

## PUNCH INDUSTRY (6165)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2016		36,755	1,986	1,666	1,249	112.9	25.0	1,265
FY03/2017		36,648	1,990	1,874	1,375	125.0	26.0	1,293
FY03/2018CoE		38,000	2,200	2,100	1,400	127.7	27.0	-
FY03/2017	YoY	(0.3%)	0.2%	12.5%	10.1%	-	-	-
FY03/2018CoE	YoY	3.7%	10.5%	12.0%	1.8%	-	-	-
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 FY03/2017		17,846	841	791	549	-	-	-
Q3 to Q4 FY03/2017		18,802	1,149	1,082	826	-	-	-
Q1 to Q2 FY03/2018CoE		19,530	1,310	1,300	830	-	-	-
Q3 to Q4 FY03/2018CoE		18,470	890	800	570	-	-	-
Q1 to Q2 FY03/2018CoE	YoY	9.4%	55.7%	64.1%	51.0%	-	-	-
Q3 to Q4 FY03/2018CoE	YoY	(1.8%)	(22.6%)	(26.1%)	(31.0%)	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2017		8,658	331	330	207	-	-	-
Q2 FY03/2017		9,188	509	461	341	-	-	-
Q3 FY03/2017		9,080	564	548	359	-	-	-
Q4 FY03/2017		9,722	585	533	466	-	-	-
Q1 FY03/2018		9,733	701	711	422	-	-	-
Q1 FY03/2018	YoY	12.4%	111.7%	115.4%	103.5%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (10 August 2017)

#### Punchy PUNCH

On 9 August 2017, PUNCH INDUSTRY to run operations of manufacturing and selling parts of molds & dies domestically and overseas released its Q1 FY03/2018 results. It has been revealed that short-term earnings are punchy. On a quarterly basis, the Company spots that it has “renewed record high sales and operating profit since the listing on to the stock market”. Earnings doubled over the previous year, while ROE reached 11.5% (during the past 12 months based on our estimates), implying that the Company has already achieved the target of its midterm management plan “Value Creation 2020” (FY03/2017 to FY03/2021) in a respect that the plan is calling for ROE of 11.0% or more in the last year, i.e., FY03/2021.

Surging earnings in Q1 were basically in line with surging sales. Region-wise, sales were driven most significantly by those in China to account for almost half of sales as a whole for the Company, while by “Automobiles” industry-wise also accounting for almost half of sales as a whole for the Company. In regards to sales in China associated with “Automobiles”, the Company suggests the rate of growth as high as some 30%, far beyond the equivalent of the local market for automobiles in China, eventually implying the market shares increasing for the Company. In fact, the Company suggests it sees accelerating shift of demand for own high-precision products due to improving quality, etc. of final products. Meanwhile, going forward, the Company is to see improving efficiency through increasing utilization of new capacity in Vietnam, which is likely to further enhance profitability of the Company.

We are to interview with management to discuss the issues more in depth, so that we should be able to update [PUNCH INDUSTRY \(6165\) Increasing Sales and Vietnam \(12 July 2017\)](#) and release anew.

IR Representative: Corporate Strategy Planning Office, Hayato Matsuda ([info-corp@punch.co.jp](mailto:info-corp@punch.co.jp))

## 2.0 Company Profile

### Manufacturing and Selling Parts of Molds & Dies Domestically and Overseas

<b>Company Name</b>	PUNCH INDUSTRY CO., LTD. <a href="#">Website</a> <a href="#">IR Information</a> <a href="#">Share Price</a>	
<b>Established</b>	29 March 1975	
<b>Listing</b>	20 December 2012: Tokyo Stock Exchange 1st Section (Ticker: 6165)	
<b>Capital</b>	¥2,897m (As of the end of June 2017)	
<b>No. of Shares</b>	11,061,200 shares, including 100,049 treasury shares (As of the end of June 2017)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Supplying collective 15,000 customers with diverse parts of molds &amp; dies with an emphasis on custom products</li> <li>● The largest in Japan with 6,000 customers, second only to Misumi Group Inc.</li> <li>● Commanding lead market shares in China with 8,000 customers</li> </ul>	
<b>Business Segments</b>	. Parts of Molds & Dies Business	
<b>Top Management</b>	President, Representative Director (CEO): Masaaki Takeda	
<b>Shareholders</b>	MT Kosan Co., Ltd. 9.9%, Yuji Morikubo 7.5% (As of the end of March 2017)	
<b>Headquarters</b>	Shinagawa-ku, Tokyo, JAPAN	
<b>No. of Employees</b>	Consolidated:3,959, Parent: 945 (As of the end of March 2017)	

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 FY03/2018 Results

In Q1 FY03/2018, sales came in at ¥9,733m (up 12.4% YoY), operating profit ¥701m (up 111.7%), recurring profit ¥711m (up 115.4%) and profit attributable to owners of parent ¥422m (up 103.5%), while operating profit margin 7.2% (up 3.4% points).

Sales came in at ¥4,230m (up 10.1%) in Japan, ¥4,620m (up 14.4%) in China and ¥870m (up 13.7%) in Asia, etc. Given yen appreciated by 7% against Chinese yuan (¥17.84 to ¥16.51), it is estimated that sales in China increased by no less than some 23% over the previous year on a local currency basis.

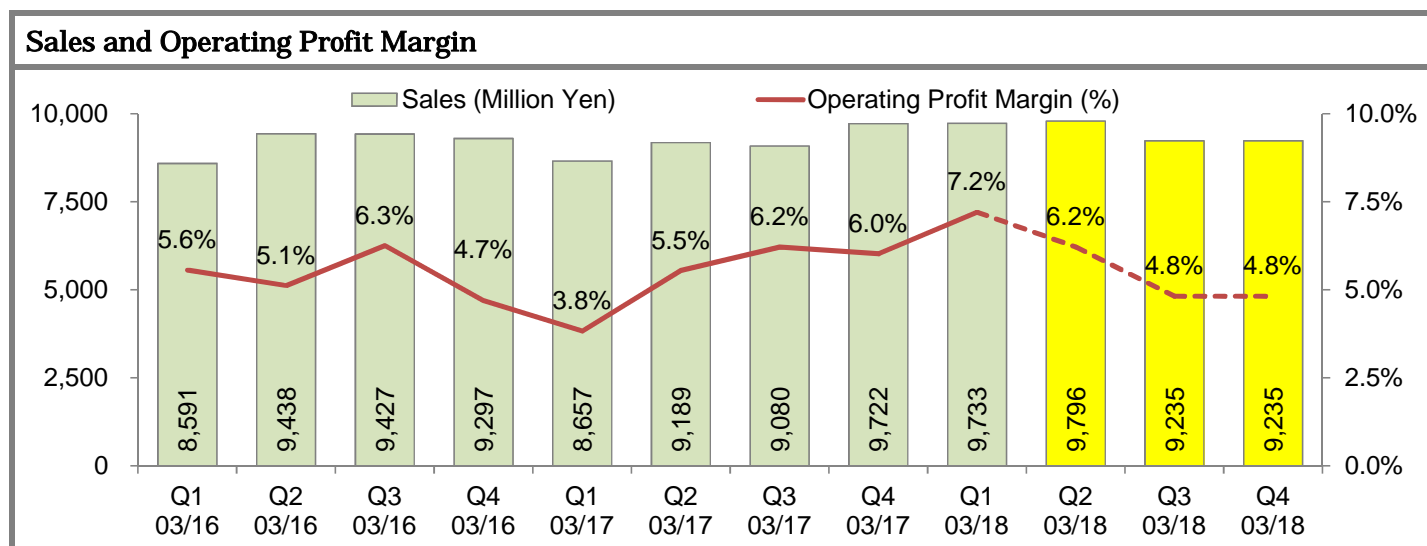
Industry-wise, sales came in at ¥4,550m (up 16.1%) in "Automobiles", ¥1,840m (up 10.8%) in "Electronic Parts & Semiconductors", ¥1,150m (up 0.9%) in "Home Appliances & Precision Machinery" and ¥2,190m (up 13.5%) in "Other". The rate of increases of "Other" was the highest, second only to that of "Automobiles", which was meaningfully driven by those associated with foods & beverages on which the Company has been focusing for some time as one of the highly-value-added domains. In regards to sales associated with foods & beverages, represented by plastic bottles, it appears that sales increased by no less than 20%, just roughly speaking, having accounted for increasing parts of sales here in "Other", i.e., some 10% of total.

Meanwhile, according to the Company's analysis on changes of operating profit, increasing sales as discussed above were the key driver for increasing operating profit. Operating profit saw net increases of ¥370m over the previous year, comprising net increases of ¥289m by increasing sales, net increases of ¥156m by cost improvement and net decreases of ¥75m by increasing SG&A expenses.

In regards to cost improvement, the Company mentions two main factors, i.e., "cost improvement overseas in line with improving local business" and "increasing order intake on self-manufactured products and increasing capacity utilization rate with own facilities", while "increases of R&D expenses", "investment in human resources due to startup of PUNCH Academy" and "increases of shipping expenses in line with increasing sales" in regards to increasing SG&A expenses. For information, "PUNCH Academy" represents the Company's training scheme for own human resources in charge of administration, sales, etc. to learn about operations of the Company's manufacturing so that the Company should further pursue benefits as an entity being involved with both the sales and the manufacturing at the same time. At the "startup" of this, the Company suffered from some initial costs to set up training institute, etc.

### FY03/2018 Company Forecasts

FY03/2018 initial Company forecasts have remained unchanged, going for prospective sales of ¥38,000m (up 3.7% YoY), operating profit of ¥2,200m (up 10.5%), recurring profit of ¥2,100m (up 12.0%) and profit attributable to owners of parent of ¥1,400m (up 1.8%), while operating profit margin of 5.8% (up 0.4% points). Prospective annual dividend of ¥27.0 per share, implying payout ratio of 21.1%, has also remained unchanged.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2018: half-year Company forecasts pro rata)

Meanwhile, Q1 results appear to have been better than assumption of initial Company forecasts. In fact, the Company has raised its Q1 to Q2 Company forecasts at the release of Q1 results, by ¥410m (2.1%) in sales, by ¥180m (15.9%) in operating profit, by ¥180m (16.0%) in recurring profit and by ¥95m (12.9%) in profit attributable to owners of parent.

As a result of this, Company forecasts in H2 have been downgraded as much as this on a simple calculation basis, which does not reflect reality at all. As far as we could gather, the Company is currently in the process of minutely reviewing prospects in H2.

## 4.0 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	Q1 to Q4	Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	03/2018	
<b>Sales</b>	<b>8,658</b>	<b>17,846</b>	<b>26,926</b>	<b>36,648</b>	<b>9,733</b>	-	-	-	-	<b>+1,075</b>
CoGS	6,330	12,923	19,477	26,457	6,960	-	-	-	-	+630
Gross Profit	2,327	4,922	7,449	10,191	2,773	-	-	-	-	+445
SG&A	1,996	4,081	6,044	8,201	2,072	-	-	-	-	+75
<b>Operating Profit</b>	<b>331</b>	<b>841</b>	<b>1,405</b>	<b>1,990</b>	<b>701</b>	-	-	-	-	<b>+370</b>
Non Operating Balance	0	(49)	(64)	(116)	10	-	-	-	-	+11
<b>Recurring Profit</b>	<b>330</b>	<b>791</b>	<b>1,340</b>	<b>1,874</b>	<b>711</b>	-	-	-	-	<b>+381</b>
Extraordinary Balance	(4)	(5)	(14)	(44)	(60)	-	-	-	-	(56)
Profit before Income Taxes	325	786	1,325	1,830	650	-	-	-	-	+325
Total Income Taxes	119	238	418	459	226	-	-	-	-	+107
NP Belonging to Non-Controlling SHs	(1)	(1)	(2)	(5)	1	-	-	-	-	+2
<b>Profit Attributable to Owners of Parent</b>	<b>207</b>	<b>549</b>	<b>909</b>	<b>1,375</b>	<b>422</b>	-	-	-	-	<b>+214</b>
Sales YoY	+0.8%	(1.0%)	(1.9%)	(0.3%)	+12.4%	-	-	-	-	-
Operating Profit YoY	(30.7%)	(12.5%)	(9.4%)	+0.2%	+111.7%	-	-	-	-	-
Recurring Profit YoY	(24.7%)	(15.0%)	+2.8%	+12.5%	+115.4%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(38.1%)	(24.1%)	(0.6%)	+10.1%	+103.5%	-	-	-	-	-
Gross Profit Margin	26.9%	27.6%	27.7%	27.8%	28.5%	-	-	-	-	+1.6%
(SG&A / Sales)	23.1%	22.9%	22.4%	22.4%	21.3%	-	-	-	-	(1.8%)
Operating Profit Margin	3.8%	4.7%	5.2%	5.4%	7.2%	-	-	-	-	+3.4%
Recurring Profit Margin	3.8%	4.4%	5.0%	5.1%	7.3%	-	-	-	-	+3.5%
Profit Attributable to Owners of Parent Margin	2.4%	3.1%	3.4%	3.8%	4.3%	-	-	-	-	+1.9%
Total Income Taxes / Profit before Income Taxes	36.6%	30.3%	31.6%	25.1%	34.8%	-	-	-	-	(1.8%)

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	Q4	Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	03/2018	
<b>Sales</b>	<b>8,658</b>	<b>9,188</b>	<b>9,080</b>	<b>9,722</b>	<b>9,733</b>	-	-	-	-	<b>+1,075</b>
CoGS	6,330	6,593	6,553	6,979	6,960	-	-	-	-	+630
Gross Profit	2,327	2,594	2,526	2,742	2,773	-	-	-	-	+445
SG&A	1,996	2,085	1,962	2,156	2,072	-	-	-	-	+75
<b>Operating Profit</b>	<b>331</b>	<b>509</b>	<b>564</b>	<b>585</b>	<b>701</b>	-	-	-	-	<b>+369</b>
Non Operating Balance	0	(48)	(15)	(51)	10	-	-	-	-	+11
<b>Recurring Profit</b>	<b>330</b>	<b>461</b>	<b>548</b>	<b>533</b>	<b>711</b>	-	-	-	-	<b>+381</b>
Extraordinary Balance	(4)	0	(9)	(29)	(60)	-	-	-	-	(56)
Profit before Income Taxes	325	461	539	504	650	-	-	-	-	+325
Total Income Taxes	119	119	180	41	226	-	-	-	-	+107
NP Belonging to Non-Controlling SHs	(1)	-	-	(3)	1	-	-	-	-	+2
<b>Profit Attributable to Owners of Parent</b>	<b>207</b>	<b>341</b>	<b>359</b>	<b>466</b>	<b>422</b>	-	-	-	-	<b>+214</b>
Sales YoY	+0.8%	(2.6%)	(3.7%)	+4.6%	+12.4%	-	-	-	-	-
Operating Profit YoY	(30.7%)	+5.6%	(4.3%)	+34.2%	+111.7%	-	-	-	-	-
Recurring Profit YoY	(24.7%)	(6.4%)	+47.2%	+47.3%	+115.4%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(38.1%)	(12.0%)	+88.2%	+39.6%	+103.5%	-	-	-	-	-
Gross Profit Margin	26.9%	28.2%	27.8%	28.2%	28.5%	-	-	-	-	+1.6%
(SG&A / Sales)	23.1%	22.7%	21.6%	22.2%	21.3%	-	-	-	-	(1.8%)
Operating Profit Margin	3.8%	5.5%	6.2%	6.0%	7.2%	-	-	-	-	+3.4%
Recurring Profit Margin	3.8%	5.0%	6.0%	5.5%	7.3%	-	-	-	-	+3.5%
Profit Attributable to Owners of Parent Margin	2.4%	3.7%	4.0%	4.8%	4.3%	-	-	-	-	+1.9%
Total Income Taxes / Profit before Income Taxes	36.6%	25.9%	33.4%	8.1%	34.8%	-	-	-	-	(1.8%)

Source: Company Data, WRJ Calculation

## Sales by Region : Financial Summary Data (Cumulative, Quarterly)

Sales by Region : Financial Summary Data		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.
		03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	
Japan		3,840	7,650	11,560	15,900	4,230	-	-	-	+390
China		4,040	8,570	12,890	17,420	4,620	-	-	-	+580
Asia, etc.		770	1,610	2,450	3,310	870	-	-	-	+100
(Adjustments)		8	16	26	48	13	-	-	-	+5
<b>Sales</b>		<b>8,658</b>	<b>17,846</b>	<b>26,926</b>	<b>36,648</b>	<b>9,733</b>	-	-	-	<b>+1,075</b>
Japan		(0.5%)	+0.1%	(0.1%)	+1.7%	+10.1%	-	-	-	-
China		+1.0%	(2.5%)	(3.9%)	(2.1%)	+14.4%	-	-	-	-
Asia, etc.		+5.5%	+1.3%	(0.4%)	+0.2%	+13.7%	-	-	-	-
<b>Sales (YoY)</b>		<b>+0.8%</b>	<b>(1.0%)</b>	<b>(1.9%)</b>	<b>(0.3%)</b>	<b>+12.4%</b>	-	-	-	-
Japan		44.4%	42.9%	42.9%	43.4%	43.5%	-	-	-	-
China		46.7%	48.0%	47.9%	47.5%	47.5%	-	-	-	-
Asia, etc.		8.9%	9.0%	9.1%	9.0%	8.9%	-	-	-	-
<b>Sales (Composition Ratio)</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-

Sales by Region : Financial Summary Data		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.
		03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	
Japan		3,840	3,810	3,910	4,330	4,230	-	-	-	+390
China		4,040	4,530	4,320	4,520	4,620	-	-	-	+580
Asia, etc.		770	840	840	850	870	-	-	-	+100
(Adjustments)		8	8	10	22	13	-	-	-	+5
<b>Sales</b>		<b>8,658</b>	<b>9,188</b>	<b>9,080</b>	<b>9,722</b>	<b>9,733</b>	-	-	-	<b>+1,075</b>
Japan		(0.5%)	+0.8%	(0.5%)	+6.9%	+10.1%	-	-	-	-
China		+1.0%	(5.6%)	(6.3%)	+3.0%	+14.4%	-	-	-	-
Asia, etc.		+5.5%	(2.3%)	(3.4%)	+1.2%	+13.7%	-	-	-	-
<b>Sales (YoY)</b>		<b>+0.8%</b>	<b>(2.6%)</b>	<b>(3.7%)</b>	<b>+4.6%</b>	<b>+12.4%</b>	-	-	-	-
Japan		44.4%	41.5%	43.1%	44.5%	43.5%	-	-	-	-
China		46.7%	49.3%	47.6%	46.5%	47.5%	-	-	-	-
Asia, etc.		8.9%	9.1%	9.3%	8.7%	8.9%	-	-	-	-
<b>Sales (Composition Ratio)</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-

Source: Company Data, WRJ Calculation

## Sales by Industry : Financial Summary Data (Cumulative, Quarterly)

Sales by Industry : Financial Summary Data	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	Q1 to Q4	Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	03/2018	
"Automobiles"	3,920	8,110	12,330	16,780	4,550	-	-	-	-	+630
"Electronic Parts & Semiconductors"	1,660	3,490	5,170	7,000	1,840	-	-	-	-	+180
"Home Appliances & Precision Machinery"	1,140	2,230	3,330	4,480	1,150	-	-	-	-	+10
"Other"	1,930	4,010	6,310	8,500	2,190	-	-	-	-	+260
(Adjustments)	8	6	(213)	(111)	3	-	-	-	-	(4)
<b>Sales</b>	<b>8,658</b>	<b>17,846</b>	<b>26,926</b>	<b>36,648</b>	<b>9,733</b>	-	-	-	-	<b>+1,075</b>
"Automobiles"	(1.8%)	(3.3%)	(2.7%)	(1.6%)	+16.1%	-	-	-	-	-
"Electronic Parts & Semiconductors"	+3.8%	+8.0%	+6.2%	+6.9%	+10.8%	-	-	-	-	-
"Home Appliances & Precision Machinery"	(1.7%)	(5.9%)	(7.8%)	(6.7%)	+0.9%	-	-	-	-	-
"Other"	+4.9%	(0.7%)	+0.5%	+2.4%	+13.5%	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+0.8%</b>	<b>(1.0%)</b>	<b>(1.9%)</b>	<b>(0.3%)</b>	<b>+12.4%</b>	-	-	-	-	-
"Automobiles"	45.3%	45.4%	45.8%	45.8%	46.7%	-	-	-	-	-
"Electronic Parts & Semiconductors"	19.2%	19.6%	19.2%	19.1%	18.9%	-	-	-	-	-
"Home Appliances & Precision Machinery"	13.2%	12.5%	12.4%	12.2%	11.8%	-	-	-	-	-
"Other"	22.3%	22.5%	23.4%	23.2%	22.5%	-	-	-	-	-
<b>Sales (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-

Sales by Industry : Financial Summary Data	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	Q4	Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018	03/2018	
"Automobiles"	3,920	4,190	4,220	4,450	4,550	-	-	-	-	+630
"Electronic Parts & Semiconductors"	1,660	1,830	1,680	1,830	1,840	-	-	-	-	+180
"Home Appliances & Precision Machinery"	1,140	1,090	1,100	1,150	1,150	-	-	-	-	+10
"Other"	1,930	2,080	2,300	2,190	2,190	-	-	-	-	+260
(Adjustments)	8	(1)	(219)	102	3	-	-	-	-	(4)
<b>Sales</b>	<b>8,658</b>	<b>9,188</b>	<b>9,080</b>	<b>9,722</b>	<b>9,733</b>	-	-	-	-	<b>+1,075</b>
"Automobiles"	(1.8%)	(4.8%)	(1.4%)	+1.4%	+16.1%	-	-	-	-	-
"Electronic Parts & Semiconductors"	+3.8%	+12.3%	+2.4%	+8.9%	+10.8%	-	-	-	-	-
"Home Appliances & Precision Machinery"	(1.7%)	(9.9%)	(11.3%)	(3.4%)	+0.9%	-	-	-	-	-
"Other"	+4.9%	(5.5%)	+2.7%	+8.4%	+13.5%	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+0.8%</b>	<b>(2.6%)</b>	<b>(3.7%)</b>	<b>+4.6%</b>	<b>+12.4%</b>	-	-	-	-	-
"Automobiles"	45.3%	45.6%	46.5%	45.8%	46.7%	-	-	-	-	-
"Electronic Parts & Semiconductors"	19.2%	19.9%	18.5%	18.8%	18.9%	-	-	-	-	-
"Home Appliances & Precision Machinery"	13.2%	11.9%	12.1%	11.8%	11.8%	-	-	-	-	-
"Other"	22.3%	22.6%	25.3%	22.5%	22.5%	-	-	-	-	-
<b>Sales (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</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 03/2017	Q2 03/2017	Q3 03/2017	Q4 03/2017	Q1 03/2018	Q2 03/2018	Q3 03/2018	Q4 03/2018		
Cash and Deposit	3,003	3,797	2,910	3,280	2,934	-	-	-	-	(69)
Accounts Receivables	10,672	10,025	10,250	11,468	11,350	-	-	-	-	+678
Inventory	3,640	3,469	3,526	3,787	3,835	-	-	-	-	+194
Other	410	585	844	613	531	-	-	-	-	+121
<b>Current Assets</b>	<b>17,727</b>	<b>17,878</b>	<b>17,532</b>	<b>19,150</b>	<b>18,652</b>	-	-	-	-	<b>+925</b>
Tangible Assets	8,073	8,165	8,210	8,669	8,543	-	-	-	-	+469
Intangible Assets	1,380	1,240	1,171	1,242	1,202	-	-	-	-	(177)
Investments and Other Assets	402	311	342	389	392	-	-	-	-	(10)
<b>Fixed Assets</b>	<b>9,856</b>	<b>9,717</b>	<b>9,723</b>	<b>10,301</b>	<b>10,138</b>	-	-	-	-	<b>+281</b>
<b>Total Assets</b>	<b>27,584</b>	<b>27,596</b>	<b>27,256</b>	<b>29,451</b>	<b>28,790</b>	-	-	-	-	<b>+1,206</b>
Accounts Payables, etc.	4,305	4,874	4,667	4,287	4,531	-	-	-	-	+226
Short Term Debt	3,913	3,519	4,004	4,346	4,236	-	-	-	-	+322
Other	3,056	2,722	2,375	3,090	2,538	-	-	-	-	(518)
<b>Current Liabilities</b>	<b>11,275</b>	<b>11,116</b>	<b>11,047</b>	<b>11,724</b>	<b>11,305</b>	-	-	-	-	<b>+30</b>
Long Term Debt	1,643	2,805	2,616	2,460	2,273	-	-	-	-	+629
Other	1,145	1,088	1,071	1,089	1,099	-	-	-	-	(45)
<b>Fixed Liabilities</b>	<b>2,788</b>	<b>3,894</b>	<b>3,688</b>	<b>3,550</b>	<b>3,372</b>	-	-	-	-	<b>+583</b>
<b>Total Liabilities</b>	<b>14,064</b>	<b>15,010</b>	<b>14,736</b>	<b>15,275</b>	<b>14,678</b>	-	-	-	-	<b>+614</b>
<b>Shareholders' Equity</b>	<b>12,655</b>	<b>12,951</b>	<b>13,131</b>	<b>13,598</b>	<b>13,878</b>	-	-	-	-	<b>+1,222</b>
Other	864	(365)	(611)	578	233	-	-	-	-	(630)
<b>Net Assets</b>	<b>13,519</b>	<b>12,585</b>	<b>12,520</b>	<b>14,176</b>	<b>14,112</b>	-	-	-	-	<b>+592</b>
<b>Total Liabilities and Net Assets</b>	<b>27,584</b>	<b>27,596</b>	<b>27,256</b>	<b>29,451</b>	<b>28,790</b>	-	-	-	-	<b>+1,206</b>
Equity Capital	13,509	12,575	12,509	14,167	14,099	-	-	-	-	+590
Interest Bearing Debt	5,557	6,325	6,620	6,807	6,509	-	-	-	-	+951
Net Debt	2,553	2,527	3,710	3,526	3,574	-	-	-	-	+1,021
Equity Ratio	49.0%	45.6%	45.9%	48.1%	49.0%	-	-	-	-	(0.0%)
Net Debt Equity Ratio	18.9%	20.1%	29.7%	24.9%	25.4%	-	-	-	-	+6.5%
ROE (12 months)	8.1%	7.9%	9.3%	9.8%	11.5%	-	-	-	-	+3.4%
ROA (12 months)	5.6%	5.4%	6.3%	6.6%	8.0%	-	-	-	-	+2.4%
Days for Inventory Turnover	52	48	49	50	50	-	-	-	-	-
Quick Ratio	121%	124%	119%	126%	126%	-	-	-	-	-
Current Ratio	157%	161%	159%	163%	165%	-	-	-	-	-

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 03/2017	Q1 to Q2 03/2017	Q1 to Q3 03/2017	Q1 to Q4 03/2017	Q1 03/2018	Q1 to Q2 03/2018	Q1 to Q3 03/2018	Q1 to Q4 03/2018		
Operating Cash Flow	-	858	-	1,785	-	-	-	-	-	-
Investing Cash Flow	-	(995)	-	(2,770)	-	-	-	-	-	-
<b>Operating CF and Investing CF</b>	<b>-</b>	<b>(137)</b>	<b>-</b>	<b>(985)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	1,125	-	1,199	-	-	-	-	-	-

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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