

## FREUND CORPORATION (6312)

Consolidated FY (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2017		21,164	2,041	2,097	1,064	61.7	20.0	706.6
FY02/2018		19,801	1,971	1,994	1,477	85.7	20.0	767.9
FY02/2019CoE		20,000	1,900	1,900	1,350	78.3	20.0	-
FY02/2018	YoY	(6.4%)	(3.4%)	(4.9%)	38.8%	-	-	-
FY02/2019CoE	YoY	1.0%	(3.6%)	(4.7%)	(8.6%)	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY02/2018		4,472	387	397	274	-	-	-
Q2 FY02/2018		5,316	687	693	460	-	-	-
Q3 FY02/2018		3,956	78	82	114	-	-	-
Q4 FY02/2018		6,055	818	819	628	-	-	-
Q1 FY02/2019		4,849	399	478	347	-	-	-
Q1 FY02/2019	YoY	8.4%	3.0%	20.3%	26.6%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (9 July 2018)

#### Adjusting Order Intake


On 5 July 2018, FREUND CORPORATION, heavily involved with the operations of developing, manufacturing and selling of pharmaceutical-related and industrial-related equipment, released its Q1 FY02/2019 results. It has been revealed that sales and earnings are in line with assumptions of initial Company forecasts. Nevertheless, it was too early for the Company to see a sentiment of recovery in regards to order intake and order backlog on the Equipment side, respectively, ¥2,553m (down 29.5% YoY) and ¥4,928m (down 45.5%). The Company suggests that the market environment has turned out to be rather weaker than initially estimated. The Government is going for generic drug penetration rate of 80% on a volume basis as the target to be achieved in CY2020, while said ratio having remained less than 70% so far. Still, the Company's mainstay customer base, i.e., Japan's generic drug industry, has not come out of a period of transition yet toward said target in terms of capital expenditures, according to the Company.

Meanwhile, the Company saw buoyant sales and earnings on the Chemicals side. As far as we could see, this is due mainly to increasing sales of pharmaceutical excipients. Food preservatives and dietary supplements are also included on the Chemicals side, but pharmaceutical excipients adopted in oral agents of pharmaceuticals see high added value and thus high gross profit margin. Given steady increases of sales here, the Company saw improving sales mix as well as surging earnings on the Chemicals side. We are to interview with management to discuss the issues more in depth so that we should be able to update [FREUND CORPORATION \(6312\) Mixed Sentiment for Recovery \(1 May 2018\)](#) and to release anew.

IR Representative: Corporate Communications Department (+81 3 6890 0767 [ir@freund.co.jp](mailto:ir@freund.co.jp))

## 2.0 Company Profile

### Developing, Manufacturing and Selling Pharmaceutical-related and Industrial-related Equipment

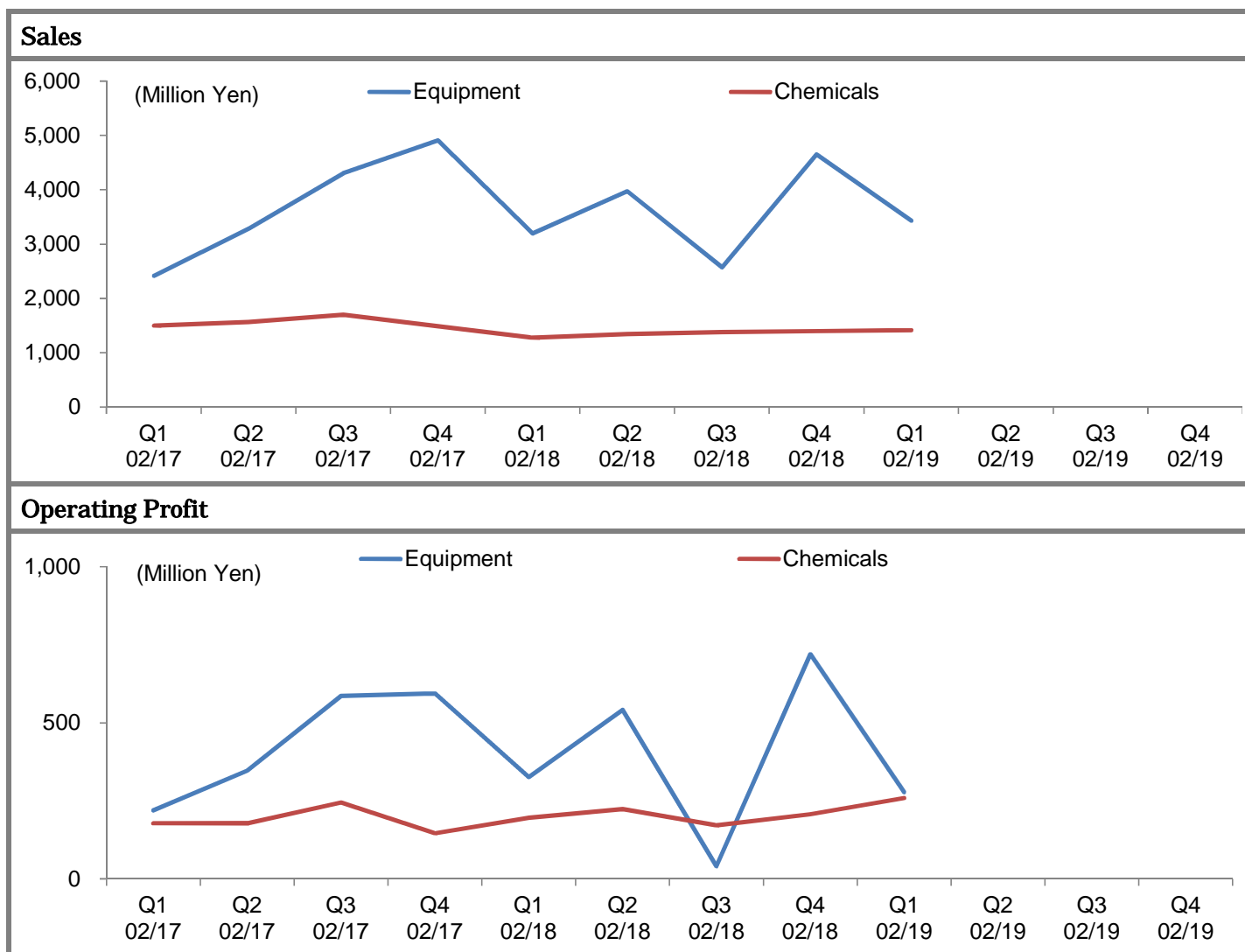
<b>Company Name</b>	FREUND CORPORATION <a href="#">Company Website</a> <a href="#">IR Information</a> <a href="#">Share Price (Japanese)</a>	
<b>Established</b>	22 April 1964	
<b>Listing</b>	24 July 1996: Tokyo Stock Exchange JASDAQ Standard (ticker: 6312)	
<b>Capital</b>	¥1,035m (as of the end of May 2018)	
<b>No. of Shares</b>	18,400,000 shares, including 1,655,478 treasury shares (as of the end of May 2018)	
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● Leading the domestic market of Japan for granulation/coating equipment with market share of 60% to 70%</li> <li>● One of the three largest on a global basis</li> <li>● Focus on new business domains, i.e., tablet-printing equipment (TABREX), rechargeable-battery-related manufacturing equipment, etc.</li> </ul>	
<b>Business Segments</b>	<ul style="list-style-type: none"> <li>. Equipment</li> <li>. Chemicals</li> </ul>	
<b>Top Management</b>	President & CEO: Iwao Fusejima	
<b>Shareholders</b>	Yasutoyo Fusejima 10.6%, KK Fusejima Yokosha 9.6%, MUFG Bank, Ltd. 5.0% (as of the end of February 2018)	
<b>Headquarters</b>	FREUND Bldg., 6-25-13 Nishishinjuku, Shinjuku-ku, Tokyo, JAPAN	
<b>No. of Employees</b>	Consolidated: 409, Parent: 241 (as of the end of May 2018)	

Source: Company Data

## 3.0 Recent Trading & Prospects

### Q1 FY02/2019 Results

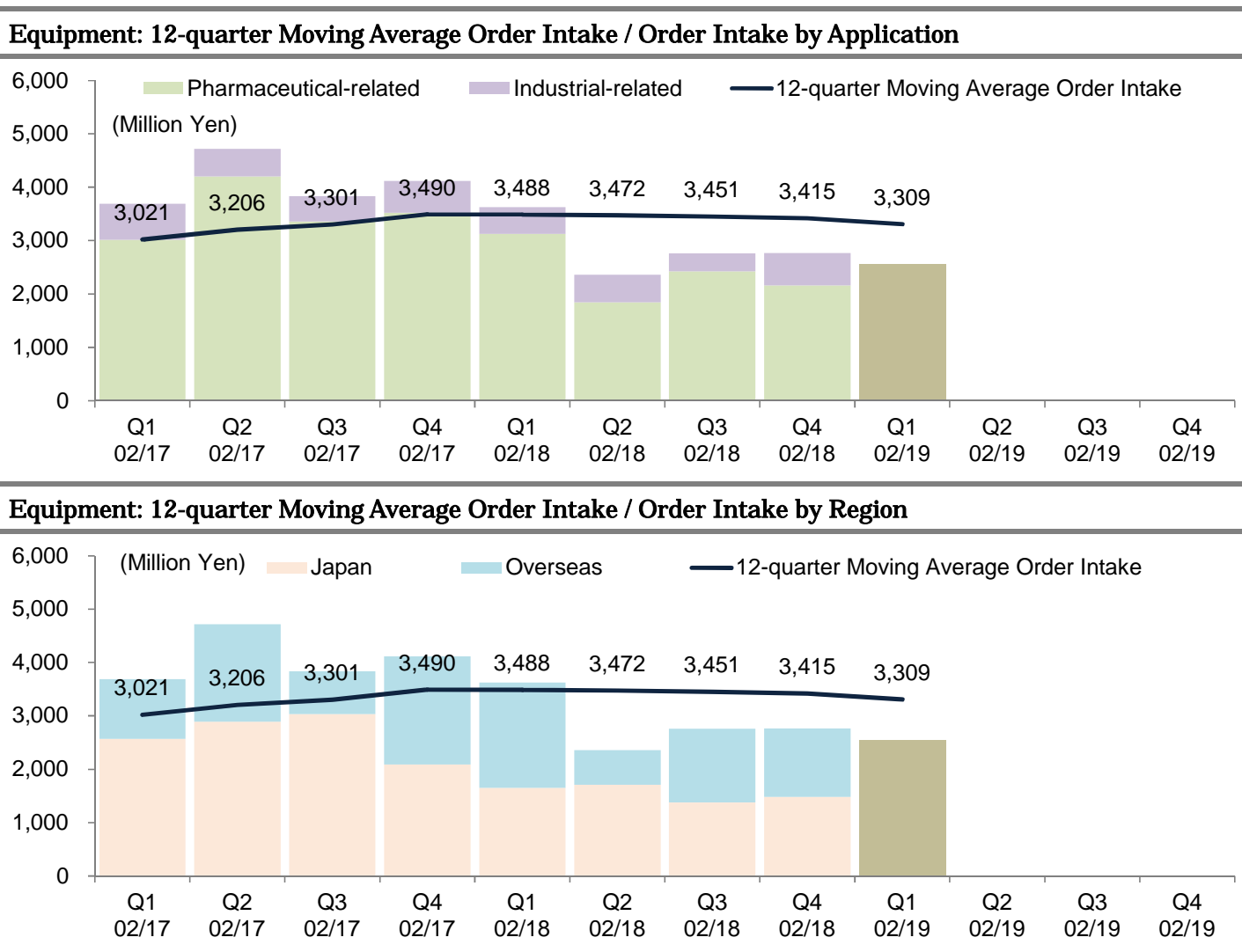
In Q1 FY02/2019, sales came in at ¥4,849m (up 8.4% YoY), operating profit ¥399m (up 3.0%), recurring profit ¥478m (up 20.3%) and profit attributable to owners of parent ¥347m (up 26.6%), while operating profit margin 8.2% (down 0.4% points).



Source: Company Data, WRJ Calculation

By business segment, Equipment saw sales of ¥3,433m (up 7.4%), segment profit of ¥278m (down 14.8%) and segment profit margin of 8.1% (down 2.1% points), while Chemicals saw sales of ¥1,416m (up 11.1%), segment profit of ¥259m (up 32.5%) and segment profit margin of 18.3% (up 2.9% points). Over the past 5 years, Equipment used to account for some 70% of total segment profit with the Company (before adjustments), but 51.7% for Equipment and 48.3% for Chemicals in short-term results of Q1, implying increasing exposure to almost half for Chemicals on the expense of Equipment.

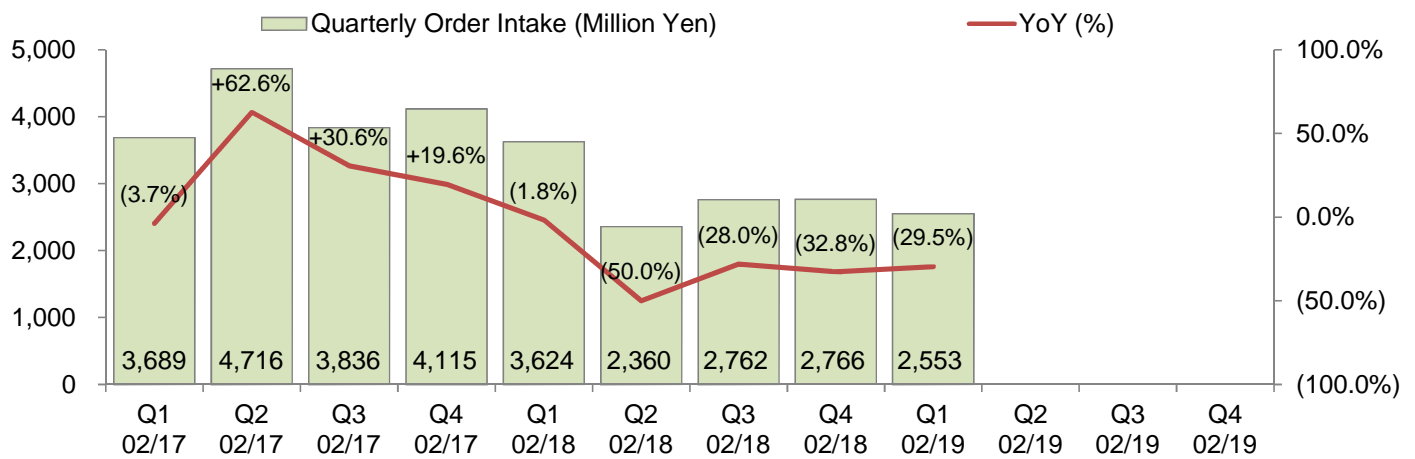
On the Equipment side, comprising pharmaceutical-related and industrial-related, the Company saw increasing sales and earnings in regards to granulation/coating equipment or the key equipment of pharmaceutical-related, having benefited from sales of large-scale project in Japan. U.S. subsidiary FREUND-VECTOR CORPORATION in charge of the operations in North America saw order backlog accumulated. Still, sales are supposed to concentrate in H2 in the first place, while sales in Q1 were rather disappointing, having resulted in decreasing sales and earnings. Meanwhile, all those trends of business performance are also applicable to those of FREUND-TURBO CORPORATION in charge of developing, manufacturing and selling of industrial-related equipment represented by rechargeable-battery-related manufacturing equipment.



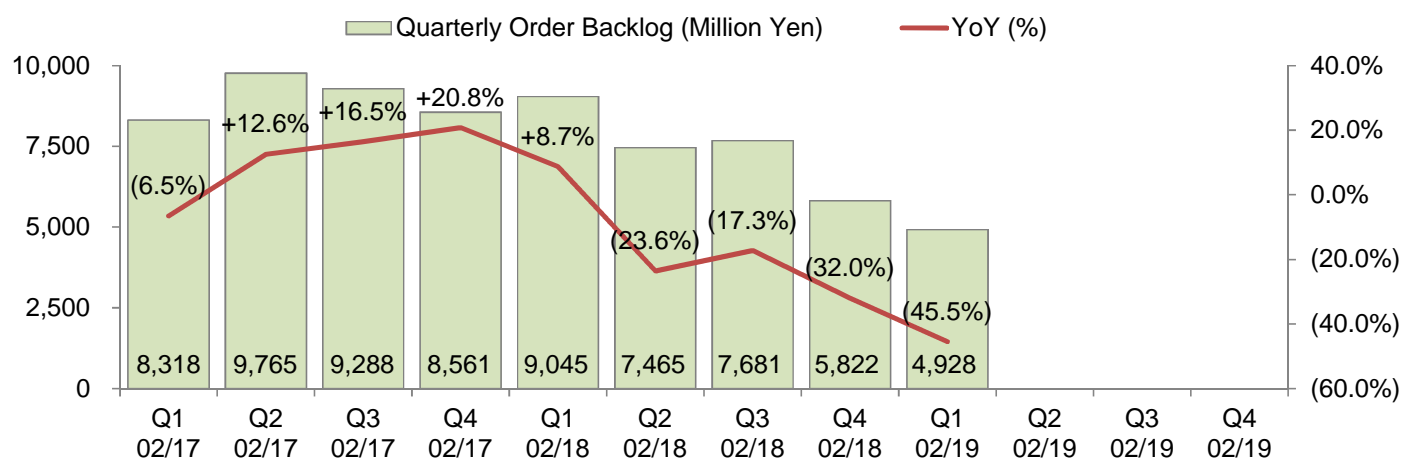
Source: Company Data, WRJ Calculation

Meanwhile, on the Equipment side, order intake came in at ¥2,553m (down 29.5%), while order backlog having stood at ¥4,928m (down 45.5%), suggesting a consistent trend of adjustments. 12-quarter moving average order intake to suggest midterm sales changes has been also declining albeit gradually for some time. The Company spots that order intake in Japan slowed down in particular. Thus, it should be the case that the Company's mainstay customer base of Japan's generic drug industry is still in a period of transition toward the target of 80% for generic drug penetration rate of a volume basis in terms of capital expenditures.

### Equipment: Quarterly Order Intake



### Equipment: Quarterly Order Backlog



Source: Company Data, WRJ Calculation

### FY02/2019 Company Forecasts

FY02/2019 Company forecasts have remained unchanged, going for prospective sales of ¥20,000m (up 1.0% YoY), operating profit of ¥1,900m (down 3.6%), recurring profit of ¥1,900m (down 4.7%) and profit attributable to owners of parent of ¥1,350m (down 8.6%), while operating profit margin of 9.5% (down 0.5% points). At the same time, Company forecasts have remained unchanged for prospective dividend, going for ¥20.0 per share, implying payout ratio of 25.5%.

## 4.0 Financial Statements

### Income Statement (Cumulative, Quarterly)

Income 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 02/2018	Q1 to Q2 02/2018	Q1 to Q3 02/2018	Q1 to Q4 02/2018	Q1 02/2019	Q1 to Q2 02/2019	Q1 to Q3 02/2019	Q1 to Q4 02/2019		
<b>Sales</b>	<b>4,472</b>	<b>9,789</b>	<b>13,745</b>	<b>19,801</b>	<b>4,849</b>	-	-	-	-	<b>+377</b>
Cost of Sales	2,915	6,317	8,993	12,985	3,245	-	-	-	-	+329
Gross Profit	1,556	3,471	4,752	6,816	1,604	-	-	-	-	+47
SG&A	1,169	2,397	3,599	4,845	1,204	-	-	-	-	+35
<b>Operating Profit</b>	<b>387</b>	<b>1,074</b>	<b>1,152</b>	<b>1,971</b>	<b>399</b>	-	-	-	-	<b>+11</b>
Non Operating Balance	10	17	21	22	79	-	-	-	-	+69
<b>Recurring Profit</b>	<b>397</b>	<b>1,091</b>	<b>1,174</b>	<b>1,994</b>	<b>478</b>	-	-	-	-	<b>+80</b>
Extraordinary Balance	0	(1)	59	99	21	-	-	-	-	+21
Profit before Income Taxes	397	1,089	1,234	2,093	500	-	-	-	-	+102
Total Income Taxes	123	355	384	615	153	-	-	-	-	+29
NP Belonging to Non-Controlling SHs	-	-	-	-	-	-	-	-	-	-
<b>Profit Attributable to Owners of Parent</b>	<b>274</b>	<b>734</b>	<b>849</b>	<b>1,477</b>	<b>347</b>	-	-	-	-	<b>+72</b>
Sales YoY	+14.3%	+11.7%	(6.9%)	(6.4%)	+8.4%	-	-	-	-	-
Operating Profit YoY	+31.3%	+56.4%	(20.0%)	(3.4%)	+3.0%	-	-	-	-	-
Recurring Profit YoY	+26.7%	+54.0%	(21.0%)	(4.9%)	+20.3%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+464.9%	+139.7%	+4.1%	+38.8%	+26.6%	-	-	-	-	-
Gross Profit Margin	34.8%	35.5%	34.6%	34.4%	33.1%	-	-	-	-	(1.7%)
SG&A / Sales	26.1%	24.5%	26.2%	24.5%	24.8%	-	-	-	-	(1.3%)
Operating Profit Margin	8.7%	11.0%	8.4%	10.0%	8.2%	-	-	-	-	(0.4%)
Recurring Profit Margin	8.9%	11.2%	8.5%	10.1%	9.9%	-	-	-	-	+1.0%
Profit Attributable to Owners of Parent Margin	6.1%	7.5%	6.2%	7.5%	7.2%	-	-	-	-	+1.0%
Total Income Taxes / Profit before Income Taxes	31.0%	32.6%	31.2%	29.4%	30.6%	-	-	-	-	(0.4%)

Income 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 02/2018	Q2 02/2018	Q3 02/2018	Q4 02/2018	Q1 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019		
<b>Sales</b>	<b>4,472</b>	<b>5,316</b>	<b>3,956</b>	<b>6,055</b>	<b>4,849</b>	-	-	-	-	<b>+377</b>
Cost of Sales	2,915	3,401	2,675	3,991	3,245	-	-	-	-	+329
Gross Profit	1,556	1,915	1,280	2,063	1,604	-	-	-	-	+47
SG&A	1,169	1,227	1,202	1,245	1,204	-	-	-	-	+35
<b>Operating Profit</b>	<b>387</b>	<b>687</b>	<b>78</b>	<b>818</b>	<b>399</b>	-	-	-	-	<b>+11</b>
Non Operating Balance	10	6	4	1	79	-	-	-	-	+69
<b>Recurring Profit</b>	<b>397</b>	<b>693</b>	<b>82</b>	<b>819</b>	<b>478</b>	-	-	-	-	<b>+80</b>
Extraordinary Balance	0	(1)	61	39	21	-	-	-	-	+21
Profit before Income Taxes	397	691	144	858	500	-	-	-	-	+102
Total Income Taxes	123	231	29	230	153	-	-	-	-	+29
NP Belonging to Non-Controlling SHs	-	-	-	-	-	-	-	-	-	-
<b>Profit Attributable to Owners of Parent</b>	<b>274</b>	<b>460</b>	<b>114</b>	<b>628</b>	<b>347</b>	-	-	-	-	<b>+72</b>
Sales YoY	+14.3%	+9.6%	(34.1%)	(5.3%)	+8.4%	-	-	-	-	-
Operating Profit YoY	+31.3%	+75.2%	(89.6%)	+36.3%	+3.0%	-	-	-	-	-
Recurring Profit YoY	+26.7%	+75.7%	(89.4%)	+34.2%	+20.3%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	+464.9%	+78.5%	(77.4%)	+152.7%	+26.6%	-	-	-	-	-
Gross Profit Margin	34.8%	36.0%	32.4%	34.1%	33.1%	-	-	-	-	(1.7%)
SG&A / Sales	26.1%	23.1%	30.4%	20.6%	24.8%	-	-	-	-	(1.3%)
Operating Profit Margin	8.7%	12.9%	2.0%	13.5%	8.2%	-	-	-	-	(0.4%)
Recurring Profit Margin	8.9%	13.1%	2.1%	13.5%	9.9%	-	-	-	-	+1.0%
Profit Attributable to Owners of Parent Margin	6.1%	8.7%	2.9%	10.4%	7.2%	-	-	-	-	+1.0%
Total Income Taxes / Profit before Income Taxes	31.0%	33.5%	20.6%	26.8%	30.6%	-	-	-	-	(0.4%)

Source: Company Data, WRJ Calculation

## Segmented Information (Cumulative, Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2018	Q1 to Q2 02/2018	Q1 to Q3 02/2018	Q1 to Q4 02/2018	Q1 02/2019	Q1 to Q2 02/2019	Q1 to Q3 02/2019	Q1 to Q4 02/2019		
Equipment	3,198	7,171	9,747	14,403	3,433	-	-	-	-	+235
Chemicals	1,274	2,617	3,998	5,398	1,416	-	-	-	-	+142
<b>Sales</b>	<b>4,472</b>	<b>9,789</b>	<b>13,745</b>	<b>19,801</b>	<b>4,849</b>	-	-	-	-	<b>+377</b>
Machinery	+32.5%	+25.9%	(2.6%)	(3.4%)	+7.4%	-	-	-	-	-
Chemicals	(15.0%)	(14.6%)	(16.1%)	(13.6%)	+11.1%	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+11.7%</b>	<b>(6.9%)</b>	<b>(6.4%)</b>	<b>+8.4%</b>	-	-	-	-	-
Equipment	71.5%	73.3%	70.9%	72.7%	70.8%	-	-	-	-	-
Chemicals	28.5%	26.7%	29.1%	27.3%	29.2%	-	-	-	-	-
<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>	-	-	-	-	-
Equipment	326	868	910	1,631	278	-	-	-	-	(48)
Chemicals	196	420	593	801	259	-	-	-	-	+63
<b>Segment Profit</b>	<b>522</b>	<b>1,289</b>	<b>1,504</b>	<b>2,432</b>	<b>537</b>	-	-	-	-	<b>+15</b>
Elimination	(135)	(215)	(351)	(461)	(138)	-	-	-	-	(3)
<b>Operating Profit</b>	<b>387</b>	<b>1,074</b>	<b>1,152</b>	<b>1,971</b>	<b>399</b>	-	-	-	-	<b>+11</b>
Equipment	+48.1%	+53.1%	(21.1%)	(6.8%)	(14.8%)	-	-	-	-	-
Chemicals	+10.1%	+17.9%	(1.4%)	+7.1%	+32.5%	-	-	-	-	-
<b>Segment Profit (YoY)</b>	<b>+31.1%</b>	<b>+39.5%</b>	<b>(14.3%)</b>	<b>(2.6%)</b>	<b>+2.9%</b>	-	-	-	-	-
Equipment	62.5%	67.4%	60.5%	67.1%	51.7%	-	-	-	-	-
Chemicals	37.5%	32.6%	39.5%	32.9%	48.3%	-	-	-	-	-
<b>Segment Profit (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-
Equipment	10.2%	12.1%	9.3%	11.3%	8.1%	-	-	-	-	(2.1%)
Chemicals	15.4%	16.1%	14.9%	14.8%	18.3%	-	-	-	-	+2.9%
Elimination	(3.0%)	(2.2%)	(2.6%)	(2.3%)	(2.9%)	-	-	-	-	+0.2%
<b>Operating Profit Margin</b>	<b>8.7%</b>	<b>11.0%</b>	<b>8.4%</b>	<b>10.0%</b>	<b>8.2%</b>	-	-	-	-	<b>(0.4%)</b>

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2018	Q2 02/2018	Q3 02/2018	Q4 02/2018	Q1 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019		
Equipment	3,198	3,973	2,575	4,655	3,433	-	-	-	-	+235
Chemicals	1,274	1,343	1,381	1,399	1,416	-	-	-	-	+142
<b>Sales</b>	<b>4,472</b>	<b>5,316</b>	<b>3,956</b>	<b>6,055</b>	<b>4,849</b>	-	-	-	-	<b>+377</b>
Machinery	+32.5%	+21.0%	(40.2%)	(5.2%)	+7.4%	-	-	-	-	-
Chemicals	(15.0%)	(14.2%)	(18.7%)	(5.8%)	+11.1%	-	-	-	-	-
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+9.6%</b>	<b>(34.1%)</b>	<b>(5.3%)</b>	<b>+8.4%</b>	-	-	-	-	-
Equipment	71.5%	74.7%	65.1%	76.9%	70.8%	-	-	-	-	-
Chemicals	28.5%	25.3%	34.9%	23.1%	29.2%	-	-	-	-	-
<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>	-	-	-	-	-
Equipment	326	542	41	720	278	-	-	-	-	(48)
Chemicals	196	224	172	207	259	-	-	-	-	+63
<b>Segment Profit</b>	<b>522</b>	<b>767</b>	<b>214</b>	<b>927</b>	<b>537</b>	-	-	-	-	<b>+15</b>
Elimination	(135)	(80)	(136)	(109)	(138)	-	-	-	-	(3)
<b>Operating Profit</b>	<b>387</b>	<b>687</b>	<b>78</b>	<b>818</b>	<b>399</b>	-	-	-	-	<b>+11</b>
Equipment	+48.1%	+56.2%	(92.9%)	+20.9%	(14.8%)	-	-	-	-	-
Chemicals	+10.1%	+25.7%	(29.4%)	+41.7%	+32.5%	-	-	-	-	-
<b>Segment Profit (YoY)</b>	<b>+31.1%</b>	<b>+45.8%</b>	<b>(74.2%)</b>	<b>+25.0%</b>	<b>+2.9%</b>	-	-	-	-	-
Equipment	62.5%	70.7%	19.5%	77.7%	51.7%	-	-	-	-	-
Chemicals	37.5%	29.3%	80.5%	22.3%	48.3%	-	-	-	-	-
<b>Segment Profit (Composition Ratio)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-	-	-
Equipment	10.2%	13.7%	1.6%	15.5%	8.1%	-	-	-	-	(2.1%)
Chemicals	15.4%	16.7%	12.5%	14.8%	18.3%	-	-	-	-	+2.9%
Elimination	(3.0%)	(1.5%)	(3.5%)	(1.8%)	(2.9%)	-	-	-	-	+0.2%
<b>Operating Profit Margin</b>	<b>8.7%</b>	<b>12.9%</b>	<b>2.0%</b>	<b>13.5%</b>	<b>8.2%</b>	-	-	-	-	<b>(0.4%)</b>

Source: Company Data, WRJ Calculation

### Sales by Region (Cumulative, Quarterly)

Sales by Region	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.
	02/2018	02/2018	02/2018	02/2018	02/2019	02/2019	02/2019	02/2019		
Japan	3,815	7,109	9,771	13,676	4,076	-	-	-		+260
North America	212	647	1,297	1,913	250	-	-	-		+38
Latin America	119	472	497	1,065	39	-	-	-		(79)
Europe	213	1,020	1,289	1,787	89	-	-	-		(124)
Other	112	539	890	1,357	394	-	-	-		+282
Overseas	656	2,679	3,974	6,124	773	-	-	-		+116
<b>Sales</b>	<b>4,472</b>	<b>9,789</b>	<b>13,745</b>	<b>19,801</b>	<b>4,849</b>	-	-	-		<b>+377</b>
Japan	+16.1%	(1.4%)	(16.7%)	(12.3%)	+6.8%	-	-	-		-
North America	(44.0%)	(30.0%)	(21.2%)	(42.6%)	+18.0%	-	-	-		-
Latin America	+103.4%	+163.6%	+90.5%	+92.7%	(66.8%)	-	-	-		-
Europe	+129.2%	+317.1%	+204.3%	+115.1%	(58.2%)	-	-	-		-
Other	+16.8%	+163.1%	+25.1%	+60.1%	+251.8%	-	-	-		-
Overseas	+4.8%	+72.4%	+30.7%	+10.1%	+17.7%	-	-	-		-
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+11.7%</b>	<b>(6.9%)</b>	<b>(6.4%)</b>	<b>+8.4%</b>	-	-	-		-
Japan	85.3%	72.6%	71.1%	69.1%	84.1%	-	-	-		(1.3%)
North America	4.7%	6.6%	9.4%	9.7%	5.2%	-	-	-		+0.4%
Latin America	2.7%	4.8%	3.6%	5.4%	0.8%	-	-	-		(1.9%)
Europe	4.8%	10.4%	9.4%	9.0%	1.8%	-	-	-		(2.9%)
Other	2.5%	5.5%	6.5%	6.9%	8.1%	-	-	-		+5.6%
Overseas	14.7%	27.4%	28.9%	30.9%	15.9%	-	-	-		+1.3%
<b>Sales (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-		<b>+0.0%</b>

Sales by Region	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.
	02/2018	02/2018	02/2018	02/2018	02/2019	02/2019	02/2019	02/2019		
Japan	3,815	3,293	2,662	3,905	4,076	-	-	-		+260
North America	212	435	649	616	250	-	-	-		+38
Latin America	119	352	25	568	39	-	-	-		(79)
Europe	213	807	268	497	89	-	-	-		(124)
Other	112	427	350	467	394	-	-	-		+282
Overseas	656	2,023	1,294	2,149	773	-	-	-		+116
<b>Sales</b>	<b>4,472</b>	<b>5,316</b>	<b>3,956</b>	<b>6,055</b>	<b>4,849</b>	-	-	-		<b>+377</b>
Japan	+16.1%	(16.0%)	(41.1%)	+0.8%	+6.8%	-	-	-		-
North America	(44.0%)	(20.3%)	(9.8%)	(63.4%)	+18.0%	-	-	-		-
Latin America	+103.4%	+193.0%	(69.1%)	+94.7%	(66.8%)	-	-	-		-
Europe	+129.2%	+432.5%	+50.1%	+22.3%	(58.2%)	-	-	-		-
Other	+16.8%	+291.6%	(30.7%)	+243.2%	+251.8%	-	-	-		-
Overseas	+4.8%	+118.0%	(13.0%)	(14.7%)	+17.7%	-	-	-		-
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+9.6%</b>	<b>(34.1%)</b>	<b>(5.3%)</b>	<b>+8.4%</b>	-	-	-		-
Japan	85.3%	62.0%	67.3%	64.5%	84.1%	-	-	-		(1.3%)
North America	4.7%	8.2%	16.4%	10.2%	5.2%	-	-	-		+0.4%
Latin America	2.7%	6.6%	0.6%	9.4%	0.8%	-	-	-		(1.9%)
Europe	4.8%	15.2%	6.8%	8.2%	1.8%	-	-	-		(2.9%)
Other	2.5%	8.0%	8.9%	7.7%	8.1%	-	-	-		+5.6%
Overseas	14.7%	38.0%	32.7%	35.5%	15.9%	-	-	-		+1.3%
<b>Sales (Composition)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	-	-	-		<b>+0.0%</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 02/2018	Q2 02/2018	Q3 02/2018	Q4 02/2018	Q1 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019		
Cash & Deposit	6,152	6,000	6,392	6,568	5,236	-	-	-	-	(916)
Accounts Receivables	4,352	5,028	4,341	4,451	4,576	-	-	-	-	+223
Inventory	3,094	3,344	4,061	3,185	2,998	-	-	-	-	(95)
Other	720	639	718	579	545	-	-	-	-	(175)
<b>Current Assets</b>	<b>14,320</b>	<b>15,012</b>	<b>15,514</b>	<b>14,784</b>	<b>13,356</b>	-	-	-	-	<b>(964)</b>
Tangible Assets	3,205	3,219	3,355	3,370	3,471	-	-	-	-	+266
Intangible Assets	43	32	20	102	96	-	-	-	-	+52
Investments & Other Assets	869	857	864	868	860	-	-	-	-	(9)
<b>Fixed Assets</b>	<b>4,118</b>	<b>4,109</b>	<b>4,240</b>	<b>4,341</b>	<b>4,428</b>	-	-	-	-	<b>+309</b>
<b>Total Assets</b>	<b>18,439</b>	<b>19,122</b>	<b>19,755</b>	<b>19,125</b>	<b>17,784</b>	-	-	-	-	<b>(655)</b>
Accounts Payables	2,893	3,289	3,273	2,823	2,510	-	-	-	-	(383)
Short Term Debt	-	-	-	-	-	-	-	-	-	-
Other	3,139	2,966	3,458	2,741	2,258	-	-	-	-	(881)
<b>Current Liabilities</b>	<b>6,033</b>	<b>6,256</b>	<b>6,731</b>	<b>5,564</b>	<b>4,768</b>	-	-	-	-	<b>(1,264)</b>
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	325	333	336	318	323	-	-	-	-	(1)
<b>Fixed Liabilities</b>	<b>325</b>	<b>333</b>	<b>336</b>	<b>318</b>	<b>323</b>	-	-	-	-	<b>(1)</b>
<b>Total Liabilities</b>	<b>6,358</b>	<b>6,589</b>	<b>7,067</b>	<b>5,883</b>	<b>5,092</b>	-	-	-	-	<b>(1,265)</b>
<b>Shareholders' Equity</b>	<b>12,339</b>	<b>12,800</b>	<b>12,915</b>	<b>13,543</b>	<b>12,973</b>	-	-	-	-	<b>+633</b>
Adjustments	(258)	(267)	(226)	(301)	(281)	-	-	-	-	(23)
<b>Total Assets</b>	<b>12,081</b>	<b>12,532</b>	<b>12,688</b>	<b>13,242</b>	<b>12,691</b>	-	-	-	-	<b>+610</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>18,439</b>	<b>19,122</b>	<b>19,755</b>	<b>19,125</b>	<b>17,784</b>	-	-	-	-	<b>(655)</b>
Equity Capital	12,081	12,532	12,688	13,242	12,691	-	-	-	-	+610
Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-
Net Debt	(6,152)	(6,000)	(6,392)	(6,568)	(5,236)	-	-	-	-	+916
Equity Capital Ratio	65.5%	65.5%	64.2%	69.2%	71.4%	-	-	-	-	-
Net-Debt-Equity Ratio	(50.9%)	(47.9%)	(50.4%)	(49.6%)	(41.3%)	-	-	-	-	-
ROE (12 months)	11.1%	12.6%	9.0%	11.6%	12.5%	-	-	-	-	-
ROA (12 months)	12.3%	13.2%	9.4%	10.4%	11.5%	-	-	-	-	-
Total Assets Turnover	97%	111%	80%	127%	109%	-	-	-	-	-
Inventory Turnover	3.8	4.1	2.6	5.0	4.3	-	-	-	-	-
Days of Inventory	97	90	139	73	84	-	-	-	-	-
Quick Ratio	174%	176%	159%	198%	206%	-	-	-	-	-
Current Ratio	237%	240%	230%	266%	280%	-	-	-	-	-

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 02/2018	Q1 to Q2 02/2018	Q1 to Q3 02/2018	Q1 to Q4 02/2018	Q1 02/2019	Q1 to Q2 02/2019	Q1 to Q3 02/2019	Q1 to Q4 02/2019		
Operating Cash Flow	-	(375)	-	594	-	-	-	-	-	-
Investment Cash Flow	-	(224)	-	(493)	-	-	-	-	-	-
<b>Operating CF &amp; Investment CF</b>	<b>-</b>	<b>(600)</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	(368)	-	(499)	-	-	-	-	-	-

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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