

## KAWANISHI HOLDINGS (2689)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY06/2016		101,460	543	556	305	54.5	30.0	818.8
FY06/2017		105,778	1,044	1,112	690	123.1	30.0	942.8
FY06/2018CoE		106,377	1,100	1,109	714	127.3	30.0	-
FY06/2017	YoY	4.3%	92.2%	99.8%	125.9%	-	-	-
FY06/2018CoE	YoY	0.6%	5.3%	(0.3%)	3.4%	-	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY06/2017		53,184	571	590	377	-	-	-
Q3 to Q4 FY06/2017		52,593	473	522	313	-	-	-
Q1 to Q2 FY06/2018		54,563	704	706	595	-	-	-
Q3 to Q4 FY06/2018CoE		51,813	395	402	118	-	-	-
Q1 to Q2 FY06/2018	YoY	2.6%	23.4%	19.6%	57.6%	-	-	-
Q3 to Q4 FY06/2018CoE	YoY	(1.5%)	(16.4%)	(22.9%)	(62.0%)	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (31 January 2018)

#### Steady Consumables


On 30 January 2018, KAWANISHI HOLDINGS, selling medical consumables and equipment to medical institutions represented by major base hospitals heavily involved with acute care, released its Q1 to Q2 FY06/2018 results. It has been revealed that earnings increased faster than initially expected. Medical consumables, accounting for the bulk of sales as a whole for the Company, saw steady sales increases. Still, FY06/2018 initial Company forecasts have remained unchanged. The Company suggests it is too early to upgrade prospective full-year earnings, given uncertainty on negative impacts from redemption price revision to be implemented in April 2018.

We are to attend the Company's results meeting to be held on 23 February 2018 as well as interviewing with management afterwards for further details, so that we should be able to update [KAWANISHI HOLDINGS \(2689\) Head Start \(8 December 2017\)](#) and release anew.

IR representative: Managing Director, Nobuharu Murata (+81 86 236 1115 [murata2@kawanishi-md.co.jp](mailto:murata2@kawanishi-md.co.jp))

## 2.0 Company Profile

### One of the largest Integrated Medical Traders

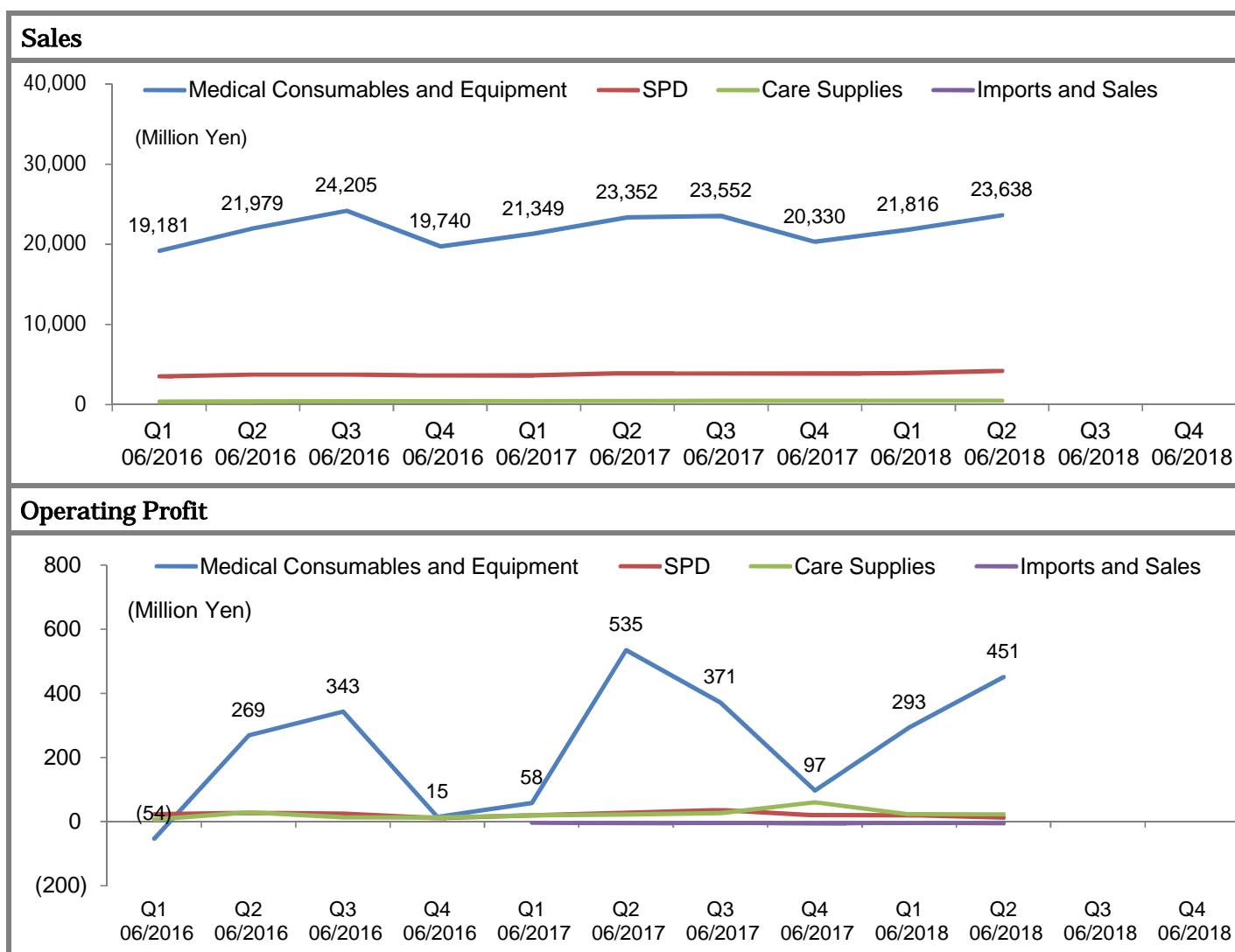
<b>Company Name</b>	KAWANISHI HOLDINGS, INC. <a href="#">Website</a> <a href="#">IR Information</a> <a href="#">Share Price</a>	
<b>Established</b>	2 October 1967 (Inaugurated on 1 May 1921)	
<b>Listing</b>	21 December 2000: Tokyo Stock Exchange 2nd section (Ticker: 2689)	
<b>Capital</b>	¥ 607 m (As of the end of December 2017)	
<b>No. of Shares</b>	6,250,000 shares, including 639,347 treasury shares (As of the end of Dec. 2017)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Set up by mergers among three wholesale distributors of medical consumables and equipment based in Chugoku and Shikoku regions</li> <li>● Expectations for new mergers preceded by Sansei Medical Materials Co., Ltd.</li> <li>● In the pursuit of high gross profit margin in Imports and Sales, etc.</li> </ul>	
<b>Business Segments</b>	<ul style="list-style-type: none"> <li>. Medical Consumables and Equipment</li> <li>. SPD</li> <li>. Care Supplies</li> <li>. Imports and Sales</li> </ul>	
<b>Top Management</b>	President COO: Yohei Maeshima	
<b>Shareholders</b>	MASP Inc. 15.1%, Treasury shares 10.2%, ESOP 6.8% (As of the end of Dec. 2017)	
<b>Headquarters</b>	Kita-ku, Okayama-city, Okayama-prefecture, JAPAN	
<b>No. of Employees</b>	Consolidated: 1,158, Unconsolidated: 31 (As of the end of December 2017)	

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 to Q2 FY06/2018 Results

In Q1 to Q2 FY06/2018, sales came in at ¥54,563m (up 2.6% YoY), operating profit ¥704m (up 23.4%), recurring profit ¥706m (up 19.6%) and profit attributable to owners of parent ¥595m (up 57.6%), while operating profit margin 1.29% (up 0.22% points). The results were better than initially expected, by ¥773m (1.4%) in sales, by ¥235m (50.3%) in operating profit, by ¥234m (49.7%) in recurring profit and by ¥286m (92.8%) in profit attributable to owners of parent.



Source: Company Data, WRJ Calculation

By business segment, Medical Consumables and Equipment (selling medical consumables and equipment) saw sales of ¥45,454m (up 1.7%), operating profit of ¥744m (up 25.5%) and operating profit margin of 1.64% (up 0.31% points), having accounted for 83.3% of sales as a whole for the Company and 91.5% of operating profit (before elimination). Thus, the Company's business performance basically hinges on that of this business segment. For example, the Company as a whole saw net increases of ¥141m in operating profit before elimination in Q1 to Q2 over the same period in the previous year versus ¥151m for this business segment.

In Medical Consumables and Equipment, sales of the mainstay consumables (some 85% of total) increased by 6.7% over the same period in the previous year, while sales of equipment (some 15%) decreased by 11.7%.

Consumables mainly comprise those of surgery, orthopedics and circulatory organ, each of which saw steady increases of sales, i.e., up 8.4%, up 11.0% and up 10.2%. Due to successful sales promotion measures, the Company made favorable progress for cultivating new customers, implying that the Company is seeing own market shares currently increasing. The Company also benefits from launch of new product at the same time. For example, in regards to sales of consumables on the circulatory organ side, those of catheter ablation (to cauterize myocardial tissue causing tachycardia that makes the heart pulse faster with high frequency) were firm in particular due to launch of new product. Thus, it appears that the Company saw sales rather larger than initially expected.

Sales of equipment, having had seen increases by 42.2% during the same period in the previous year due to booking of sales for large-scale special project, unavoidably suffered from a reaction to this. However, the Company saw sales stemming from renewal of diverse modalities (large-scale image diagnostic equipment represented by CT, MRI, ultrasonic inspection equipment, etc.) and thus sales of equipment as a whole did not come down a lot. Meanwhile, it could be the case that the Company may start seeing sales of a medical simulator robot towards the end of fiscal year. This is new business for the Company, based on medical equipment manufacture and sales permit to have been acquired by EXSOLA MEDICAL Inc. or the Company's consolidated subsidiary. To date, the Company has already started up sales promotions as the general distributor in Japan.

Meanwhile, gross profit came in at ¥5,522m (up 1.2%) and SG&A expenses ¥4,817m (down 1.4%), having resulted in operating profit of ¥704m (up 23.4%). In terms of ratio to sales, they are 10.12% (down 0.14% points), 8.83% (down 0.36% points) and 1.29% (up 0.22% points), respectively.

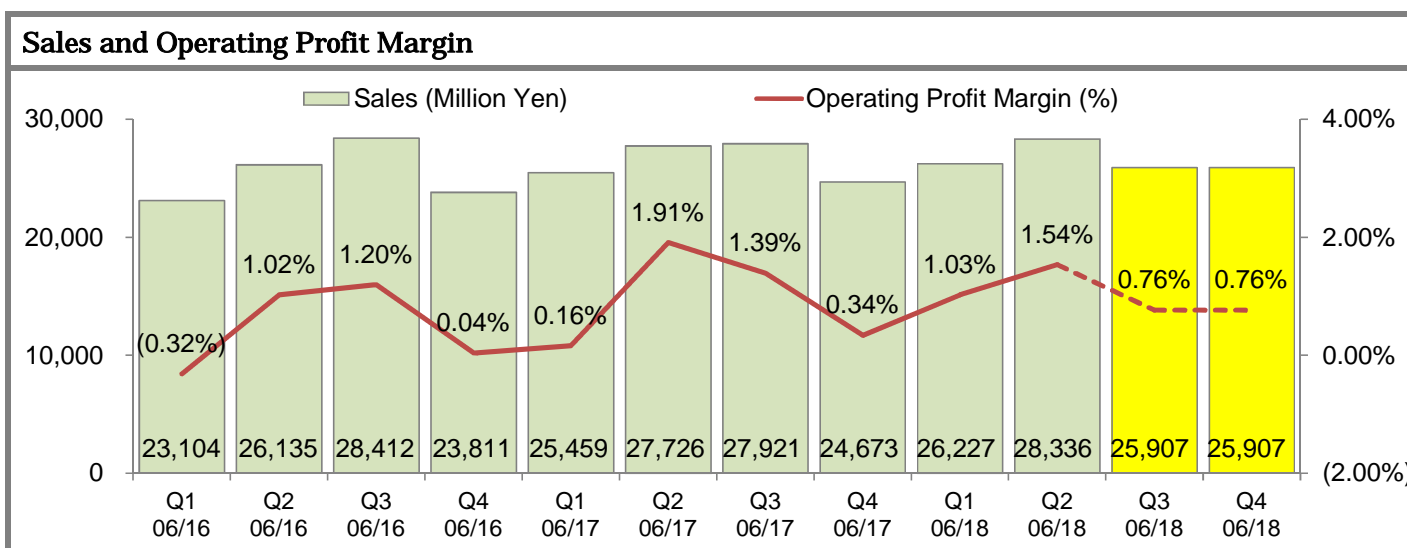
Thus, gross profit margin came down marginally over the previous year, but effectively remaining stable in a respect that booking of sales for above-mentioned large-scale special project did not reappear. Said large-scale special project was literally large in sales and carried gross profit margin especially high at the same time. In the first place, sales of equipment are affected by capital expenditures among customers and see high volatility on a quarterly basis. At the end of the day, this gives major impacts to short-term sales and earnings as a whole for the Company.

In regards to decreases of SG&A expenses, there are two sides to mention. Some expenses were cut back on a year-on-year basis, while other expenses were delayed to H2 from H1 (Q1 to Q2). Goodwill write-off stemming from merger and acquisition in the past is not currently reappearing and the Company benefits from improving efficiency of operations driven by changes of organizational structure. Meanwhile, the Company sees delayed timing for booking expenses for office renovation and R&D expenses associated with Imports and Sales. On top of this, the Company reversed some allowance for doubtful accounts. All those factors account for a part of overshoot for operating profit.

Meanwhile, Company forecasts for profit attributable to owners of parent were exceeded in particular, which was attributable to a one-off factor to a large extent. As a result of review on probability for the Company to retrieve deferred tax assets, tax rate came down according to the Company. Still, on a full-year basis, this issue is not to generate major impacts.

### FY06/2018 Company Forecasts

FY06/2018 initial Company forecasts have remained unchanged, going for prospective sales of ¥106,377m (up 0.6% YoY), operating profit of ¥1,100m (up 5.3%), recurring profit of ¥1,109m (down 0.3%) and profit attributable to owners of parent of ¥714m (up 3.4%), while operating profit margin of 1.03% (up 0.05% points). Company forecasts have remained unchanged also for prospective annual dividend, i.e., ¥30.0 per share, implying payout ratio of 23.6%.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY06/2018: H2 Company forecasts pro rata)

The Company, advocating stability for its dividend, paid annual dividend of ¥30.0 per share, implying payout ratio of 55.1%, in FY06/2016, which was followed by ¥30.0 per share, implying payout ratio of 24.4%, in FY06/2017, while again going for ¥30.0 per share, implying payout ratio of 23.6%, in FY06/2018. Still, the Company also advocates target payout ratio of 30% at the same time, while suggesting that it should consider increasing dividend when payout ratio less than 30% persists. Thus, it could be the case, eventually, that annual dividend being raised over the previous year in FY06/2018.

## 3.0 Financial Statements

### Income Statement (Cumulative, Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	06/2017	06/2017	06/2017	06/2017	06/2018	06/2018	06/2018	06/2018	06/2018	
<b>Sales</b>	<b>25,459</b>	<b>53,184</b>	<b>81,105</b>	<b>105,778</b>	<b>26,227</b>	<b>54,563</b>	-	-	-	<b>+1,378</b>
Cost of Sales	22,953	47,727	72,832	94,879	23,538	49,041	-	-	-	+1,313
Gross Profit	2,506	5,456	8,273	10,898	2,689	5,522	-	-	-	+65
SG&A	2,464	4,885	7,313	9,854	2,419	4,817	-	-	-	(68)
<b>Operating Profit</b>	<b>41</b>	<b>571</b>	<b>960</b>	<b>1,044</b>	<b>269</b>	<b>704</b>	-	-	-	<b>+133</b>
Non Operating Balance	11	19	66	68	0	1	-	-	-	(17)
<b>Recurring Profit</b>	<b>52</b>	<b>590</b>	<b>1,026</b>	<b>1,112</b>	<b>270</b>	<b>706</b>	-	-	-	<b>+115</b>
Extraordinary Balance	5	14	17	1	31	24	-	-	-	+10
Profit before Income Taxes	57	604	1,044	1,114	301	731	-	-	-	+126
Income Taxes	38	231	388	432	98	139	-	-	-	(91)
NP Belonging to Non-Controlling SHs	(1)	(4)	(5)	(8)	(1)	(3)	-	-	-	0
<b>Profit Attributable to Owners of Parent</b>	<b>20</b>	<b>377</b>	<b>661</b>	<b>690</b>	<b>204</b>	<b>595</b>	-	-	-	<b>+217</b>
Sales YoY	+10.2%	+8.0%	+4.5%	+4.3%	+3.0%	+2.6%	-	-	-	-
Operating Profit YoY	-	+193.3%	+79.6%	+92.2%	+557.3%	+23.4%	-	-	-	-
Recurring Profit YoY	-	+205.2%	+91.6%	+99.8%	+413.4%	+19.6%	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+312.9%	+121.7%	+125.9%	+880.2%	+57.6%	-	-	-	-
Gross Profit Margin	9.84%	10.26%	10.20%	10.30%	10.25%	10.12%	-	-	-	(0.14%)
(SG&A / Sales)	9.68%	9.19%	9.02%	9.32%	9.23%	8.83%	-	-	-	(0.36%)
Operating Profit Margin	0.16%	1.07%	1.18%	0.99%	1.03%	1.29%	-	-	-	+0.22%
Recurring Profit Margin	0.21%	1.11%	1.27%	1.05%	1.03%	1.29%	-	-	-	+0.18%
Profit Attributable to Owners of Parent Margin	0.08%	0.71%	0.82%	0.65%	0.78%	1.09%	-	-	-	+0.38%
Total Income Taxes / Profit before Income Taxes	67.0%	38.3%	37.2%	38.8%	32.7%	19.1%	-	-	-	(19.1%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	06/2017	06/2017	06/2017	06/2017	06/2018	06/2018	06/2018	06/2018	06/2018	
<b>Sales</b>	<b>25,459</b>	<b>27,725</b>	<b>27,920</b>	<b>24,673</b>	<b>26,227</b>	<b>28,336</b>	-	-	-	<b>+610</b>
Cost of Sales	22,953	24,774	25,104	22,047	23,538	25,503	-	-	-	+728
Gross Profit	2,506	2,950	2,816	2,625	2,689	2,832	-	-	-	(118)
SG&A	2,464	2,420	2,427	2,541	2,419	2,397	-	-	-	(23)
<b>Operating Profit</b>	<b>41</b>	<b>530</b>	<b>388</b>	<b>84</b>	<b>269</b>	<b>435</b>	-	-	-	<b>(95)</b>
Non Operating Balance	11	7	46	2	0	1	-	-	-	(6)
<b>Recurring Profit</b>	<b>52</b>	<b>537</b>	<b>435</b>	<b>86</b>	<b>270</b>	<b>436</b>	-	-	-	<b>(101)</b>
Extraordinary Balance	5	9	3	(16)	31	(6)	-	-	-	(15)
Profit before Income Taxes	57	547	439	70	301	429	-	-	-	(117)
Income Taxes	38	192	156	44	98	41	-	-	-	(151)
NP Belonging to Non-Controlling SHs	(1)	(2)	(1)	(2)	(1)	(1)	-	-	-	0
<b>Profit Attributable to Owners of Parent</b>	<b>20</b>	<b>356</b>	<b>283</b>	<b>29</b>	<b>204</b>	<b>390</b>	-	-	-	<b>+33</b>
Sales YoY	+10.2%	+6.1%	(1.7%)	+3.6%	+3.0%	+2.2%	-	-	-	-
Operating Profit YoY	-	+98.1%	+14.5%	+843.1%	+557.3%	(17.9%)	-	-	-	-
Recurring Profit YoY	-	+103.7%	+27.3%	+309.7%	+413.4%	(18.9%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	+117.4%	+37.2%	+299.9%	+880.2%	+9.4%	-	-	-	-
Gross Profit Margin	9.84%	10.64%	10.09%	10.64%	10.25%	10.00%	-	-	-	(0.65%)
(SG&A / Sales)	9.68%	8.73%	8.69%	10.30%	9.23%	8.46%	-	-	-	(0.27%)
Operating Profit Margin	0.16%	1.91%	1.39%	0.34%	1.03%	1.54%	-	-	-	(0.38%)
Recurring Profit Margin	0.21%	1.94%	1.56%	0.35%	1.03%	1.54%	-	-	-	(0.40%)
Profit Attributable to Owners of Parent Margin	0.08%	1.29%	1.02%	0.12%	0.78%	1.38%	-	-	-	+0.09%
Total Income Taxes / Profit before Income Taxes	67.0%	35.2%	35.7%	62.7%	32.7%	9.6%	-	-	-	(25.6%)

Source: Company Data, WRJ Calculation

## Segmented Information (Cumulative, Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	06/2017	06/2017	06/2017	06/2017	06/2018	06/2018	06/2018	06/2018		
Medical Consumables and Equipment	21,349	44,702	68,254	88,584	21,816	45,454	-	-		+752
SPD	3,666	7,583	11,452	15,316	3,915	8,111	-	-		+527
Care Supplies	442	899	1,397	1,877	496	997	-	-		+98
Imports and Sales	0	0	0	0	0	0	-	-		-
<b>Sales</b>	<b>25,459</b>	<b>53,184</b>	<b>81,105</b>	<b>105,778</b>	<b>26,227</b>	<b>54,563</b>	-	-		<b>+1,378</b>
Medical Consumables and Equipment	58	593	965	1,062	293	744	-	-		+151
SPD	19	47	84	103	20	33	-	-		(14)
Care Supplies	19	41	67	128	22	45	-	-		+4
Imports and Sales	(4)	(9)	(13)	(20)	(4)	(9)	-	-		0
<b>Segment Profit</b>	<b>92</b>	<b>672</b>	<b>1,103</b>	<b>1,274</b>	<b>331</b>	<b>814</b>	-	-		<b>+141</b>
Elimination	(51)	(101)	(143)	(230)	(61)	(109)	-	-		(7)
<b>Operating Profit</b>	<b>41</b>	<b>571</b>	<b>960</b>	<b>1,044</b>	<b>269</b>	<b>704</b>	-	-		<b>+133</b>
Medical Consumables and Equipment	0.27%	1.33%	1.41%	1.20%	1.34%	1.64%	-	-		+0.31%
SPD	0.53%	0.62%	0.74%	0.67%	0.52%	0.41%	-	-		(0.21%)
Care Supplies	4.30%	4.60%	4.84%	6.85%	4.43%	4.58%	-	-		(0.02%)
Imports and Sales	-	-	-	-	-	-	-	-		-
<b>Operating Profit Margin</b>	<b>0.16%</b>	<b>1.07%</b>	<b>1.18%</b>	<b>0.99%</b>	<b>1.03%</b>	<b>1.29%</b>	-	-		<b>+0.22%</b>

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	06/2017	06/2017	06/2017	06/2017	06/2018	06/2018	06/2018	06/2018		
Medical Consumables and Equipment	21,349	23,352	23,552	20,330	21,816	23,638	-	-		+286
SPD	3,666	3,917	3,869	3,863	3,915	4,195	-	-		+278
Care Supplies	442	456	498	479	496	501	-	-		+45
Imports and Sales	0	0	0	0	0	0	-	-		-
<b>Sales</b>	<b>25,459</b>	<b>27,725</b>	<b>27,920</b>	<b>24,673</b>	<b>26,227</b>	<b>28,336</b>	-	-		<b>+610</b>
Medical Consumables and Equipment	58	535	371	97	293	451	-	-		(84)
SPD	19	27	36	19	20	12	-	-		(15)
Care Supplies	19	22	26	60	22	23	-	-		+1
Imports and Sales	(4)	(5)	(3)	(6)	(4)	(5)	-	-		0
<b>Segment Profit</b>	<b>92</b>	<b>580</b>	<b>430</b>	<b>170</b>	<b>331</b>	<b>482</b>	-	-		<b>(97)</b>
Elimination	(51)	(50)	(41)	(86)	(61)	(47)	-	-		+2
<b>Operating Profit</b>	<b>41</b>	<b>530</b>	<b>388</b>	<b>84</b>	<b>269</b>	<b>435</b>	-	-		<b>(95)</b>
Medical Consumables and Equipment	0.27%	2.29%	1.58%	0.48%	1.34%	1.91%	-	-		(0.38%)
SPD	0.53%	0.71%	0.95%	0.49%	0.52%	0.30%	-	-		(0.41%)
Care Supplies	4.30%	4.89%	5.28%	12.70%	4.43%	4.72%	-	-		(0.17%)
Imports and Sales	-	-	-	-	-	-	-	-		-
<b>Operating Profit Margin</b>	<b>0.16%</b>	<b>1.91%</b>	<b>1.39%</b>	<b>0.34%</b>	<b>1.03%</b>	<b>1.54%</b>	-	-		<b>(0.38%)</b>

Source: Company Data, WRJ Calculation

## Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 06/2017	Q2 06/2017	Q3 06/2017	Q4 06/2017	Q1 06/2018	Q2 06/2018	Q3 06/2018	Q4 06/2018		
Cash and Deposit	2,435	3,063	2,775	2,220	2,791	2,223	-	-	-	(840)
Accounts Receivables	19,328	21,412	21,688	18,726	20,899	22,939	-	-	-	+1,526
Inventory	4,576	4,792	4,581	4,331	4,539	4,808	-	-	-	+16
Other	900	745	738	937	941	874	-	-	-	+128
<b>Current Assets</b>	<b>27,240</b>	<b>30,013</b>	<b>29,784</b>	<b>26,215</b>	<b>29,171</b>	<b>30,845</b>	-	-	-	<b>+831</b>
Tangible Assets	3,741	3,714	3,671	3,668	3,709	3,772	-	-	-	+58
Intangible Assets	215	184	178	212	243	270	-	-	-	+85
Investments and Other Assets	1,443	1,479	1,430	1,678	1,566	1,669	-	-	-	+190
<b>Fixed Assets</b>	<b>5,401</b>	<b>5,377</b>	<b>5,280</b>	<b>5,558</b>	<b>5,519</b>	<b>5,712</b>	-	-	-	<b>+334</b>
<b>Total Assets</b>	<b>32,641</b>	<b>35,391</b>	<b>35,064</b>	<b>31,774</b>	<b>34,690</b>	<b>36,557</b>	-	-	-	<b>+1,165</b>
Accounts Payables	21,174	23,627	23,807	21,089	21,723	24,543	-	-	-	+915
Short Term Debt	3,554	3,414	2,574	1,535	4,110	2,985	-	-	-	(429)
Other	1,318	1,372	1,510	1,815	1,506	1,254	-	-	-	(118)
<b>Current Liabilities</b>	<b>26,048</b>	<b>28,415</b>	<b>27,892</b>	<b>24,440</b>	<b>27,339</b>	<b>28,783</b>	-	-	-	<b>+367</b>
Long Term Debt	797	729	630	546	502	444	-	-	-	(285)
Other	1,242	1,278	1,284	1,362	1,405	1,459	-	-	-	+180
<b>Fixed Liabilities</b>	<b>2,040</b>	<b>2,008</b>	<b>1,915</b>	<b>1,908</b>	<b>1,908</b>	<b>1,903</b>	-	-	-	<b>(104)</b>
<b>Total Liabilities</b>	<b>28,089</b>	<b>30,423</b>	<b>29,807</b>	<b>26,349</b>	<b>29,248</b>	<b>30,686</b>	-	-	-	<b>+263</b>
<b>Shareholders' Equity</b>	<b>4,467</b>	<b>4,827</b>	<b>5,111</b>	<b>5,140</b>	<b>5,177</b>	<b>5,567</b>	-	-	-	<b>+739</b>
Other	84	140	145	285	265	303	-	-	-	+162
<b>Net Assets</b>	<b>4,552</b>	<b>4,968</b>	<b>5,256</b>	<b>5,425</b>	<b>5,442</b>	<b>5,870</b>	-	-	-	<b>+902</b>
<b>Total Liabilities and Net Assets</b>	<b>32,641</b>	<b>35,391</b>	<b>35,064</b>	<b>31,774</b>	<b>34,690</b>	<b>36,557</b>	-	-	-	<b>+1,165</b>
Equity Capital	4,435	4,827	5,117	5,289	5,308	5,738	-	-	-	+911
Interest Bearing Debt	4,352	4,143	3,205	2,081	4,612	3,429	-	-	-	(714)
Net Debt	1,917	1,080	429	(138)	1,821	1,206	-	-	-	+125
Equity Capital Ratio	13.6%	13.6%	14.6%	16.6%	15.3%	15.7%	-	-	-	+2.1%
Net Debt Equity Ratio	43.2%	22.4%	8.4%	(2.6%)	34.3%	21.0%	-	-	-	(1.4%)
ROE (12 months)	9.0%	12.5%	13.4%	14.0%	18.0%	17.2%	-	-	-	+4.7%
ROA (12 months)	2.1%	2.8%	2.9%	3.5%	4.0%	3.4%	-	-	-	+0.6%
Days for Inventory Turnover	18	18	17	18	18	17	-	-	-	-
Quick Ratio	84%	86%	88%	86%	87%	87%	-	-	-	-
Current Ratio	105%	106%	107%	107%	107%	107%	-	-	-	-

Source: Company Data, WRJ Calculation

## Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 06/2017	Q1 to Q2 06/2017	Q1 to Q3 06/2017	Q1 to Q4 06/2017	Q1 06/2018	Q1 to Q2 06/2018	Q1 to Q3 06/2018	Q1 to Q4 06/2018		
Operating Cash Flow	-	(423)	-	871	-	(1,038)	-	-	-	(614)
Investing Cash Flow	-	(39)	-	(99)	-	(124)	-	-	-	(84)
<b>Operating CF &amp; Investing CF</b>	<b>-</b>	<b>(463)</b>	<b>-</b>	<b>771</b>	<b>-</b>	<b>(1,162)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(698)</b>
Financing Cash Flow	-	1,337	-	(741)	-	1,165	-	-	-	(172)

Source: Company Data, WRJ Calculation



**Disclaimer**

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Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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