

# Growing together with

## Uyemura Group Companies

- **Japan** C.Uyemura & Co., Ltd.  
Sumix Corporation
- **USA** Uyemura International Corporation
- **Hong Kong** Uyemura International (Hong Kong) Co., Ltd.
- **Shenzhen** Uyemura (Shenzhen) Co., Ltd.
- **Shanghai** Uyemura (Shanghai) Co., Ltd.
- **Taiwan** Taiwan Uyemura Co., Ltd.
- **Korea** Uyemura Korea Co., Ltd.
- **Singapore** Uyemura International (Singapore) Pte., Ltd.
- **Malaysia** Uyemura (Malaysia) Sdn. Bhd.
- **Thailand** Sum Hitechs Co., Ltd.
- **Indonesia** PT.Uyemura Indonesia

Nov 22, 2017



Thank you for your continued support of Uyemura.

I would now like to make a few comments before reporting our results of operations in the first half (April 1 to September 30, 2017) of the fiscal year ending on March 31, 2018.

The electronic devices market, which is the Uyemura Group's main market, was characterized by moderate growth in demand for smartphones and tablets and signs of a recovery in the PC market. There is a high level of activity involving new ideas and the development of new products at companies in IoT, on-board products, data center and other growing market sectors.

Consolidated subsidiary Sum Hitech Co., Ltd. in Thailand received a fiscal 2017 Toyota Production System Winner Award from the Toyota Co-operation Club (TCC). This subsidiary received this award in the prior fiscal year, too. In the TCC, the 97 suppliers of primary parts to Toyota Motor Thailand are divided into five groups. All companies share knowledge about factory operations in order to make improvements. Sum Hitech placed first in the sub-leader group for the second consecutive year. Everyone at this company is very proud of this achievement and is determined to continue making progress with activities for more improvements.

Sumix Corporation, a consolidated subsidiary in Japan, is currently making substantial capital expenditures to relocate its head office and factory. For a long time, there was a crisis in Japan's plating industry as the overseas shift of manufacturing caused the industry to shrink. But now some companies are starting to move production back to Japan. The new factory at Sumix will meet the needs of these companies. We also plan to make this a model factory that will grow into a base for all of Uyemura's plating technologies.

The Uyemura Group will fully utilize its business network to gain a clear picture of what is in demand in growth sectors around the world. We will continue to provide customers operating globally with comprehensive solutions for plating underpinned by our expertise in chemicals, machines and plating bath controllers.

We ask for your continued support. Thank you.

November 2017

Hiroya Uyemura,  
President of C. Uyemura & Co., Ltd.

## Management Policies

Talented workers, technological prowess, a distinct business model, and collective group strengths are necessary for us to maintain growth in the 21st century.

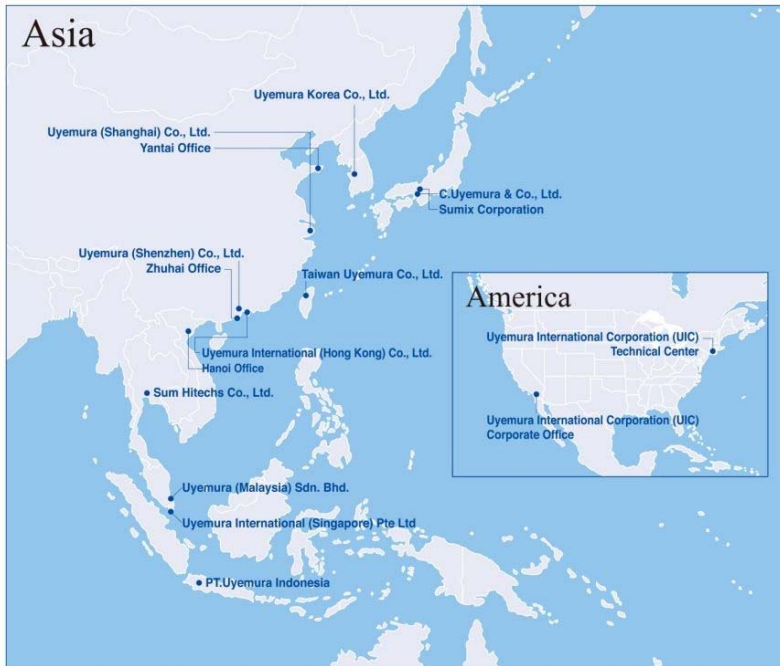
1. Ensure thorough compliance
2. Ensure thorough safety and eco-friendliness
3. Better research and development environment to accelerate its progress
4. Initiatives over the next ten and twenty years
  - Better training to help workers develop skills and know-how
  - Steps towards new markets and new technology fields
  - Create a new business model
5. Establish a total solutions business model
6. Increase synergies among group companies and divisions
7. Explore and examine new overseas manufacturing and sales bases with an eye to the future
8. Ensure a quick response to changes in business environment

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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.

# Technologies of Uyemura extending to the world.



We broke into the U.S. and the Asian markets in the middle of the 1980s when other companies in the industry had not yet turned their attention overseas. Uyemura supports companies with production bases in the Asia-Pacific area with services identical to those in Japan and deploys the stages for activities by Uyemura.

## Central Research Laboratory (Hirakata, Osaka)



Company name	abbr	Foundation	Location	Employees	Business
C.Uyemura & Co., Ltd.	CUC	1848 (Establishment) 1933 (Incorporated)	Japan	268	
Sumix Corporation	SMX	1963	Japan	24	
Uyemura International Corporation	UIC	1985	US	39	
Uyemura International (Hong Kong) Co., Ltd.	UHK	1986	China (Hong Kong)	21	
Taiwan Uyemura Co., Ltd.	TUC	1987	Taiwan	289	
Sum Hitechs Co., Ltd.	SUM	1987	Thailand	557	
Uyemura (Shenzhen) Co., Ltd.	USZ	1988	China (Shenzhen)	197	
Uyemura International Singapore Pte Ltd	UIS	1992	Singapore	12	
Uyemura (Malaysia) Sdn. Bhd.	UMM	1996	Malaysia	34	
Uyemura (Shanghai) Co., Ltd.	USC	2002	China (Shanghai)	59	
Uyemura Korea Co., Ltd.	UKC	2010	Korea	43	
PT.Uyemura Indonesia	UID	2012	Indonesia	117	



Sales



R&D



Chemical Production



Machinery Production



Plating Job

As of September 30, 2017

## 4 Business Segments

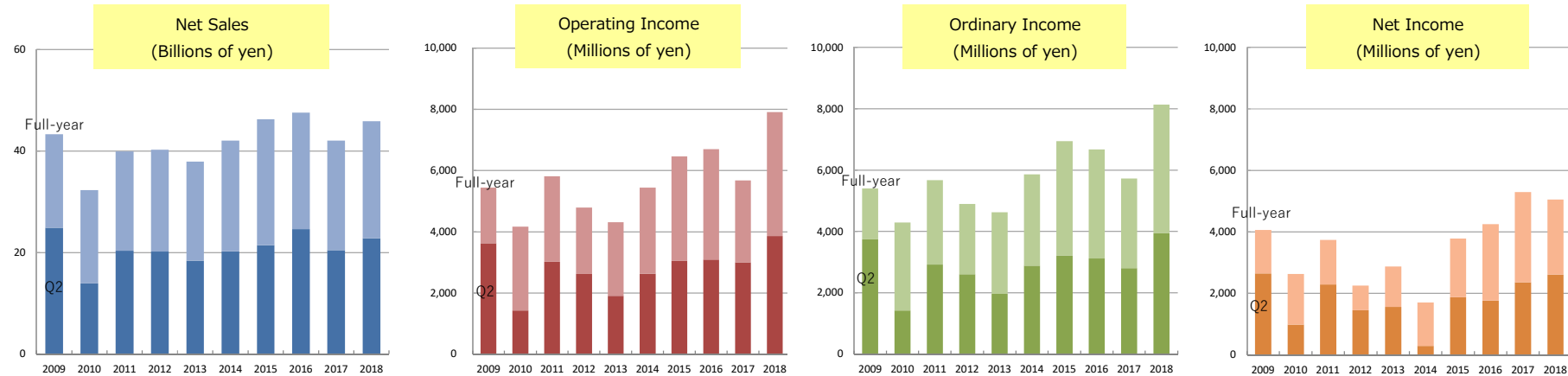
Surface Finishing Materials	manufacture and marketing of plating chemicals, procurement and marketing of industrial chemicals and non-ferrous metals
Surface Finishing Machinery	manufacture and marketing of surface finishing machinery, procurement and marketing of surface finishing machinery
Plating Job	Plastic formation, plating, and coating of parts for autos and home appliances
Real Estate Rental	Real estate rental for office buildings, condominiums

Corporate website



<http://www.uyemura.co.jp/>

## Financial Summary (Consolidated) [1/3]



### Consolidated Business Results

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Net Sales	24,887	13,915	20,324	20,190	18,391	20,243	21,462	24,619	20,478	22,812	
Operating Income	3,630	1,426	3,019	2,620	1,910	2,629	3,045	3,091	3,001	3,860	
Ordinary Income	3,744	1,426	2,922	2,601	1,965	2,880	3,222	3,118	2,806	3,944	
Net Income	2,655	980	2,293	1,459	1,561	291	1,876	1,770	2,363	2,612	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Net Sales	43,329	32,306	39,930	40,263	37,905	42,049	46,254	47,568	42,081	45,890
Operating Income	5,443	4,167	5,814	4,792	4,310	5,443	6,460	6,698	5,671	7,910
Ordinary Income	5,404	4,298	5,677	4,900	4,627	5,867	6,944	6,678	5,720	8,140
Net Income	4,062	2,631	3,742	2,259	2,875	1,705	3,789	4,250	5,293	5,050

### Consolidated Sales by Business Segment

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Surface Finishing Materials	20,482	11,352	16,767	15,878	15,198	16,170	17,921	18,325	15,203	17,524	
Surface Finishing Machinery	2,313	1,217	1,913	2,516	1,938	2,057	1,669	3,865	2,662	2,809	
Plating Job	1,909	1,072	1,415	1,497	1,007	1,808	1,937	2,196	2,436	2,345	
Real Estate Rental	398	388	386	378	373	352	352	356	350	362	
Others	16	10	7	8	2	3	3	3	6	4	
Adjustment	△ 234	△ 125	△ 167	△ 89	△ 129	△ 148	△ 421	△ 128	△ 180	△ 235	
Total	24,887	13,915	20,324	20,190	18,391	20,243	21,462	24,619	20,478	22,812	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Surface Finishing Materials	34,637	26,646	33,211	31,935	30,364	33,643	37,598	35,883	32,068	36,070
Surface Finishing Machinery	4,872	2,671	3,190	5,405	4,641	4,279	4,576	6,448	4,874	4,300
Plating Job	3,336	2,527	3,020	2,510	2,501	3,723	3,971	4,779	4,705	4,790
Real Estate Rental	804	773	768	754	723	700	705	717	720	720
Others	23	18	13	14	6	6	6	6	9	10
Adjustment	△ 347	△ 331	△ 274	△ 357	△ 331	△ 302	△ 603	△ 267	△ 296	
Total	43,329	32,306	39,930	40,263	37,905	42,049	46,254	47,568	42,081	45,890

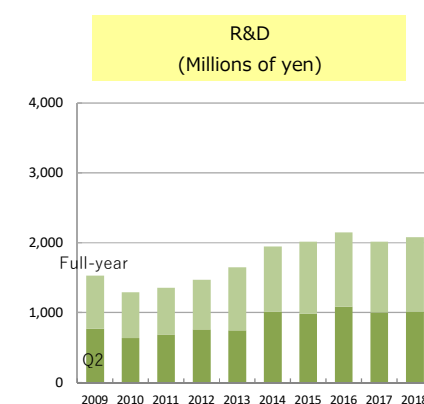
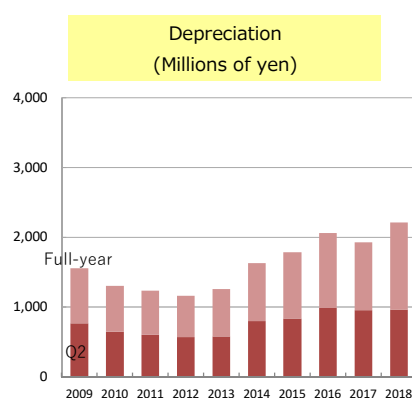
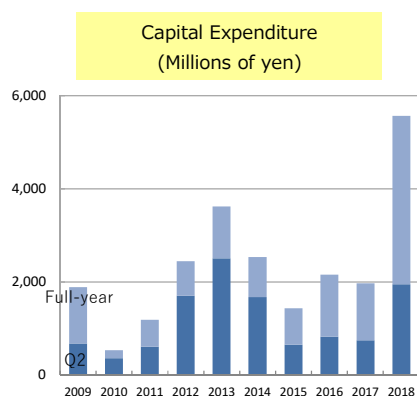
## Financial Summary (Consolidated) [2/3]

### Consolidated Operating Income by Business Segment

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Surface Finishing Materials	3,103	1,352	2,482	2,047	1,930	2,173	3,109	3,258	2,823	3,499	
Surface Finishing Machinery	△ 18	△ 197	123	116	△ 98	141	△ 197	△ 184	△ 46	317	
Plating Job	296	55	211	247	△ 128	119	△ 4	△ 181	69	△ 126	
Real Estate Rental	230	226	195	201	205	191	186	196	188	207	
Others	16	△ 10	6	7	1	2	2	2	5	3	
Adjustment	3	0	0	0	0	0	△ 50	0	△ 38	△ 40	
<b>Total</b>	<b>3,630</b>	<b>1,426</b>	<b>3,019</b>	<b>2,620</b>	<b>1,910</b>	<b>2,629</b>	<b>3,045</b>	<b>3,091</b>	<b>3,001</b>	<b>3,860</b>	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Surface Finishing Materials	4,633	3,692	5,074	4,301	3,974	5,073	6,605	6,940	6,078	7,330
Surface Finishing Machinery	△ 114	△ 265	131	△ 132	△ 58	△ 176	△ 404	△ 427	△ 807	342
Plating Job	444	308	212	212	△ 7	167	△ 68	△ 222	35	△ 180
Real Estate Rental	456	415	383	398	396	380	373	403	410	410
Others	21	15	11	12	5	5	5	5	7	8
Adjustment	0	0	0	0	0	△ 5	△ 50	0	△ 53	
<b>Total</b>	<b>5,443</b>	<b>4,167</b>	<b>5,814</b>	<b>4,792</b>	<b>4,310</b>	<b>5,443</b>	<b>6,460</b>	<b>6,698</b>	<b>5,671</b>	<b>7,910</b>



### Capital Expenditure, Depreciation, R&D (Consolidated)

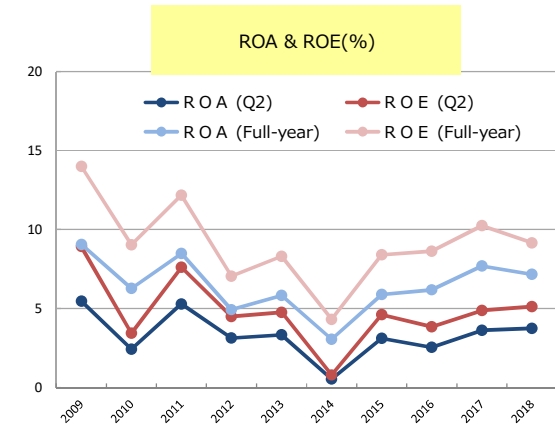
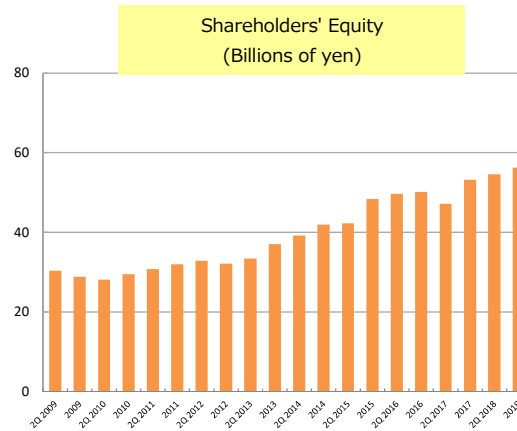
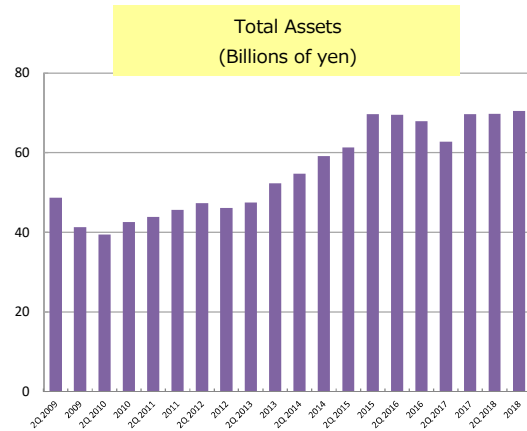
											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Capital Expenditure	676	359	608	1,699	2,506	1,674	651	817	741	1,947	
Depreciation	766	649	604	571	578	800	837	989	955	966	
R&D	768	635	688	763	748	1,012	987	1,089	1,000	1,019	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Capital Expenditure	1,887	526	1,181	2,442	3,620	2,533	1,434	2,154	1,969	5,566
Depreciation	1,555	1,307	1,235	1,160	1,258	1,629	1,785	2,060	1,929	2,213
R&D	1,531	1,289	1,355	1,470	1,652	1,947	2,013	2,149	2,014	2,080



## Financial Summary (Consolidated) [3/3]



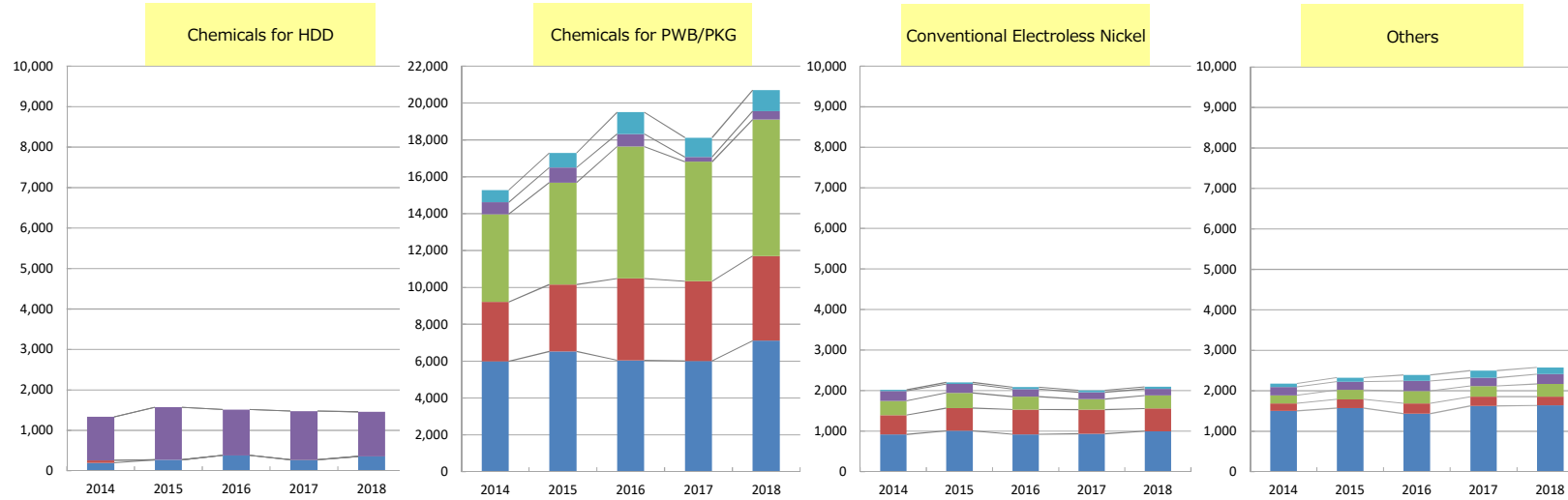
### Financial Data (Consolidated)

		[Millions of yen]									
Interim		Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
Total Assets		48,712	39,486	43,925	47,376	47,520	54,739	61,351	69,563	62,739	69,795
ROA (%)		5.5	2.4	5.3	3.1	3.3	0.5	3.1	2.5	3.6	3.8
Shareholders' Equity		30,356	28,149	30,723	32,888	33,417	39,208	42,273	49,697	47,186	54,573
ROE (%)		8.9	3.4	7.6	4.5	4.8	0.8	4.6	3.9	4.9	5.1
Full Year		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Total Assets		41,288	42,612	45,662	46,087	52,348	59,189	69,679	67,931	69,703	71,280
ROA (%)		9.1	6.3	8.5	4.9	5.8	3.1	5.9	6.2	7.7	7.2
Shareholders' Equity		28,829	29,475	31,977	32,125	37,040	41,929	48,309	50,127	53,228	57,018
ROE (%)		14.0	9.0	12.2	7.1	8.3	4.3	8.4	8.6	10.2	9.2

### Plating Chemical Sales by Category (Consolidated)

		[Millions of yen]									
Interim		Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
Chemicals for HDD		1,810	1,188	1,126	922	615	722	681	905	631	753
Chemicals for PWB/PKG		8,287	5,165	6,060	5,989	6,241	7,366	8,150	9,010	8,437	10,088
Conventional Electroless Nickel		1,330	755	1,106	1,062	909	986	1,054	1,059	975	1,045
Others		1,173	823	1,140	1,141	974	1,020	1,125	1,092	1,248	1,285
Total		12,601	7,932	9,435	9,115	8,740	10,095	11,011	12,067	11,292	13,173
Full Year		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Chemicals for HDD		3,907	2,470	1,900	1,575	1,000	1,337	1,574	1,519	1,478	1,460
Chemicals for PWB/PKG		14,428	10,621	12,410	12,530	13,334	15,280	17,296	19,502	18,120	20,705
Conventional Electroless Nickel		2,350	1,657	2,182	2,146	1,723	2,024	2,206	2,089	2,012	2,095
Others		1,979	1,873	2,217	2,082	1,961	2,185	2,330	2,392	2,499	2,580
Total		22,665	16,622	18,709	18,334	18,019	20,826	23,406	25,503	24,111	26,840

## Plating Chemical Sales by Region



	Japan	China	Taiwan & Korea	ASEAN Singapore & Thailand	United States	Total
	CUC	UHK, USZ, USC	TUC, UKC	UIS, SUM	UIC	
[Millions of yen]						
<b>Fiscal year ending March 31, 2018 (forecast)</b>						
Chemicals for HDD	360	0	0	1,100	0	1,460
Chemicals for PWB/PKG	7,105	4,600	7,400	450	1,150	20,705
Conventional Electroless Nickel	1,000	560	320	165	50	2,095
Others	1,640	215	315	240	170	2,580
<b>Total</b>	<b>10,105</b>	<b>5,375</b>	<b>8,035</b>	<b>1,955</b>	<b>1,370</b>	<b>26,840</b>
<b>Fiscal year ended March 31, 2017</b>						
Chemicals for HDD	275	1	0	1,201	0	1,478
Chemicals for PWB/PKG	6,006	4,332	6,474	255	1,051	18,120
Conventional Electroless Nickel	936	595	260	169	49	2,012
Others	1,630	223	267	204	173	2,499
<b>Total</b>	<b>8,848</b>	<b>5,153</b>	<b>7,002</b>	<b>1,831</b>	<b>1,275</b>	<b>24,111</b>
<b>Fiscal year ended March 31, 2016</b>						
Chemicals for HDD	384	0	0	1,133	0	1,519
Chemicals for PWB/PKG	6,046	4,436	7,162	673	1,184	19,502
Conventional Electroless Nickel	925	611	317	187	47	2,089
Others	1,436	256	305	246	146	2,392
<b>Total</b>	<b>8,793</b>	<b>5,305</b>	<b>7,784</b>	<b>2,240</b>	<b>1,379</b>	<b>25,503</b>
<b>Fiscal year ended March 31, 2015</b>						
Chemicals for HDD	273	0	0	1,298	0	1,574
Chemicals for PWB/PKG	6,527	3,634	5,529	812	792	17,296
Conventional Electroless Nickel	1,011	560	375	216	42	2,206
Others	1,574	217	230	205	101	2,329
<b>Total</b>	<b>9,387</b>	<b>4,413</b>	<b>6,134</b>	<b>2,533</b>	<b>937</b>	<b>23,406</b>
<b>Fiscal year ended March 31, 2014</b>						
Chemicals for HDD	199	63	0	1,073	0	1,336
Chemicals for PWB/PKG	5,991	3,218	4,766	639	663	15,279
Conventional Electroless Nickel	923	476	350	241	31	2,024
Others	1,502	191	197	206	86	2,185
<b>Total</b>	<b>8,617</b>	<b>3,950</b>	<b>5,314</b>	<b>2,161</b>	<b>782</b>	<b>20,826</b>



## Business results and Forecast by Group Company

★How to read the table

Upper row ... Results ( Millions of yen )
Lower row ... Y o Y ( Millions of yen )

Fiscal years ended March 31

Company name	abbr	Location	2016				2017				2018 (forecast)		
			Net Sales	Operating Income	Ordinary Income	Net Income	Net Sales	Operating Income	Ordinary Income	Net Income	Net Sales	Operating Income	Ordinary Income
C.Uyemura & Co., Ltd.	CUC	Japan	24,406 △ 855	2,269 △ 239	4,258 △ 578	1,764 △ 1,524	21,855 △ 2,551	2,091 △ 178	4,109 △ 149	3,099 +1,335	23,903 +2,048	3,583 +1,492	5,702 +1,593
Sumix Corporation	SMX	Japan	718 △ 171	△ 49 △ 28	△ 48 △ 26	△ 56 △ 37	665 △ 53	13 +62	11 +59	2 +58	717 +52	△ 31 △ 44	△ 8 △ 19
Uyemura International Corporation	UIC	US	4,132 △ 332	137 +38	125 +33	124 +65	4,140 +8	△ 5 △ 142	△ 18 △ 143	△ 10 △ 134	3,691 △ 449	80 +85	72 +90
Uyemura International (Hong Kong) Co., Ltd.	UHK	China (Hong Cong)	2,923 △ 50	462 +138	929 +258	830 +236	2,731 △ 192	324 △ 138	670 △ 259	595 △ 235	2,642 △ 89	352 +28	744 +74
Taiwan Uyemura Co., Ltd.	TUC	Taiwan	8,193 +617	1,901 +257	2,024 +240	1,627 +150	7,267 △ 926	1,724 △ 177	1,818 △ 206	1,441 △ 186	8,176 +909	1,877 +153	1,969 +151
Sum Hitechs Co., Ltd.	SUM	Thailand	3,646 +852	227 △ 40	313 △ 40	313 +11	3,473 △ 173	274 +47	331 +18	277 △ 36	3,811 +338	328 +54	401 +70
Uyemura (Shenzhen) Co., Ltd.	USZ	China (Shenzhen)	4,362 +210	609 △ 82	584 △ 94	454 △ 50	4,112 △ 250	554 △ 55	535 △ 49	386 △ 68	4,249 +137	618 +64	642 +107
Uyemura International Singapore Pte Ltd	UIS	Singapore	3,275 △ 586	132 △ 26	131 △ 51	114 △ 43	2,829 △ 446	△ 3 △ 135	△ 19 △ 150	△ 22 △ 136	2,730 △ 99	131 +134	121 +140
Uyemura (Malaysia) Sdn. Bhd.	UMM	Malaysia	1,284 △ 315	258 △ 94	262 △ 97	189 △ 75	1,313 +29	344 +86	354 +92	256 +67	1,130 △ 183	263 △ 81	274 △ 80
Uyemura (Shanghai) Co., Ltd.	USC	China (Shanghai)	3,512 +895	791 +237	820 +183	611 +149	3,154 △ 358	675 △ 116	688 △ 132	509 +149	3,715 +561	738 +63	758 +70
Uyemura Korea Co., Ltd.	UKC	Korea	1,690 △ 805	167 △ 222	158 △ 249	128 △ 201	1,395 △ 295	130 △ 37	124 △ 34	97 △ 31	2,253 +858	359 +229	372 +248
PT.Uyemura Indonesia	UID	Indonesia	123 +99	△ 304 △ 16	△ 470 △ 120	△ 462 △ 113	248 +125	△ 289 +15	△ 263 +207	△ 261 +201	343 +95	△ 365 △ 76	△ 403 △ 140
Subtotal			33,858 +414	4,331 +162	4,828 +37	3,872 +92	31,327 △ 2,531	3,741 △ 590	4,231 △ 597	3,270 △ 602	33,457 +2,130	4,350 +609	4,942 +711
Total			58,264 △ 441	6,600 △ 77	9,086 △ 541	5,636 △ 1,432	53,182 △ 5,082	5,832 △ 768	8,340 △ 746	6,369 +733	57,360 +4,178	7,933 +2,101	10,644 +2,304
Elimination for consolidation			△ 10,696	98	△ 2,408	△ 1,386	△ 11,101	△ 161	△ 2,620	△ 1,076	△ 11,470	△ 23	△ 2,504
Total (consolidated)			47,568 +1,314	6,698 +238	6,678 △ 266	4,250 +461	42,081 △ 5,487	5,671 △ 1,027	5,720 △ 958	5,293 1,043	45,890 +3,809	7,910 +2,239	8,140 +2,420

## Non-consolidated Data

### ■ Non-consolidated Business Results

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Net Sales	16,192	9,555	13,180	13,131	11,271	11,091	12,183	12,897	10,808	12,075	
Operating Income	1,679	897	1,689	1,389	1,328	1,173	1,375	1,345	1,197	2,045	
Ordinary Income	1,763	845	1,541	1,324	1,272	1,262	1,478	1,398	986	2,061	
Net Income	1,192	603	1,311	784	792	△ 507	752	191	653	1,098	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Net Sales	25,537	21,148	25,770	25,422	22,547	22,306	25,261	24,406	21,855	23,903
Operating Income	2,041	2,206	2,964	2,675	2,485	1,984	2,508	2,269	2,091	3,583
Ordinary Income	2,973	2,737	3,683	3,570	3,687	3,698	4,836	4,258	4,109	5,702
Net Income	1,209	1,799	2,791	2,279	2,569	1,067	3,288	1,764	3,099	3,236

### ■ Non-consolidated Sales by Business Segment

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Surface Finishing Materials	13,502	8,078	10,938	10,337	9,841	9,487	10,694	9,314	8,206	9,712	
Surface Finishing Machinery	2,087	950	1,708	2,277	950	1,086	946	3,038	2,089	1,819	
Real Estate Rental	398	388	386	378	373	352	352	356	350	362	
Others	203	137	147	137	105	165	190	187	161	180	
Total	16,192	9,555	13,180	13,131	11,271	11,091	12,183	12,897	10,808	12,075	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Surface Finishing Materials	20,351	18,137	22,028	20,314	18,910	18,943	21,431	17,978	17,529	19,086
Surface Finishing Machinery	4,075	1,951	2,677	4,114	2,678	2,332	2,735	5,347	3,268	3,743
Real Estate Rental	804	773	768	754	723	700	705	717	720	532
Others	305	286	296	239	234	330	388	362	337	540
Total	25,537	21,148	25,770	25,422	22,547	22,306	25,261	24,406	21,855	23,903

### ■ Capital Expenditure, Depreciation, R&D (Non-consolidated)

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Capital Expenditure	141	276	427	781	1,275	733	90	214	232	613	
Depreciation	423	361	322	332	276	392	358	393	359	368	
R&D	501	458	436	524	508	704	642	681	634	634	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Capital Expenditure	861	309	611	892	2,004	873	230	689	545	2,562
Depreciation	877	731	677	683	609	805	759	831	763	902
R&D	985	904	916	1,000	1,160	1,371	1,305	1,375	1,277	1,340

### ■ Financial Data (Non-consolidated)

											[Millions of yen]
Interim	Q2 2009	Q2 2010	Q2 2011	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	
Total Assets	29,916	23,536	27,431	29,361	29,768	31,645	36,280	38,581	37,004	39,442	
ROA (%)	3.9	2.5	4.9	2.7	2.7	-1.6	2.1	0.5	1.7	2.8	
Shareholders' Equity	20,444	18,480	20,473	22,148	23,168	24,181	25,942	28,052	28,993	31,077	
ROE (%)	5.9	3.1	6.5	3.6	3.4	-2.1	3.0	0.7	2.3	3.7	

Full Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(forecast)
Total Assets	25,367	26,639	29,776	29,312	33,165	33,979	39,931	39,025	39,957	41,031
ROA (%)	4.3	6.9	9.9	7.7	8.2	3.2	8.9	4.5	7.9	8.0
Shareholders' Equity	20,304	19,693	21,966	22,988	25,094	25,761	28,710	29,547	31,197	33,173
ROE (%)	6.0	9.0	13.4	10.1	10.7	4.2	12.1	6.1	10.2	10.1

## Consolidated Balance Sheets

[Millions of yen]

Interim / Full Year	Q2 2014	2014	Q2 2015	2015	Q2 2016	2016	Q2 2017	2017	Q2 2018
<b>Assets</b>									
<b>I Current assets</b>	<b>35,024</b>	<b>39,138</b>	<b>41,329</b>	<b>48,257</b>	<b>47,911</b>	<b>47,437</b>	<b>44,231</b>	<b>49,380</b>	<b>48,019</b>
Cash and deposits with banks	19,421	22,327	22,132	26,660	26,978	28,559	27,620	31,254	30,432
Notes and accounts receivable-trade	9,930	10,640	11,442	12,795	12,703	11,428	10,239	11,276	11,649
Inventories	3,637	3,685	4,775	5,386	4,639	4,108	3,732	4,097	4,580
Deferred tax assets	324	442	536	648	777	791	739	976	309
Other current assets	1,757	2,084	2,481	2,819	2,868	2,594	1,938	1,831	1,095
Allowance for doubtful accounts	△47	△41	△38	△53	△54	△45	△39	△56	△47
<b>II Fixed assets</b>	<b>19,714</b>	<b>20,051</b>	<b>20,022</b>	<b>21,421</b>	<b>21,651</b>	<b>20,494</b>	<b>18,508</b>	<b>20,323</b>	<b>21,775</b>
<b>1 Tangible fixed assets</b>	<b>17,330</b>	<b>17,644</b>	<b>17,369</b>	<b>18,329</b>	<b>18,452</b>	<b>17,460</b>	<b>16,031</b>	<b>17,436</b>	<b>18,837</b>
Buildings and structures	9,819	10,296	10,189	10,477	10,254	9,563	8,675	9,001	8,699
Other tangible fixed assets	7,510	7,347	7,180	7,851	8,198	7,896	7,356	8,434	10,138
<b>2 Intangible assets</b>	<b>309</b>	<b>353</b>	<b>363</b>	<b>394</b>	<b>403</b>	<b>429</b>	<b>363</b>	<b>360</b>	<b>326</b>
<b>3 Investments and other assets</b>	<b>2,075</b>	<b>2,053</b>	<b>2,290</b>	<b>2,697</b>	<b>2,796</b>	<b>2,604</b>	<b>2,112</b>	<b>2,526</b>	<b>2,611</b>
Investment securities	1,093	1,105	1,256	1,575	1,664	1,529	1,504	1,850	1,926
Net defined benefit assets	-	-	55	104	107	49	51	76	74
Deferred tax assets	91	47	59	77	85	90	104	138	156
Others	918	927	946	967	966	1,011	520	532	525
Allowance for doubtful accounts	△27	△27	△27	△27	△27	△76	△68	△71	△71
<b>Total Assets</b>	<b>54,739</b>	<b>59,189</b>	<b>61,351</b>	<b>69,679</b>	<b>69,563</b>	<b>67,931</b>	<b>62,739</b>	<b>69,703</b>	<b>69,795</b>
<b>Liabilities</b>									
<b>I Current liabilities</b>	<b>9,072</b>	<b>10,679</b>	<b>12,697</b>	<b>14,384</b>	<b>13,272</b>	<b>11,469</b>	<b>9,891</b>	<b>11,542</b>	<b>10,557</b>
Notes and accounts payable-trade	3,999	4,691	3,702	2,461	1,367	1,727	1,323	1,994	2,295
Electronically recorded obligations-operating	-	-	2,051	3,630	3,821	2,901	2,367	2,581	3,350
Short-term loans payable	700	776	825	954	852	851	1,015	820	861
Current portion of long-term loans payable	218	291	327	392	427	399	293	235	179
Income taxes payable	1,268	1,351	1,616	2,215	1,904	1,912	1,682	1,904	1,503
Accrued bonuses	207	144	207	146	230	144	230	151	231
Other current liabilities	2,677	3,423	3,966	4,582	4,669	3,532	2,978	3,855	2,135
<b>II Long-term liabilities</b>	<b>5,181</b>	<b>5,223</b>	<b>5,434</b>	<b>5,902</b>	<b>6,169</b>	<b>5,939</b>	<b>5,299</b>	<b>4,524</b>	<b>4,663</b>
Long-term loans payable	977	899	919	846	676	473	284	220	125
Other long-term liabilities	4,204	4,324	4,514	5,055	5,492	5,466	5,015	4,304	4,537
<b>Total Liabilities</b>	<b>14,253</b>	<b>15,903</b>	<b>18,132</b>	<b>20,286</b>	<b>19,441</b>	<b>17,408</b>	<b>15,191</b>	<b>16,066</b>	<b>15,220</b>
<b>Net Assets</b>									
<b>I Shareholders' equity</b>	<b>38,080</b>	<b>39,493</b>	<b>40,676</b>	<b>42,586</b>	<b>43,154</b>	<b>45,634</b>	<b>46,808</b>	<b>49,337</b>	<b>50,637</b>
Common stock	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336
Capital surplus	1,644	1,644	1,617	1,613	1,321	1,321	1,321	1,321	1,271
Retained earnings	37,924	39,338	40,548	42,462	43,322	45,802	47,073	50,003	51,355
Treasury stock	△2,825	△2,826	△2,826	△2,826	△2,826	△2,826	△2,923	△3,324	△3,326
<b>II Accumulated other comprehensive income</b>	<b>1,128</b>	<b>2,435</b>	<b>1,596</b>	<b>5,722</b>	<b>6,543</b>	<b>4,493</b>	<b>377</b>	<b>3,891</b>	<b>3,936</b>
Cumulative securities holding gain	357	363	458	695	753	675	660	824	874
Foreign currency translation adjustments	770	2,114	1,176	5,027	5,789	3,859	△244	3,091	3,083
Remeasurements of defined benefit plans	-	△42	△38	-	-	△41	△39	△23	△21
<b>III Non-controlling interests</b>	<b>1,276</b>	<b>1,356</b>	<b>946</b>	<b>1,083</b>	<b>423</b>	<b>395</b>	<b>361</b>	<b>407</b>	<b>0</b>
<b>Total Net Assets</b>	<b>40,485</b>	<b>43,286</b>	<b>43,219</b>	<b>49,392</b>	<b>50,121</b>	<b>50,522</b>	<b>47,548</b>	<b>53,636</b>	<b>54,574</b>
<b>Total Liabilities and Net Assets</b>	<b>54,739</b>	<b>59,189</b>	<b>61,351</b>	<b>69,679</b>	<b>69,563</b>	<b>67,931</b>	<b>62,739</b>	<b>69,703</b>	<b>69,795</b>

## Non-consolidated Balance Sheets

[Millions of yen]

Interim / Full Year	Q2 2014	2014	Q2 2015	2015	Q2 2016	2016	Q2 2017	2017	Q2 2018
<b>Assets</b>									
<b>I Current assets</b>	<b>15,759</b>	<b>18,299</b>	<b>20,604</b>	<b>23,854</b>	<b>21,841</b>	<b>23,459</b>	<b>21,051</b>	<b>24,362</b>	<b>22,410</b>
Cash and deposits with banks	7,190	8,728	8,893	12,039	10,149	12,555	11,459	14,831	13,795
Notes receivable-trade	2,584	2,591	3,219	3,067	3,713	2,552	2,232	2,366	2,967
Accounts receivable-trade	3,751	3,726	4,272	3,710	3,876	3,480	4,027	3,301	3,689
Inventories	763	927	1,853	1,718	1,366	963	933	809	1,307
Other current assets	1,467	2,326	2,366	3,319	2,737	3,910	2,400	3,054	651
Allowance for doubtful accounts	-	-	-	-	△1	△1	△1	△1	△1
<b>II Fixed assets</b>	<b>15,886</b>	<b>15,679</b>	<b>15,675</b>	<b>16,076</b>	<b>16,739</b>	<b>15,565</b>	<b>15,953</b>	<b>15,595</b>	<b>17,032</b>
<b>1 Tangible fixed assets</b>	<b>8,643</b>	<b>8,348</b>	<b>8,116</b>	<b>8,000</b>	<b>7,907</b>	<b>7,755</b>	<b>7,632</b>	<b>7,654</b>	<b>8,341</b>
Buildings	5,782	5,583	5,427	5,235	5,096	4,924	4,758	4,606	4,471
Other tangible fixed assets	2,861	2,765	2,689	2,765	2,810	2,830	2,873	3,047	3,869
<b>2 Intangible assets</b>	<b>104</b>	<b>132</b>	<b>158</b>	<b>151</b>	<b>175</b>	<b>222</b>	<b>236</b>	<b>236</b>	<b>221</b>
<b>3 Investments and other assets</b>	<b>7,138</b>	<b>7,199</b>	<b>7,400</b>	<b>7,924</b>	<b>8,657</b>	<b>7,587</b>	<b>8,084</b>	<b>7,704</b>	<b>8,469</b>
Investment securities	6,101	5,476	5,624	5,962	6,168	5,898	6,471	6,568	7,220
Others	1,064	1,750	1,803	1,990	2,516	1,717	1,639	1,163	1,276
Allowance for doubtful accounts	△ 27	△27	△27	△27	△27	△27	△27	△27	△27
<b>Total Assets</b>	<b>31,645</b>	<b>33,979</b>	<b>36,280</b>	<b>39,931</b>	<b>38,581</b>	<b>39,025</b>	<b>37,004</b>	<b>39,957</b>	<b>39,442</b>
<b>Liabilities</b>									
<b>I Current liabilities</b>	<b>6,526</b>	<b>7,316</b>	<b>9,512</b>	<b>10,399</b>	<b>9,708</b>	<b>8,471</b>	<b>7,025</b>	<b>7,726</b>	<b>7,308</b>
Notes payable-trade	378	303	2,315	262	174	137	87	60	536
Electronically recorded obligations-operating	-	-	-	3,630	3,821	2,901	2,367	2,581	3,341
Accounts payable-trade	3,533	3,884	3,049	1,328	911	1,106	960	976	1,200
Short-term loans payable	400	400	500	500	400	400	400	400	400
Income taxes payable	893	795	1,165	1,416	1,312	1,326	1,242	1,295	998
Accrued bonuses	202	138	199	137	221	138	224	144	224
Other current liabilities	1,119	1,794	2,282	3,123	2,866	2,460	1,742	2,268	606
<b>II Long-term liabilities</b>	<b>936</b>	<b>901</b>	<b>825</b>	<b>821</b>	<b>819</b>	<b>1,006</b>	<b>986</b>	<b>1,033</b>	<b>1,056</b>
Deferred tax liabilities	-	-	-	-	-	174	158	222	235
Other long-term liabilities	936	901	825	821	819	832	827	810	821
<b>Total Liabilities</b>	<b>7,463</b>	<b>8,218</b>	<b>10,337</b>	<b>11,220</b>	<b>10,528</b>	<b>9,478</b>	<b>8,011</b>	<b>8,760</b>	<b>8,365</b>
<b>Net Assets</b>									
<b>I Shareholders' equity</b>	<b>23,831</b>	<b>25,406</b>	<b>25,493</b>	<b>28,028</b>	<b>27,310</b>	<b>28,882</b>	<b>28,346</b>	<b>30,391</b>	<b>30,228</b>
1. Common stock	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336
2. Capital surplus	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
Additional paid-in capital	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
3. Retained earnings	25,250	25,250	25,338	27,874	27,155	28,728	28,288	30,735	30,573
(1) Legal reserves	334	334	334	334	334	334	334	334	334
(2) Other retained earnings	23,341	24,916	25,004	27,539	26,821	28,393	27,954	30,400	30,239
Deferred gain on repurchased property	4	4	4	4	4	4	4	4	4
Dividend equalization reserve	810	810	810	810	810	810	810	810	810
Special reserve	22,415	22,415	22,415	22,415	25,215	25,215	25,915	25,915	28,215
Retained earnings brought forward	112	1,687	1,774	4,310	791	2,364	1,225	3,671	1,210
4. Treasury stock	△ 2,825	△2,826	△2,826	△2,826	△2,826	△2,826	△2,923	△3,324	△3,326
<b>II Valuation and translation adjustments</b>	<b>349</b>	<b>355</b>	<b>448</b>	<b>681</b>	<b>742</b>	<b>664</b>	<b>646</b>	<b>806</b>	<b>848</b>
Cumulative securities holding gain	349	355	448	681	742	664	646	806	848
<b>Total Net Assets</b>	<b>24,181</b>	<b>25,761</b>	<b>25,942</b>	<b>28,710</b>	<b>28,052</b>	<b>29,547</b>	<b>28,993</b>	<b>31,197</b>	<b>31,077</b>
<b>Total Liabilities and Net Assets</b>	<b>31,645</b>	<b>33,979</b>	<b>36,280</b>	<b>39,931</b>	<b>38,581</b>	<b>39,025</b>	<b>37,004</b>	<b>39,957</b>	<b>39,442</b>

## Consolidated Statements of Income

[Millions of yen]

Interim	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
<b>I Sales</b>	<b>20,243</b>	<b>21,462</b>	<b>24,619</b>	<b>20,478</b>	<b>22,812</b>
<b>II Cost of goods sold</b>	<b>13,258</b>	<b>13,916</b>	<b>16,571</b>	<b>12,797</b>	<b>14,116</b>
Gross profit	6,985	7,546	8,047	7,680	8,695
Selling, general and administrative expenses	4,355	4,501	4,956	4,679	4,835
<b>Operating Income</b>	<b>2,629</b>	<b>3,045</b>	<b>3,091</b>	<b>3,001</b>	<b>3,860</b>
<b>III Non-operating income</b>	<b>285</b>	<b>214</b>	<b>184</b>	<b>139</b>	<b>140</b>
Interests and dividends received	74	92	106	83	78
Other non-operating income	210	122	77	56	62
<b>IV Non-operating expenses</b>	<b>33</b>	<b>37</b>	<b>157</b>	<b>334</b>	<b>57</b>
Interest expense	13	21	19	13	5
Foreign exchange losses	-	-	120	292	40
Other non-operating expenses	33	23	18	28	11
<b>Ordinary Profit</b>	<b>2,880</b>	<b>3,222</b>	<b>3,118</b>	<b>2,806</b>	<b>3,944</b>
<b>V Extraordinary income</b>	<b>43</b>	<b>13</b>	<b>12</b>	<b>1</b>	<b>5</b>
<b>VI Extraordinary loss</b>	<b>30</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>14</b>
<b>Net income before income taxes and non-controlling</b>	<b>2,893</b>	<b>3,228</b>	<b>3,127</b>	<b>2,805</b>	<b>3,935</b>
Income taxes-current	813	1,227	1,137	745	532
Income taxes for prior periods	1,329	-	-	-	-
Income taxes-deferred	394	62	191	△323	769
<b>Net Income</b>	<b>355</b>	<b>1,938</b>	<b>1,798</b>	<b>2,383</b>	<b>2,633</b>
Profit attributable to owners of parent	291	1,876	1,770	2,363	2,612
Profit attributable to non-controlling interests	63	61	27	20	20
<b>Other comprehensive income</b>	<b>2,499</b>	<b>△884</b>	<b>830</b>	<b>△4,169</b>	<b>53</b>
Cumulative securities holding gain	98	94	58	△14	50
Foreign currency translation adjustments	2,400	△983	771	△4,157	1
Remeasurements of defined benefit plans, net of tax	-	3	-	2	2
<b>Comprehensive income</b>	<b>2,854</b>	<b>1,053</b>	<b>2,628</b>	<b>△1,785</b>	<b>2,686</b>

## Non-consolidated Statements of Income

[Millions of yen]

Interim	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
<b>I Sales</b>	<b>11,091</b>	<b>12,183</b>	<b>12,897</b>	<b>10,808</b>	<b>12,075</b>
<b>II Cost of goods sold</b>	<b>7,716</b>	<b>8,745</b>	<b>9,445</b>	<b>7,525</b>	<b>7,908</b>
Gross profit	3,375	3,438	3,451	3,282	4,166
Selling, general and administrative expenses	2,201	2,062	2,105	2,085	2,121
<b>Operating Income</b>	<b>1,173</b>	<b>1,375</b>	<b>1,345</b>	<b>1,197</b>	<b>2,045</b>
<b>III Non-operating income</b>	<b>102</b>	<b>106</b>	<b>66</b>	<b>43</b>	<b>54</b>
Interests and dividends received	22	31	39	40	47
その他 Other non-operating income	79	75	26	2	6
<b>IV Non-operating expenses</b>	<b>12</b>	<b>4</b>	<b>13</b>	<b>254</b>	<b>38</b>
Interest expense	3	4	2	1	1
Other non-operating expenses	9	0	11	252	36
<b>Ordinary Profit</b>	<b>1,262</b>	<b>1,478</b>	<b>1,398</b>	<b>986</b>	<b>2,061</b>
<b>V Extraordinary income</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI Extraordinary loss</b>	<b>30</b>	<b>3</b>	<b>880</b>	<b>0</b>	<b>226</b>
<b>Net income before income taxes and non-controlling</b>	<b>1,266</b>	<b>1,474</b>	<b>517</b>	<b>985</b>	<b>1,834</b>
Income taxes-current	484	842	692	347	112
Income tax penalty	1,329	-	-	-	-
Income taxes-deferred	△40	△121	△366	△14	622
<b>Net Income</b>	<b>△507</b>	<b>752</b>	<b>191</b>	<b>653</b>	<b>1,098</b>

## Consolidated Statements of Cash Flows

[Millions of yen]

中間期 Interim	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018
<b>I Cash flows from operating activities</b>					
Income before income taxes and non-controlling interests	2,893	3,228	3,127	2,805	3,935
Depreciation and amortization	800	837	989	955	966
Interests and dividends income	△74	△92	△106	△83	△78
Interest expense	13	21	19	13	5
Increase (decrease) in notes and accounts receivable-trade	1,785	△1,078	256	131	△446
Increase (decrease) in inventories	498	△1,219	834	△135	△502
Increase (decrease) in notes and accounts payable-trade	△1,273	1,070	△1,009	△481	732
Others	△283	220	134	489	△782
<b>Subtotal</b>	<b>4,360</b>	<b>2,989</b>	<b>4,245</b>	<b>3,696</b>	<b>3,828</b>
Interests and dividends received	70	91	100	85	86
Interests paid	△13	△20	△20	△12	△9
Proceeds from insurance income	33	-	-	-	-
Payments for loss on disaster	△27	-	-	-	-
Income taxes paid	△913	△933	△1,464	△885	△881
Income taxes for prior periods paid	△901	-	-	-	-
Others	-	-	-	-	-
<b>Net cash provided by operating activities</b>	<b>2,609</b>	<b>2,126</b>	<b>2,860</b>	<b>2,884</b>	<b>3,023</b>
<b>II Cash flows from investing activities</b>					
Acquisition of investment securities	△4	△3	△4	△4	△5
Acquisition and sales of fixed assets	△1,645	△624	△781	△734	△1,938
Increase and collection of loans receivable	8	-	-	-	-
Others	△826	△77	1,380	△224	432
<b>Net cash used in investing activities</b>	<b>△2,467</b>	<b>△705</b>	<b>594</b>	<b>△963</b>	<b>△1,510</b>
<b>III Cash flows from financing activities</b>					
Increase (decrease) in loans payable	361	134	△243	△14	△92
Payment for acquisition of treasury stock	△27	△456	△10	△96	△1
Cash dividends paid	△500	△819	△910	△1,092	△1,260
Purchase of shares of subsidiaries	-	-	△994	-	△484
Others	△28	△27	△27	△28	△28
<b>Net cash used in financing activities</b>	<b>△195</b>	<b>△1,169</b>	<b>△2,186</b>	<b>△1,231</b>	<b>△1,867</b>
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	<b>623</b>	<b>△272</b>	<b>206</b>	<b>△1,676</b>	<b>△61</b>
<b>V Increase(decrease) in cash and cash equivalents</b>	<b>569</b>	<b>△21</b>	<b>1,475</b>	<b>△987</b>	<b>△416</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>13,344</b>	<b>16,511</b>	<b>19,686</b>	<b>23,653</b>	<b>27,731</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>13,914</b>	<b>16,489</b>	<b>21,161</b>	<b>22,665</b>	<b>27,315</b>