# **Walden Research Japan**

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# FREUND CORPORATION (6312)

Consolidated FY		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Gales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
FY02/2018		19,801	1,971	1,994	1,477	85.69	20.00	767.91
FY02/2019		18,408	1,223	1,326	843	50.15	20.00	791.34
FY02/2020CoE		17,500	1,000	1,000	700	41.80	20.00	
FY02/2019	YoY	(7.0%)	(37.9%)	(33.5%)	(42.9%)	-	-	-
FY02/2020CoE	YoY	(4.9%)	(18.2%)	(24.6%)	(17.0%)	-	-	_
Consolidated Half Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q2 FY02/2019		9,117	592	684	466	-	-	-
Q3 to Q4 FY02/2019		9,291	630	642	377	-	-	-
Q1 to Q2 FY02/2020		6,817	3	6	(7)	-	-	-
Q3 to Q4 FY02/2020CoE		10,682	996	993	707	-	-	-
Q1 to Q2 FY02/2020	YoY	(25.2%)	(99.4%)	(99.1%)	-	-	-	-
Q3 to Q4 FY02/2020CoE	YoY	15.0%	58.1%	54.8%	87.6%	-	-	

Source: Company Data, WRJ Calculation

## 1.0 Results Update (1 October 2019)

#### **H2 Concentration**

On 1 October 2019, FREUND CORPORATION, developing, manufacturing and selling equipment and chemicals, released its Q1 to Q2 FY02/2020 results. As initially anticipated, it has been revealed that recent trading suggests concentration of sales and earnings in H2. In line with sales falling sharply over the same period of the previous year, it becomes difficult to recover fixed costs, resulting in a break-even profit for earnings. However, the Company expects major improvements in earnings in H2 due to the concentration of sales booking. Risks are mainly attributable to a "delayed sales" in Q4, when sales are considered to be concentrated in particular. On the Equipment side, which is centered on pharmaceutical-related, the timing of booking sales of projects could be delayed due to delays in acceptance inspections and other factors. In addition, there are projects of large scale. If this "delayed sales" occurs, there is a possibility that full-year results will fall short of Company forecasts. Meanwhile, we are planning to attend the financial results briefing held on 9 October in order to obtain more detailed information as well as interviewing with management afterwards. In view of the details of both, we are planning to renew and re-release FREUND CORPORATION (6312) Stabilization (2 August 2019).

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## 2.0 Company Profile

## **Equipment and Chemicals**

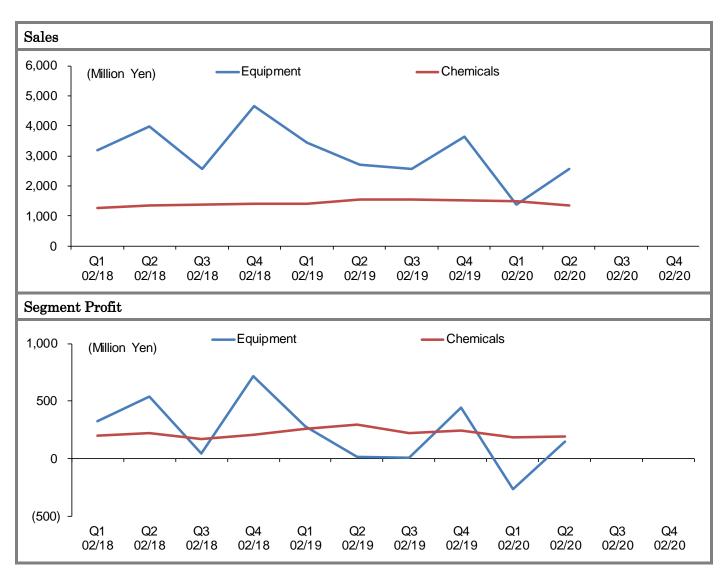
Company Name	FREUND CORPORATION
	Company Website IR Information  FREUND
	IR Information FREUND
	Share Price (Japanese)
Established	22 April 1964
Listing	24 July 1996: Tokyo Stock Exchange JASDAQ Standard (ticker: 6312)
Capital	¥1,035m (as of the end of August 2019)
No. of Shares	18,400,000 shares, including $1,655,480$ treasury shares (as of the end of Aug. $2019$ )
Main Features	Leading the market of Japan for granulation / coating equipment with
	market share of 60% to 70%
	• Focus on new products, e.g., tablet-printing equipment (TABREX),
	rechargeable-battery-related manufacturing equipment
	Pharmaceutical excipients, the key growth driver on the Chemicals side
Business Segments	I . Equipment
	II . Chemicals
Top Management	President & CEO: Iwao Fusejima
Shareholders	KK Fusejima Yokosha 8.9%, Yasutoyo Fusejima 7.0%, MUFG Bank 4.5%
	(as of the end of August 2019)
Headquarters	FREUND Building, 6-25-13 Nishishinjuku, Shinjuku-ku, Tokyo, JAPAN
No. of Employees	Consolidated: 383, Parent: 215 (as of the end of May 2019)

Source: Company Data

## 3.0 Recent Trading and Prospects

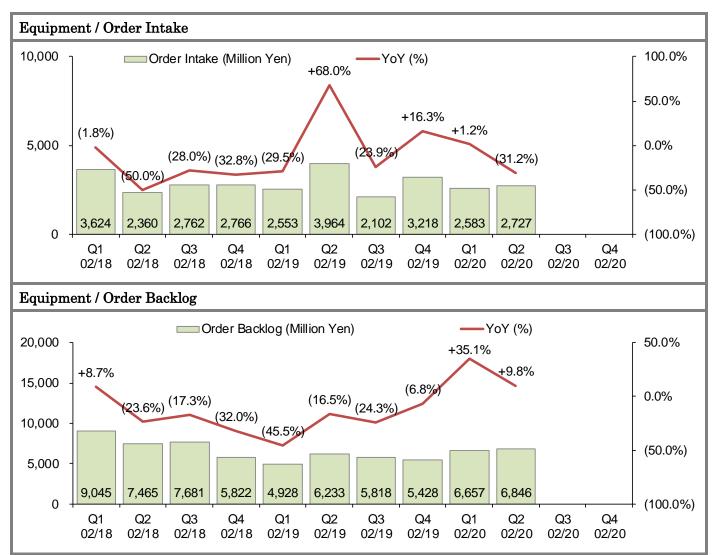
#### Q1 to Q2 FY02/2020 Results

In Q1 to Q2 FY02/2020, sales came in at ¥6,817m (down 25.2% YoY), operating profit ¥3m (down 99.4%), recurring profit ¥6m (down 99.1%) and profit attributable to owners of parent ¥7m (¥466m during the same period of the previous), while operating profit margin 0.0% (down 6.5% points).



Source: Company Data, WRJ Calculation

On the Equipment side, centered on pharmaceutical-related represented by granulation / coating equipment, sales came in at \(\frac{\pmathbf{X}}{3},964\mathbf{m}\) (down 35.5%), segment profit minus \(\frac{\pmathbf{X}}{119\mathbf{m}}\) (\(\frac{\pmathbf{Y}}{291\mathbf{m}}\)) and segment profit margin minus 3.0% (down 7.8% points). By region, sales of Japan came in at \(\frac{\pmathbf{X}}{2},557\mathbf{m}\) (down 41.2%) and sales overseas \(\frac{\pmathbf{X}}{1},407\mathbf{m}\) (down 21.5%). Sales of Japan, accounting for the majority of this business segment as a whole, have remained at a low level in Q1 to Q2, due to the concentration of sales in H2. Meanwhile, sales overseas have come down due mainly to weakness in Asia, such as China and South Korea. In China, it is suggested that the decline in sales in industrial-related, represented by rechargeable-battery-related manufacturing equipment, is considerably large, while sales of mainstay pharmaceutical-related appear to be slowing down in South Korea.



Source: Company Data, WRJ Calculation

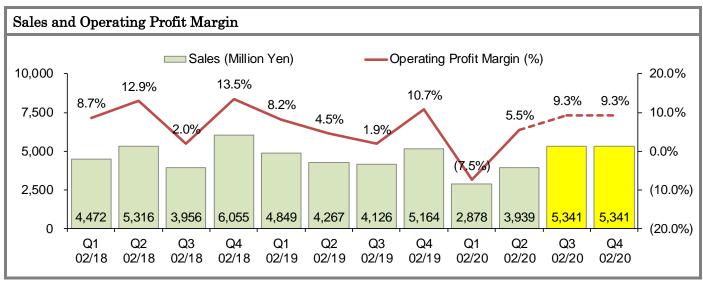
On the Equipment side, order intake in Q1 to Q2 came in at ¥5,311m (down 18.5%), ¥2,583m (up 1.2%) in Q1 and ¥2,727m (down 31.2%) in Q2. No significant recovery trend is observed in Japan and overseas. However, order backlog stood at ¥6,846m (up 9.8%) as of the end of Q2, which is cited as the basis for the concentration of sales in H2.

Meanwhile, on the Chemicals side, which focuses on pharmaceutical excipients, sales came in at \(\frac{4}{2},852\)m (down 4.0%), segment profit \(\frac{4}{3}82\)m (down 31.3%) and segment profit margin 13.4% (down 5.3% points). Sales and earnings came down for pharmaceutical excipients used as oral agents and also for food preservatives. Sales of pharmaceutical excipients are firm in Japan, but this is more than offset by production adjustments by large overseas customers. For food preservatives, the Company is aggressively trying to develop sales by cultivating overseas markets, but the impact of intensified competition is becoming greater.

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#### FY02/2020 Company Forecasts

FY02/2020 initial Company forecasts have remained unchanged, going for prospective sales of \(\frac{\pmathbf{\frac{4}}}{17,500m}\) (down 4.9% YoY), operating profit of \(\frac{\pmathbf{\frac{4}}}{1,000m}\) (down 18.2%), recurring profit of \(\frac{\pmathbf{\frac{4}}}{1,000m}\) (down 24.6%) and profit attributable to owners of parent of \(\frac{\pmathbf{\frac{4}}}{100m}\) (down 17.0%), while operating profit margin of 5.7% (down 0.9% points). At the same time, Company forecasts for annual dividend have also remained unchanged, going for \(\frac{\pmathbf{2}}{20.00}\) per share, implying payout ratio of 47.8%. Compared with \(\frac{\pmathbf{2}}{20.00}\) per share, implying payout ratio of 39.9%), in \(\frac{\pmathbf{Y}}{100m}\) (a company would maintain the amount of dividend. This is to be done, in spite of adjustments of profit attributable to owners of parent, i.e., source of dividend. It appears that the Company maintains its emphasis on returning earnings to shareholders.



## 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	
moone statement	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg.
Sales	4,849	9,117	13,243	18,408	2,878	6,817	-	-	(2,299)
Cost of Sales	3,245	6,100	8,874	12,220	1,830	4,400	_	_	(1,700)
Gross Profit	1,604	3,016	4,368	6,188	1,047	2,416	_	_	(599)
SG&A Expenses	1,204	2,423	3,698	4,964	1,262	2,413	_	_	(9)
Operating Profit	399	592	670	1,223	(214)	3	_	_	(589)
Non Operating Balance	79	91	100	103	(2)	2	_	_	(88)
Recurring Profit	478	684	770	1,326	(217)	6	_	_	(678)
Extraordinary Balance	21	21	22	(70)	7	11	_	-	(10)
Profit before Income Taxes	500	705	792	1,255	(210)	17	_	-	(688)
Total Income Taxes	153	239	269	412	(52)	24	_	-	(214)
Profit Attributable to Owners of Parent	347	466	523	843	(158)	(7)	_	-	(474)
Sales YoY	+8.4%	(6.9%)	(3.7%)	(7.0%)	(40.6%)	(25.2%)	-	-	-
Operating Profit YoY	+3.0%	(44.8%)	(41.9%)	(37.9%)	-	(99.4%)	-	-	-
Recurring Profit YoY	+20.3%	(37.3%)	(34.4%)	(33.5%)	-	(99.1%)	-	-	-
Profit Attributable to Owners of Parent YoY	+26.6%	(36.5%)	(38.4%)	(42.9%)	-	-	-	-	-
Gross Profit Margin	33.1%	33.1%	33.0%	33.6%	36.4%	35.4%	-	-	+2.4%
Sales to SG&A Expenses Ratio	24.8%	26.6%	27.9%	27.0%	43.9%	35.4%	-	-	+8.8%
Operating Profit Margin	8.2%	6.5%	5.1%	6.6%	(7.5%)	0.0%	-	-	(6.5%)
Recurring Profit Margin	9.9%	7.5%	5.8%	7.2%	(7.6%)	0.1%	-	-	(7.4%)
Profit Attributable to Owners of Parent Margin	7.2%	5.1%	4.0%	4.6%	(5.5%)	(0.1%)	-	-	(5.2%)
Total Income Taxes / Profit before Income Taxes	30.6%	33.9%	34.0%	32.8%	-	145.1%	-	-	+111.2%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
meome Statement	COIIS.ACL	COIIS.ACL	COIIS.ACI	Colls.Act	COIIS.ACI	00113.701	OUII3.ACC	COIIS.ACL	
moone statement	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)									YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019	Q1 02/2020	Q2 02/2020	Q3	Q4	Net Chg.
(Million Yen) Sales	Q1 02/2019 4,849	Q2 02/2019 4,267	Q3 02/2019 4,126	Q4 02/2019 5,164	Q1 02/2020 2,878	Q2 02/2020 3,939	Q3	Q4	Net Chg. (328)
(Million Yen) Sales Cost of Sales	Q1 02/2019 4,849 3,245	Q2 02/2019 4,267 2,855	Q3 02/2019 <b>4,126</b> 2,773	Q4 02/2019 <b>5,164</b> 3,345	Q1 02/2020 2,878 1,830	Q2 02/2020 3,939 2,570	Q3	Q4	Net Chg. (328) (285)
(Million Yen) Sales Cost of Sales Gross Profit	Q1 02/2019 4,849 3,245 1,604	Q2 02/2019 <b>4,267</b> 2,855 1,412	Q3 02/2019 <b>4,126</b> 2,773 1,352	Q4 02/2019 <b>5,164</b> 3,345 1,819	Q1 02/2020 2,878 1,830 1,047	Q2 02/2020 3,939 2,570 1,368	Q3	Q4	Net Chg. (328) (285) (43)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 02/2019 4,849 3,245 1,604 1,204	Q2 02/2019 <b>4,267</b> 2,855 1,412 1,218	Q3 02/2019 <b>4,126</b> 2,773 1,352 1,275	Q4 02/2019 5,164 3,345 1,819 1,266	Q1 02/2020 2,878 1,830 1,047 1,262	Q2 02/2020 3,939 2,570 1,368 1,150	Q3	Q4	(328) (285) (43) (67)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 02/2019 4,849 3,245 1,604 1,204 399	Q2 02/2019 4,267 2,855 1,412 1,218 193	Q3 02/2019 4,126 2,773 1,352 1,275 77	Q4 02/2019 5,164 3,345 1,819 1,266 552	Q1 02/2020 2,878 1,830 1,047 1,262 (214)	Q2 02/2020 3,939 2,570 1,368 1,150 218	Q3	Q4	(328) (285) (43) (67) +24
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 02/2019 4,849 3,245 1,604 1,204 399 79	Q2 02/2019 4,267 2,855 1,412 1,218 193 11	Q3 02/2019 4,126 2,773 1,352 1,275 77 8	Q4 02/2019 5,164 3,345 1,819 1,266 552 2	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5	Q3	Q4	Net Chg. (328) (285) (43) (67) +24 (6)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205	Q3 02/2019 4,126 2,773 1,352 1,275 77 8	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5	Q3	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76	Q3	Q4	(328) (285) (43) (67) +24 (6) +17 +3 +21 (9)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150	Q3	Q4	(328) (285) (43) (67) +24 (6) +17 +3 +21
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent Sales Yoy	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%)	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150	Q3	Q4	(328) (285) (43) (67) +24 (6) +17 +3 +21 (9)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes Profit Attributable to Owners of Parent	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%)	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5%	Q3	Q4	(328) (285) (43) (67) +24 (6) +17 +3 +21 (9)
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales YoY  Operating Profit YoY  Recurring Profit YoY	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%)	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.2%)	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	(328) (285) (43) (67) +24 (6) +17 +3 +21 (9)
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales Yoy Operating Profit Yoy  Recurring Profit Yoy  Profit Attributable to Owners of Parent Yoy	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%)	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%)	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.2%) (49.1%)	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3%	Q3	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales Yoy Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY  Gross Profit Margin	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6% 33.1%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%) 33.1%	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%) 32.8%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.2%) (49.1%) 35.2%	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31 +1.7%
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6% 33.1% 24.8%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%) 33.1% 28.5%	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%) 32.8% 30.9%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.5%) (49.1%) 35.2% 24.5%	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%) - - - 36.4% 43.9%	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3% 34.7% 29.2%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31 +1.7% +0.7%
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6% 33.1% 24.8% 8.2%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%) 33.1% 28.5% 4.5%	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%) 32.8% 30.9% 1.9%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.5%) (49.1%) 35.2% 24.5% 10.7%	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%) - - 36.4% 43.9% (7.5%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3% 34.7% 29.2% 5.5%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31 +1.7% +0.7% +1.0%
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales YoY  Operating Profit YoY  Recurring Profit YoY  Profit Attributable to Owners of Parent YoY  Gross Profit Margin  Sales to SG&A Expenses Ratio  Operating Profit Margin  Recurring Profit Margin	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6% 33.1% 24.8% 8.2% 9.9%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%) 33.1% 28.5% 4.5% 4.8%	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%) 32.8% 30.9% 1.9% 2.1%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.2%) (49.1%) 35.2% 24.5% 10.7% 10.8%	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%) - - - - 36.4% 43.9% (7.5%) (7.6%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3% 34.7% 29.2% 5.5% 5.7%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31
(Million Yen)  Sales  Cost of Sales Gross Profit SG&A Expenses  Operating Profit Non Operating Balance  Recurring Profit Extraordinary Balance  Profit before Income Taxes Total Income Taxes  Profit Attributable to Owners of Parent  Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Q1 02/2019 4,849 3,245 1,604 1,204 399 79 478 21 500 153 347 +8.4% +3.0% +20.3% +26.6% 33.1% 24.8% 8.2%	Q2 02/2019 4,267 2,855 1,412 1,218 193 11 205 0 205 86 118 (19.7%) (71.8%) (70.4%) (74.1%) 33.1% 28.5% 4.5%	Q3 02/2019 4,126 2,773 1,352 1,275 77 8 86 0 86 29 57 +4.3% (0.9%) +4.3% (50.1%) 32.8% 30.9% 1.9%	Q4 02/2019 5,164 3,345 1,819 1,266 552 2 555 (92) 462 142 319 (14.7%) (32.5%) (32.5%) (49.1%) 35.2% 24.5% 10.7%	Q1 02/2020 2,878 1,830 1,047 1,262 (214) (2) (217) 7 (210) (52) (158) (40.6%) - - 36.4% 43.9% (7.5%)	Q2 02/2020 3,939 2,570 1,368 1,150 218 5 223 3 227 76 150 (7.7%) +12.5% +8.7% +26.3% 34.7% 29.2% 5.5%	Q3 02/2020 - - - - - - - - - - - - - - - - - -	Q4	Net Chg. (328) (285) (43) (67) +24 (6) +17 +3 +21 (9) +31 +1.7% +0.7% +1.0%

## Segmented Information (Cumulative, Quarterly)

	Cons Act								
Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg
Equipment	3,433	6,145	8,723	12,368	1,386	3,964	-	-	(2,180)
Chemicals	1,416	2,971	4,519	6,040	1,491	2,852	-	-	(118)
Sales	4,849	9,117	13,243	18,408	2,878	6,817	<del>-</del> -		(2,299)
Machinery	+7.4%	(14.3%)	(10.5%)	(14.1%)	(59.6%)	(35.5%)	-	-	•
Chemicals	+11.1%	+13.5%	+13.0%	+11.9%	+5.3%	(4.0%)	-	-	•
Sales (YoY)	+8.4%	(6.9%)	(3.7%)	(7.0%)	(40.6%)	(25.2%)			<del>-</del>
Equipment	70.8%	67.4%	65.9%	67.2%	48.2%	58.2%	-	-	•
Chemicals	29.2%	32.6%	34.1%	32.8%	51.8%	41.8%	-	-	
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			(444)
Equipment	278	291	295	737	(267)	(119)	-	-	(411)
Chemicals	259	556	781	1,024	187	382	-	-	(173)
Segment Profit	537	847	1,076	1,762	(79)	262	-	-	(585)
Elimination	(138)	(254)	(406)	(538)	(135)	(259)	-	-	(4)
Operating Profit	399	592	670	1,223	(214)	3	<del>-</del> -		(589)
Equipment Chemicals	(14.8%)	(66.5%)	(67.5%)	(54.8%)	(27.00/)	(24.20/)	-	-	
	+32.5%	+32.1%	+31.5%	+27.9%	(27.8%)	(31.3%)	-	-	•
Segment Profit (YoY)	+2.9%	(34.3%)	(28.4%)	(27.6%)	<del>-</del>	(69.0%)	<del>-</del>		
Equipment Chemicals	51.7%	34.4%	27.5%	41.8%	-	(45.7%)	-	-	-
	48.3%	65.6%	72.5%	58.2%	-	145.7%	-	-	-
Segment Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	(10.30/)	100.0%	<del>-</del>		(7.00/)
Equipment	8.1%	4.7%	3.4%	6.0%	(19.3%)	(3.0%)	-	-	(7.8%)
Chemicals	18.3%	18.7%	17.3%	17.0%	12.6%	13.4%	-	-	(5.3%)
Elimination	(2.9%)	(2.8%)	(3.1%)	(2.9%)	(4.7%) <b>(7.5%)</b>	(3.8%) <b>0.0%</b>	-	-	(1.0%)
Operating Profit Margin	8.2%	6.5%	5.1%	6.6%	(7.5%)	0.0%	-	-	(6.5%)
Seamented Information	Cons Act					Cons Act	Cone Act	Conc Act	
Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	VoV
	Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Q2	Q3	Q4	YoY Net Cha
(Million Yen)	Q1 02/2019	Cons.Act Q2 02/2019	Cons.Act Q3 02/2019	Cons.Act Q4 02/2019	Cons.Act Q1 02/2020	Q2 02/2020			Net Chg.
(Million Yen) Equipment	Q1 02/2019 3,433	Cons.Act Q2 02/2019 2,712	Cons.Act Q3 02/2019 2,577	Cons.Act Q4 02/2019 3,644	Cons.Act Q1 02/2020 1,386	<b>Q2</b> <b>02/2020</b> 2,578	Q3	Q4	Net Chg. (134)
(Million Yen) Equipment Chemicals	Q1 02/2019 3,433 1,416	Cons.Act Q2 02/2019 2,712 1,555	Q3 02/2019 2,577 1,548	Cons. Act Q4 02/2019 3,644 1,520	Cons.Act Q1 02/2020 1,386 1,491	Q2 02/2020 2,578 1,360	Q3	Q4	Net Chg. (134) (194)
(Million Yen) Equipment Chemicals Sales	Q1 02/2019 3,433 1,416 <b>4,849</b>	Cons.Act Q2 02/2019 2,712 1,555 4,267	Cons.Act Q3 02/2019 2,577 1,548 4,126	Cons.Act Q4 02/2019 3,644 1,520 5,164	Cons.Act Q1 02/2020 1,386 1,491 2,878	<b>Q2 02/2020</b> 2,578 1,360 <b>3,939</b>	Q3	Q4	Net Chg. (134) (194)
(Million Yen) Equipment Chemicals Sales Machinery	Q1 02/2019 3,433 1,416 4,849 +7.4%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%)	Q3 02/2019 2,577 1,548 4,126 +0.1%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%)	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%)	Q2 02/2020 2,578 1,360 3,939 (5.0%)	Q3	Q4	Net Chg. (134) (194)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1%	Q2 02/2019 2,712 1,555 <b>4,267</b> (31.7%) +15.8%	Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1%	Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3%	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%)	Q3	Q4	Net Chg. (134) (194)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4%	Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%)	Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3%	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%)	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%)	Q3	Q4	Net Chg. (134) (194)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6%	Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2%	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5%	Q3	Q4	Net Chg. (134) (194)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4%	Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5%	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8%	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5%	Q3	Q4	Net Chg. (134) (194)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0%	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0%	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% 44.3% 62.5% 37.5% 100.0% 4 224	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138)	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116)	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151)	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132)	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124)	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Sagment Profit Elimination  Operating Profit	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399 (14.8%)	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%)	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%)	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552 (38.7%)	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit  Equipment Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399 (14.8%) +32.5%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552 (38.7%) +17.5%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124)	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit Equipment Chemicals  Segment Profit Equipment Chemicals  Segment Profit Equipment Chemicals  Segment Profit	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399 (14.8%)	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%)	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% +6.6%	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552 (38.7%) +17.5% (26.2%)	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit  Equipment Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399 (14.8%) +32.5% +2.9%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9% (59.6%)	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% +6.6% 1.8%	Cons.Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552 (38.7%) +17.5%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218 - (34.3%) +10.4%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit  Equipment Chemicals  Segment Profit  Equipment Chemicals  Segment Profit  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0% 278 259 537 (138) 399 (14.8%) +32.5% +2.9% 51.7% 48.3%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9% (59.6%) 4.3% 95.7%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% -6.6% 1.8% 98.2%	Cons. Act Q4 02/2019 3,644 1,520	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218 - (34.3%) +10.4% 43.0% 57.0%	Q3	Q4	Net Chg. (134) (194) (328)
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit Equipment Chemicals  Segment Profit (YoY)  Equipment Chemicals  Segment Profit (YoY)  Equipment Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%  278 259 537 (138) 399 (14.8%) +32.5% +2.9% 51.7% 48.3% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9% (59.6%) 4.3% 95.7% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% +6.6% 98.2% 100.0%	Cons.Act Q4 02/2019 3,644 1,520	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214) - (27.8%)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218 (34.3%) +10.4% 43.0% 57.0% 100.0%	Q3	Q4	Net Chg. (134) (194) (328)  +133 (101) +32 (7) +24
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit  Equipment Chemicals  Segment Profit  Equipment Chemicals  Segment Profit  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals  Chemicals	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%  278 259 537 (138) 399 (14.8%) +32.5% +2.9% 51.7% 48.3% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9% (59.6%) 4.3% 95.7% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% -6.6% 1.8% 98.2% 100.0%	Cons. Act Q4 02/2019 3,644 1,520 5,164 (21.7%) +8.6% (14.7%) 70.6% 29.4% 100.0% 441 243 685 (132) 552 (38.7%) +17.5% (26.2%) 64.5% 35.5% 100.0%	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214) - (27.8%) (19.3%)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218 (34.3%) +10.4% 43.0% 57.0% 100.0% 5.7%	Q3	Q4	Net Chg. (134) (194) (328)  +133 (101) +32 (7) +24
(Million Yen)  Equipment Chemicals  Sales  Machinery Chemicals  Sales (YoY)  Equipment Chemicals  Sales (Composition Ratio)  Equipment Chemicals  Segment Profit Elimination  Operating Profit Equipment Chemicals  Segment Profit (YoY)  Equipment Chemicals  Segment Profit (YoY)  Equipment Chemicals  Segment Profit (Composition Ratio)  Equipment	Q1 02/2019 3,433 1,416 4,849 +7.4% +11.1% +8.4% 70.8% 29.2% 100.0%  278 259 537 (138) 399 (14.8%) +32.5% +2.9% 51.7% 48.3% 100.0%	Cons.Act Q2 02/2019 2,712 1,555 4,267 (31.7%) +15.8% (19.7%) 63.6% 36.4% 100.0% 13 296 309 (116) 193 (97.5%) +31.9% (59.6%) 4.3% 95.7% 100.0%	Cons.Act Q3 02/2019 2,577 1,548 4,126 +0.1% +12.1% +4.3% 62.5% 37.5% 100.0% 4 224 229 (151) 77 (90.0%) +30.0% +6.6% 98.2% 100.0%	Cons.Act Q4 02/2019 3,644 1,520	Cons.Act Q1 02/2020 1,386 1,491 2,878 (59.6%) +5.3% (40.6%) 48.2% 51.8% 100.0% (267) 187 (79) (135) (214) - (27.8%)	Q2 02/2020 2,578 1,360 3,939 (5.0%) (12.5%) (7.7%) 65.5% 34.5% 100.0% 147 194 342 (124) 218 (34.3%) +10.4% 43.0% 57.0% 100.0%	Q3	Q4	

## Sales by Region / Equipment (Cumulative, Quarterly)

Sales by Region / Equipment	Cons.Act	Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg.
Japan	2,783	4,352	5,846	7,312	894	2,557	-	-	(1,794)
North America / Latin America	289	1,007	1,726	3,352	308	1,005	-	-	(2)
Europe / Africa	80	141	270	337	81	150	-	-	+8
Middle East / Asia / Oceania	279	643	879	1,366	101	251	-	-	(392)
Overseas	649	1,793	2,876	5,055	491	1,407	-	-	(386)
Sales	3,433	6,145	8,723	12,368	1,386	3,964		-	(2,180)
Japan	+8.5%	(4.5%)	(0.6%)	(13.9%)	(67.9%)	(41.2%)	-	-	
North America / Latin America	(12.7%)	(10.0%)	(3.8%)	+12.5%	+6.7%	(0.2%)	-	-	-
Europe / Africa	(62.0%)	(86.1%)	(79.0%)	(81.1%)	+1.2%	+6.2%	-	-	-
Middle East / Asia / Oceania	+215.0%	+35.8%	+12.5%	+19.1%	(63.6%)	(61.0%)	-	-	-
Overseas	+2.9%	(31.4%)	(25.6%)	(14.5%)	(24.3%)	(21.5%)	-	-	-
Sales (YoY)	+7.4%	(14.3%)	(10.5%)	(14.1%)	(59.6%)	(35.5%)	-	-	
Japan	81.1%	70.8%	67.0%	59.1%	64.5%	64.5%	-	-	-
North America / Latin America	8.4%	16.4%	19.8%	27.1%	22.3%	25.4%	-	-	
Europe / Africa	2.3%	2.3%	3.1%	2.7%	5.9%	3.8%	-	-	
Middle East / Asia / Oceania	8.2%	10.5%	10.1%	11.0%	7.3%	6.3%	-	-	
Overseas	18.9%	29.2%	33.0%	40.9%	35.5%	35.5%	-	-	-
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	
Sales by Region / Equipment	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg.
Japan	2,783								+94
	2,700	1,568	1,494	1,466	894	1,662	-	-	
North America / Latin America	289	1,568 718	1,494 718	1,466 1,625	894 308	1,662 696	-		(21)
North America / Latin America Europe / Africa	,	,	,	,		,	- -	-	
	289	718	718	1,625	308	696	- - -	:	+7
Europe / Africa	289 80	718 61	718 129	1,625 66	308 81	696 69	- - -		(21) +7 (214) (228)
Europe / Africa Middle East / Asia / Oceania	289 80 279	718 61 363	718 129 235	1,625 66 486	308 81 101	696 69 149	- - - -		+7 (214)
Europe / Africa Middle East / Asia / Oceania Overseas	289 80 279 649	718 61 363 1,143	718 129 235 1,083	1,625 66 486 2,178	308 81 101 491	696 69 149 915	- - - - -	- - - - -	+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales	289 80 279 649 <b>3,433</b>	718 61 363 1,143 <b>2,712</b>	718 129 235 1,083 <b>2,577</b>	1,625 66 486 2,178 <b>3,644</b>	308 81 101 491 <b>1,386</b>	696 69 149 915 <b>2,578</b>	- - - - -		+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan	289 80 279 649 <b>3,433</b> +8.5%	718 61 363 1,143 <b>2,712</b> (21.3%)	718 129 235 1,083 2,577 +12.9%	1,625 66 486 2,178 <b>3,644</b> (43.8%)	308 81 101 491 <b>1,386</b> (67.9%)	696 69 149 915 <b>2,578</b> +6.0%	- - - - - -		+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America	289 80 279 649 <b>3,433</b> +8.5% (12.7%)	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%)	718 129 235 1,083 <b>2,577</b> +12.9% +6.4%	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2%	308 81 101 491 <b>1,386</b> (67.9%) +6.7%	696 69 149 915 <b>2,578</b> +6.0% (3.0%)			+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa	289 80 279 649 <b>3,433</b> +8.5% (12.7%) (62.0%)	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%)	718 129 235 1,083 <b>2,577</b> +12.9% +6.4% (52.0%)	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2% (86.6%)	308 81 101 491 <b>1,386</b> (67.9%) +6.7% +1.2%	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8%	- - - - - - - - - - -		+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania	289 80 279 649 <b>3,433</b> +8.5% (12.7%) (62.0%) +215.0%	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%)	718 129 235 1,083 <b>2,577</b> +12.9% +6.4% (52.0%) (23.4%)	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2% (86.6%) +33.0%	308 81 101 491 <b>1,386</b> (67.9%) +6.7% +1.2% (63.6%)	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%)	- - - - - - - - - - - - - - - - - - -		+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania Overseas	289 80 279 649 <b>3,433</b> +8.5% (12.7%) (62.0%) +215.0% +2.9%	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%) (42.3%)	718 129 235 1,083 2,577 +12.9% +6.4% (52.0%) (23.4%) (13.5%)	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2% (86.6%) +33.0% +6.5%	308 81 101 491 <b>1,386</b> (67.9%) +6.7% +1.2% (63.6%) (24.3%)	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%) (20.0%)	- - - - - - - - - - - - - - - - - - -	-	+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania Overseas Sales (YoY)	289 80 279 649 <b>3,433</b> +8.5% (12.7%) (62.0%) +215.0% +2.9% + <b>7.4%</b>	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%) (42.3%) (31.7%)	718 129 235 1,083 2,577 +12.9% +6.4% (52.0%) (23.4%) (13.5%) +0.1%	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2% (86.6%) +33.0% +6.5% (21.7%)	308 81 101 491 <b>1,386</b> (67.9%) +6.7% +1.2% (63.6%) (24.3%) (59.6%)	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%) (20.0%)	- - - - - - - - - - - - - - - - - - -	-	+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania Overseas Sales (YoY) Japan	289 80 279 649 3,433 +8.5% (12.7%) (62.0%) +215.0% +2.9% +7.4% 81.1%	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%) (42.3%) (31.7%) 57.8%	718 129 235 1,083 2,577 +12.9% +6.4% (52.0%) (23.4%) (13.5%) +0.1%	1,625 66 486 2,178 3,644 (43.8%) +37.2% (86.6%) +33.0% +6.5% (21.7%)	308 81 101 491 1,386 (67.9%) +6.7% +1.2% (63.6%) (24.3%) (59.6%)	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%) (20.0%) <b>(5.0%)</b>	- - - - - - - - - - - - - - - - - - -	-	+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania Overseas Sales (YoY) Japan North America / Latin America	289 80 279 649 3,433 +8.5% (12.7%) (62.0%) +215.0% +2.9% +7.4% 81.1% 8.4%	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%) (42.3%) (31.7%) 57.8% 26.5%	718 129 235 1,083 2,577 +12.9% +6.4% (52.0%) (23.4%) (13.5%) +0.1% 58.0% 27.9%	1,625 66 486 2,178 3,644 (43.8%) +37.2% (86.6%) +33.0% +6.5% (21.7%) 40.2% 44.6%	308 81 101 491 <b>1,386</b> (67.9%) +6.7% +1.2% (63.6%) (24.3%) (59.6%) 64.5% 22.3%	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%) (20.0%) <b>(5.0%)</b> 64.5% 27.0%	- - - - - - - - - - - - - - - - - - -	-	+7 (214) (228)
Europe / Africa Middle East / Asia / Oceania Overseas Sales Japan North America / Latin America Europe / Africa Middle East / Asia / Oceania Overseas Sales (YoY) Japan North America / Latin America Europe / Africa	289 80 279 649 3,433 +8.5% (12.7%) (62.0%) +215.0% +2.9% +7.4% 81.1% 8.4% 2.3%	718 61 363 1,143 <b>2,712</b> (21.3%) (8.8%) (92.4%) (5.5%) (42.3%) (31.7%) 57.8% 26.5% 2.3%	718 129 235 1,083 2,577 +12.9% +6.4% (52.0%) (23.4%) (13.5%) +0.1% 58.0% 27.9% 5.0%	1,625 66 486 2,178 <b>3,644</b> (43.8%) +37.2% (86.6%) +33.0% +6.5% (21.7%) 40.2% 44.6% 1.8%	308 81 101 491 1,386 (67.9%) +6.7% +1.2% (63.6%) (24.3%) (59.6%) 64.5% 22.3% 5.9%	696 69 149 915 <b>2,578</b> +6.0% (3.0%) +12.8% (59.0%) (20.0%) <b>(5.0%)</b> 64.5% 27.0%	- - - - - - - - - - - - - - - - - - -		+7 (214) (228)

## **Balance Sheet (Quarterly)**

Balance Sheet	Cons.Act	Cons. Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg.
Cash & Deposit	5,236	5,245	4,834	5,534	4,607	5,030	-	-	(215)
Accounts Receivables	4,576	4,377	4,499	4,332	4,039	3,800	-	-	(577)
Inventory	2,998	2,802	3,220	2,475	3,308	3,447	-	-	+645
Other	545	566	653	368	387	443	-	-	(123)
Current Assets	13,356	12,991	13,208	12,711	12,342	12,721	-	-	(269)
Tangible Assets	3,471	3,554	3,580	3,769	3,857	3,997	-	-	+442
Intangible Assets	96	91	93	16	17	16	-	-	(74)
Investments & Other Assets	860	847	843	951	1,009	978	-	-	+130
Fixed Assets	4,428	4,493	4,517	4,736	4,885	4,992	-	-	+499
Total Assets	17,784	17,484	17,726	17,448	17,227	17,713	-	-	+229
Accounts Payables	2,510	2,142	2,343	2,169	2,043	2,350	-	-	+208
Short Term Debt	-	-	-	-	-	-	-	-	-
Other	2,258	2,169	2,105	1,768	2,216	2,317	-	-	+148
Current Liabilities	4,768	4,312	4,449	3,938	4,259	4,668	-	-	+356
Long Term Debt	-	-	-	-	-	-	-	-	-
Other	323	319	323	258	244	238	-	-	(81)
Fixed Liabilities	323	319	323	258	244	238	-	-	(81)
Total Liabilities	5,092	4,632	4,772	4,197	4,504	4,906	-	-	+274
Shareholders' Equity	12,973	13,092	13,149	13,469	12,976	13,127	-	-	+34
Adjustments	(281)	(240)	(196)	(219)	(253)	(319)	-	-	(79)
Total Assets	12,691	12,852	12,953	13,250	12,723	12,807	-	-	(44)
Total Liabilities & Net Assets	17,784	17,484	17,726	17,448	17,227	17,713	-	-	+229
Equity Capital	12,691	12,852	12,953	13,250	12,723	12,807	-	-	(45)
Interest Bearing Debt	-	-	-	-	-	-	-	-	
Net Debt	(5,236)	(5,245)	(4,834)	(5,534)	(4,607)	(5,030)	-	-	+215
Equity Capital Ratio	71.4%	73.5%	73.1%	75.9%	73.9%	72.3%	-	-	
Net-Debt-Equity Ratio	(41.3%)	(40.8%)	(37.3%)	(41.8%)	(36.2%)	(39.3%)	-	-	
ROE (12 months)	12.5%	9.5%	9.0%	6.4%	2.7%	2.9%	-	-	
ROA (12 months)	11.5%	8.7%	8.5%	7.3%	3.6%	3.7%	-	-	-
Total Assets Turnover	109%	98%	93%	118%	67%	89%	-	-	
Inventory Turnover	4.3	4.1	3.4	5.4	2.2	3.0	-	-	
Days of Inventory	84	90	106	68	165	122	-	-	
Quick Ratio	206%	223%	210%	251%	203%	189%	-	-	
Current Ratio	280%	301%	297%	323%	290%	273%	_	-	

Source: Company Data, WRJ Calculation

## **Cash Flow Statement (Cumulative)**

Cash Flow Statement	Cons.Act	Cons. Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	Net Chg.
Operating Cash Flow	-	(230)	-	435	-	289	-	-	+519
Investment Cash Flow	-	(190)	-	(566)	-	(414)	-	-	(224)
Operating CF and Investment CF	-	(420)	-	(130)	-	(124)	-	-	+295
Financing Cash Flow	-	(918)	-	(921)	-	(359)	-	-	+559

#### Disclaimer

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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