review”) remained on track to recovery as corporate earnings stayed resilient, and employment conditions and personal income moderately improved. However, concern over the prolonged U.S.-China trade friction has made the economic outlook more cautious.

In the electronic devices market, which is the Uyemura Group’s main market area, production volume of on-board electronics components remained firm along with a movement to ensure automotive safety and improved convenience; however, the smartphone market remained stagnant due to weak demand.

In this environment, the Group has focused on the development of high value-added products, and proposal and sales activities for these products to make the operations more profitable.

As a result, consolidated sales for the period under review were 24,335 million yen (down 3.3% year-over-year), operating profit 3,380 million yen (down 16.3% year-over-year), ordinary profit 3,477 million yen (down 18.6% year-over-year), and profit attributable to owners of parent 2,445 million yen (down 11.3% year-over-year).

The results of operations by business segment are shown as below.

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs decreased year-over-year due to a decreased demand for high-end smartphones despite a continued strong demand for car electronics products.

Consequently, sales in the surface finishing materials business decreased 8.2% year-over-year to 18,215 million yen, and a segment profit decreased 26.7% year-over-year to 2,973 million yen.

2) Surface finishing machinery business

The order-taking environment for machinery business was improving as electronics components and automotive parts manufacturers in Japan were taking a positive attitude toward capital investments. This caused the segment to exceed sales and a segment profit for the second quarter of the previous fiscal year.

Consequently, sales in the surface finishing machinery business increased 57.1% year-over-year to 2,984 million yen with a segment profit of 123 million yen (compared with a segment loss of 134 million yen in the same period of the previous fiscal year).

3) Plating job business

Sales of the segment decreased year-over-year due to the withdrawal from this business in Japan; however, an improved yield in the consolidated subsidiaries in Thailand and Indonesia helped the segment increase a profit and turn into profitability.

Consequently, sales in the plating job business decreased 10.6% year-over-year to 2,818 million yen with a segment profit of 73 million yen (compared with a segment loss of one million yen in the same period of the previous fiscal year).

4) Real estate rental business

Both segment sales and profit of the real estate rental business increased year-over-year thanks to an improvement in the occupancy ratio of an office building for rent in Shin-Osaka.

Consequently, sales in the real estate rental business increased 6.1% year-over-year to 383 million yen, and segment profit increased 84.9% year-over-year to 204 million yen.

It is noted that sales of the segments above include intersegment sales and transfers.

(2) Explanation of Financial Position

1) Changes in financial position

Total assets decreased 1,432 million yen from the end of the previous fiscal year to 76,510 million yen at the end of the period under review. This was primarily attributable to a 1,467 million yen decrease in cash and deposits with banks, a 1,054 million yen decrease in notes and accounts receivable-trade, a 355 million yen decrease in buildings and structures, net, which were partially offset by a 540 million yen increase in construction in progress and a 370 million yen increase in work in process.

Total liabilities decreased 1,803 million yen from the end of the previous fiscal year to 14,996 million yen. This was primarily attributable to a 1,005 million yen decrease in notes and accounts payable-trade and a 483 million yen decrease in income taxes payable, which were partially offset by a 144 million yen increase in accrued bonuses and a 68 million yen increase in lease obligations (current).

Total net assets increased 371 million yen from the end of the previous fiscal year to 61,514 million yen. This was primarily attributable to a 1,095 million yen increase in retained earnings, which was partially offset by a 715 million yen decrease in foreign currency translation adjustments.

As a result, the equity ratio increased by 2.0 percentage points from 78.4% at the end of the previous fiscal year to 80.4%.

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) at the end of the period under review decreased 1,366 million yen from the end of the previous fiscal year to 29,226 million yen.

A summary of cash flows for the period under review is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 1,663 million yen (compared with net cash provided of 4,655 million yen in the same period of the previous fiscal year). Positive factors included profit before income taxes of 3,466 million yen, depreciation and amortization of 1,032 million yen, and an 840 million yen decrease in notes and accounts receivable-trade, while negative factors included income taxes paid of 1,450 million yen and an 899 million yen decrease in notes and accounts payable-trade.

(Cash flows from investing activities)

Net cash used in investing activities was 1,173 million yen (compared with net cash used of 1,310 million yen in the same period of the previous fiscal year). Positive factors included proceeds from withdrawal of time deposits of 285 million yen, while negative factors included payment for acquisition of fixed assets of 1,243 million yen and payments into time deposits of 245 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,495 million yen (compared with net cash used of 1,470 million yen in the same period of the previous fiscal year). Negative factors included cash dividends paid of 1,350 million yen and net decrease in short-term loans payable of 78 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

We have maintained the full-year consolidated forecast that we announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2019” on May 13, 2019.

Actual results may differ significantly from these forecasts for a number of reasons.

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

(Thousands of yen)

| | FY3/2019 (As of Mar. 31, 2019) | Second quarter of FY3/2020 (As of Sep. 30, 2019) |
|-------------------------------------|-----------------------------------|---|
| Assets | | |
| Current assets | | |
| Cash and deposits with banks | 34,029,803 | 32,562,267 |
| Notes and accounts receivable-trade | 13,694,398 | 12,639,822 |
| Marketable securities | 37,285 | 41,560 |
| Merchandise and finished goods | 2,197,452 | 2,214,816 |
| Work in process | 2,004,378 | 2,375,300 |
| Raw materials and supplies | 1,395,019 | 1,296,320 |
| Other current assets | 1,134,913 | 1,885,084 |
| Allowance for doubtful accounts | (90,756) | (53,010) |
| Total current assets | 54,402,496 | 52,962,163 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 20,882,827 | 20,587,451 |
| Accumulated depreciation | (12,533,007) | (12,593,233) |
| Buildings and structures, net | 8,349,819 | 7,994,218 |
| Machinery and vehicles | 10,729,213 | 10,952,090 |
| Accumulated depreciation | (8,322,632) | (8,669,179) |
| Machinery and vehicles, net | 2,406,580 | 2,282,910 |
| Land | 4,691,456 | 4,655,991 |
| Lease assets | 235,613 | 258,399 |
| Accumulated depreciation | (121,810) | (137,009) |
| Lease assets, net | 113,803 | 121,389 |
| Construction in progress | 1,874,685 | 2,415,652 |
| Other tangible fixed assets | 5,084,699 | 5,302,090 |
| Accumulated depreciation | (3,848,718) | (4,015,051) |
| Other tangible fixed assets, net | 1,235,980 | 1,287,038 |
| Total tangible fixed assets | 18,672,326 | 18,757,200 |
| Intangible assets | 269,301 | 259,263 |
| Investments and other assets | | |
| Investment securities | 3,768,139 | 3,745,091 |
| Net defined benefit asset | 83,983 | 79,499 |
| Deferred tax assets | 268,048 | 263,756 |
| Other investments and other assets | 548,250 | 511,846 |
| Allowance for doubtful accounts | (69,513) | (68,302) |
| Total investments and other assets | 4,598,908 | 4,531,891 |
| Total fixed assets | 23,540,536 | 23,548,355 |
| Total assets | 77,943,032 | 76,510,518 |

| | (Thousands of yen) | |
|---|-----------------------------------|---|
| | FY3/2019 (As of Mar. 31, 2019) | Second quarter of FY3/2020 (As of Sep. 30, 2019) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 2,866,067 | 1,860,103 |
| Electronically recorded obligations-operating | 4,057,985 | 3,745,611 |
| Short-term loans payable | 511,503 | 476,219 |
| Current portion of long-term loans payable | 41,813 | - |
| Lease obligations | 54,715 | 123,436 |
| Income taxes payable | 2,687,876 | 2,204,723 |
| Accrued bonuses | 152,879 | 297,068 |
| Allowance for directors' bonuses | 166,650 | 83,325 |
| Other current liabilities | 2,238,815 | 2,129,063 |
| Total current liabilities | 12,778,309 | 10,919,552 |
| Long-term liabilities | | |
| Long-term guarantee deposit | 608,068 | 618,237 |
| Lease obligations | 93,333 | 157,597 |
| Deferred tax liabilities | 2,131,537 | 2,120,256 |
| Allowance for directors' retirement benefits | 205,525 | 176,365 |
| Net defined benefit liability | 720,210 | 733,633 |
| Other long-term liabilities | 263,158 | 270,514 |
| Total long-term liabilities | 4,021,833 | 4,076,604 |
| Total liabilities | 16,800,142 | 14,996,157 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 1,336,936 | 1,336,936 |
| Capital surplus | 1,269,750 | 1,269,750 |
| Retained earnings | 58,382,870 | 59,478,076 |
| Treasury shares | (3,327,258) | (3,327,362) |
| Total shareholders' equity | 57,662,299 | 58,757,401 |
| Accumulated other comprehensive income | | |
| Cumulative securities holding gain | 717,304 | 705,819 |
| Foreign currency translation adjustments | 2,780,323 | 2,064,705 |
| Remeasurements of defined benefit plans | (17,036) | (13,565) |
| Total accumulated other comprehensive income | 3,480,590 | 2,756,960 |
| Total net assets | 61,142,889 | 61,514,361 |
| Total liabilities and net assets | 77,943,032 | 76,510,518 |

(2) Consolidated Statements of Income and Comprehensive Income
(For the Six-month Period)

| | (Thousands of yen) | |
|---|--|--|
| | First six months of FY3/2019 (Apr. 1, 2018 – Sep. 30, 2018) | First six months of FY3/2020 (Apr. 1, 2019 – Sep. 30, 2019) |
| Sales | 25,163,119 | 24,335,532 |
| Cost of goods sold | 16,137,341 | 15,938,193 |
| Gross profit | 9,025,778 | 8,397,339 |
| Selling, general and administrative expenses | 4,987,461 | 5,017,054 |
| Operating profit | 4,038,316 | 3,380,285 |
| Non-operating income | | |
| Interests received | 53,311 | 72,110 |
| Dividends received | 34,870 | 36,931 |
| Gains on valuable resources recovery | 33,225 | 19,558 |
| Subsidy income | - | 49,106 |
| Technical advisory fee | 48,311 | 7,875 |
| Other non-operating income | 90,298 | 71,502 |
| Total non-operating income | 260,017 | 257,083 |
| Non-operating expenses | | |
| Interest expense | 9,373 | 6,865 |
| Foreign exchange losses | 3,308 | 123,447 |
| Commission fee | 7,424 | 6,744 |
| Other non-operating expenses | 6,055 | 22,925 |
| Total non-operating expenses | 26,162 | 159,982 |
| Ordinary profit | 4,272,172 | 3,477,386 |
| Extraordinary income | | |
| Gains on sales of fixed assets | 6,083 | 2,165 |
| Total extraordinary income | 6,083 | 2,165 |
| Extraordinary loss | | |
| Loss on disposal and sales of fixed assets | 12,195 | 12,827 |
| Impairment loss | 122,929 | - |
| Total extraordinary losses | 135,124 | 12,827 |
| Profit before income taxes | 4,143,130 | 3,466,723 |
| Income taxes-current | 1,389,105 | 1,028,471 |
| Income taxes-deferred | (4,120) | (7,240) |
| Total income taxes | 1,384,984 | 1,021,231 |
| Profit | 2,758,145 | 2,445,492 |
| Profit attributable to: | | |
| Owners of parent | 2,758,145 | 2,445,492 |
| Other comprehensive income | | |
| Cumulative securities holding gain | (19,048) | (11,484) |
| Foreign currency translation adjustments | (1,191,397) | (715,617) |
| Remeasurements of defined benefit plans, net of tax | 2,752 | 3,471 |
| Total other comprehensive income | (1,207,693) | (723,630) |
| Comprehensive income | 1,550,452 | 1,721,861 |
| Comprehensive income attributable to: | | |
| Owners of parent | 1,550,452 | 1,721,861 |

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

| | First six months of FY3/2019 (Apr. 1, 2018 – Sep. 30, 2018) | First six months of FY3/2020 (Apr. 1, 2019 – Sep. 30, 2019) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,143,130 | 3,466,723 |
| Depreciation and amortization | 985,290 | 1,032,835 |
| Impairment loss | 122,929 | - |
| Increase (decrease) in allowance for doubtful accounts | 6,297 | (35,470) |
| Increase (decrease) in allowance for directors' bonuses | (76,550) | (83,325) |
| Increase (decrease) in net defined benefit liability | 39,833 | 33,009 |
| Decrease (increase) in net defined benefit asset | (9,957) | 4,233 |
| Increase (decrease) in allowance for directors' retirement benefits | 7,380 | (29,160) |
| Interests and dividends income | (88,181) | (109,041) |
| Interest expense | 9,373 | 6,865 |
| Losses (gains) on disposal and sales of fixed assets | 6,280 | 10,732 |
| Decrease (increase) in notes and accounts receivable-trade | 270,063 | 840,472 |
| Decrease (increase) in inventories | (616,786) | (459,609) |
| Increase (decrease) in notes and accounts payable-trade | 711,936 | (899,161) |
| Others | (198,447) | (775,939) |
| Subtotal | 5,312,590 | 3,003,165 |
| Interests and dividends received | 90,492 | 116,570 |
| Interests paid | (5,875) | (6,641) |
| Income taxes paid | (742,096) | (1,450,063) |
| Net cash provided by operating activities | 4,655,111 | 1,663,031 |
| Cash flows from investing activities | | |
| Payments into time deposits | (667,782) | (245,238) |
| Proceeds from withdrawal of time deposits | 832,806 | 285,537 |
| Payment for acquisition of fixed assets | (1,490,484) | (1,243,451) |
| Proceeds from sales of fixed assets | 22,981 | 2,671 |
| Payment for acquisition of investment securities | (5,665) | (5,152) |
| Others | (2,392) | 32,396 |
| Net cash used in investing activities | (1,310,537) | (1,173,237) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (12,168) | (78,098) |
| Repayments for long-term loans payable | (80,271) | - |
| Repayments for lease obligations | (27,558) | (66,701) |
| Payment for acquisition of treasury shares | (306) | (103) |
| Cash dividends paid | (1,350,292) | (1,350,286) |
| Net cash used in financing activities | (1,470,596) | (1,495,190) |
| Effect of exchange rate changes on cash and cash equivalents | (377,845) | (361,223) |
| Increase (decrease) in cash and cash equivalents | 1,496,132 | (1,366,620) |
| Cash and cash equivalents at beginning of period | 27,645,553 | 30,593,368 |
| Cash and cash equivalents at end of period | 29,141,685 | 29,226,747 |

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Accounting Policies

(Application of IFRS 16 *Leases*)

Our overseas subsidiaries adopting IFRS have applied IFRS 16 *Leases* (hereinafter “the standard”) from the first quarter of the fiscal year ending March 31, 2020. The standard requires a lessee to recognize, in principle, all leases as asset and liability on the balance sheet. The Group recognizes the cumulative effect of applying the standard at the date of initial application in accordance with the transitional measure permitted under the standard.

The effect of applying the standard on the quarterly consolidated financial statements is insignificant.

Segment and Other Information

Segment Information

I. First six months of FY3/2019 (Apr. 1, 2018 – Sep. 30, 2018)

1. Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment | Amounts shown on consolidated statements of income/ comprehensive income (Note 2) |
|----------------------------------|-----------------------------------|-----------------------------------|----------------|--------------------------|------------|-------------------|------------|------------|--|
| | Surface Finishing Materials | Surface Finishing Machinery | Plating Job | Real Estate Rental | Subtotal | | | | |
| Sales | | | | | | | | | |
| Sales to third parties | 19,772,742 | 1,868,883 | 3,152,927 | 361,979 | 25,156,532 | 6,587 | 25,163,119 | - | 25,163,119 |
| Intersegment sales and transfers | 70,845 | 30,580 | 394 | - | 101,820 | - | 101,820 | (101,820) | - |
| Total | 19,843,587 | 1,899,464 | 3,153,321 | 361,979 | 25,258,353 | 6,587 | 25,264,940 | (101,820) | 25,163,119 |
| Segment profit (loss) | 4,057,898 | (134,473) | (1,143) | 110,530 | 4,032,811 | 5,504 | 4,038,316 | - | 4,038,316 |

Notes: 1. The “Other” business segment represents activities that are not included in any of the four reportable segments, and its sales include loyalty revenue.

2. Total segment profit (loss) is equal to operating profit shown on the consolidated statements of income and comprehensive income.

2. Information related to impairment losses on fixed assets or goodwill, etc. for each reportable segment

Significant impairment losses related to fixed assets

An impairment loss of 122,929 thousand yen was recognized in the plating job business segment.

II. First six months of FY3/2020 (Apr. 1, 2019 – Sep. 30, 2019)

Information related to sales and profit or loss for each reportable segment

(Thousands of yen)

| | Reportable segment | | | | | Other (Note 1) | Total | Adjustment | Amounts shown on consolidated statements of income/ comprehensive income (Note 2) |
|----------------------------------|-----------------------------------|-----------------------------------|----------------|--------------------------|------------|-------------------|------------|------------|--|
| | Surface Finishing Materials | Surface Finishing Machinery | Plating Job | Real Estate Rental | Subtotal | | | | |
| Sales | | | | | | | | | |
| Sales to third parties | 18,193,471 | 2,933,701 | 2,818,207 | 383,949 | 24,329,329 | 6,202 | 24,335,532 | - | 24,335,532 |
| Intersegment sales and transfers | 22,223 | 51,280 | - | - | 73,504 | - | 73,504 | (73,504) | - |
| Total | 18,215,695 | 2,984,981 | 2,818,207 | 383,949 | 24,402,834 | 6,202 | 24,409,037 | (73,504) | 24,335,532 |
| Segment profit | 2,973,807 | 123,776 | 73,177 | 204,394 | 3,375,156 | 5,129 | 3,380,285 | - | 3,380,285 |

Notes: 1. The “Other” business segment consists of activities that are not included in any of the four reportable segments, and its sales include loyalty revenue.

2. Total segment profit is equal to operating profit shown on the quarterly consolidated statements of income and comprehensive income.

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.