

FREUND CORPORATION (6312)

Consolidated FY (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2018		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		17,000	600	600	350	20.90	20.00	-
FY02/2019	YoY	(7.0%)	(37.9%)	(33.5%)	(42.9%)	-	-	-
FY02/2020CoE	YoY	(7.7%)	(50.9%)	(54.8%)	(58.5%)	-	-	-
Consolidated Q1 to Q3 (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q3 FY02/2018		13,745	1,152	1,174	849	-	-	-
Q1 to Q3 FY02/2019		13,243	670	770	523	-	-	-
Q1 to Q3 FY02/2020		11,110	93	111	37	-	-	-
Q1 to Q3 FY02/2019	YoY	(3.7%)	(41.9%)	(34.4%)	(38.4%)	-	-	-
Q1 to Q3 FY02/2020	YoY	(16.1%)	(86.1%)	(85.5%)	(92.8%)	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (10 January 2020)


Stable Dividend

On 9 January 2020, FREUND CORPORATION, developing, manufacturing and selling equipment and chemicals, released its Q1 to Q3 FY02/2020 results. It has been revealed that the Company suffers from shortfall of sales on the Equipment side. This has led to FY02/2020 Company forecasts revised down, but prospective annual dividend has remained unchanged at ¥20.00 per share, implying payout ratio of 95.7%. Basically, the Company is going for dividend in line with earnings, while focusing also on stability of dividend at the same time as far as we could see. Meanwhile, the Company suggests that capital investment by pharmaceutical industry of the mainstay market in Japan has slowed more than initially anticipated. Thus, sales on the Equipment side with the Company, deeply involved with this, appear to have slowed down in the same way. Pharmaceutical industry of the mainstay market in Japan has lowered its appetite for capital investment, negatively affected by drug price revision (reduction), while that of achieving a generic drug penetration rate of 80% looks not reappearing. On top of this, delays in sales of new products are cited as another reason for the downward revision. We are to interview with management to discuss the issues more in depth so that we should be able to update [FREUND CORPORATION \(6312\) Executive Officer System \(30 October 2019\)](#) and release anew.

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2.0 Company Profile

Equipment and Chemicals

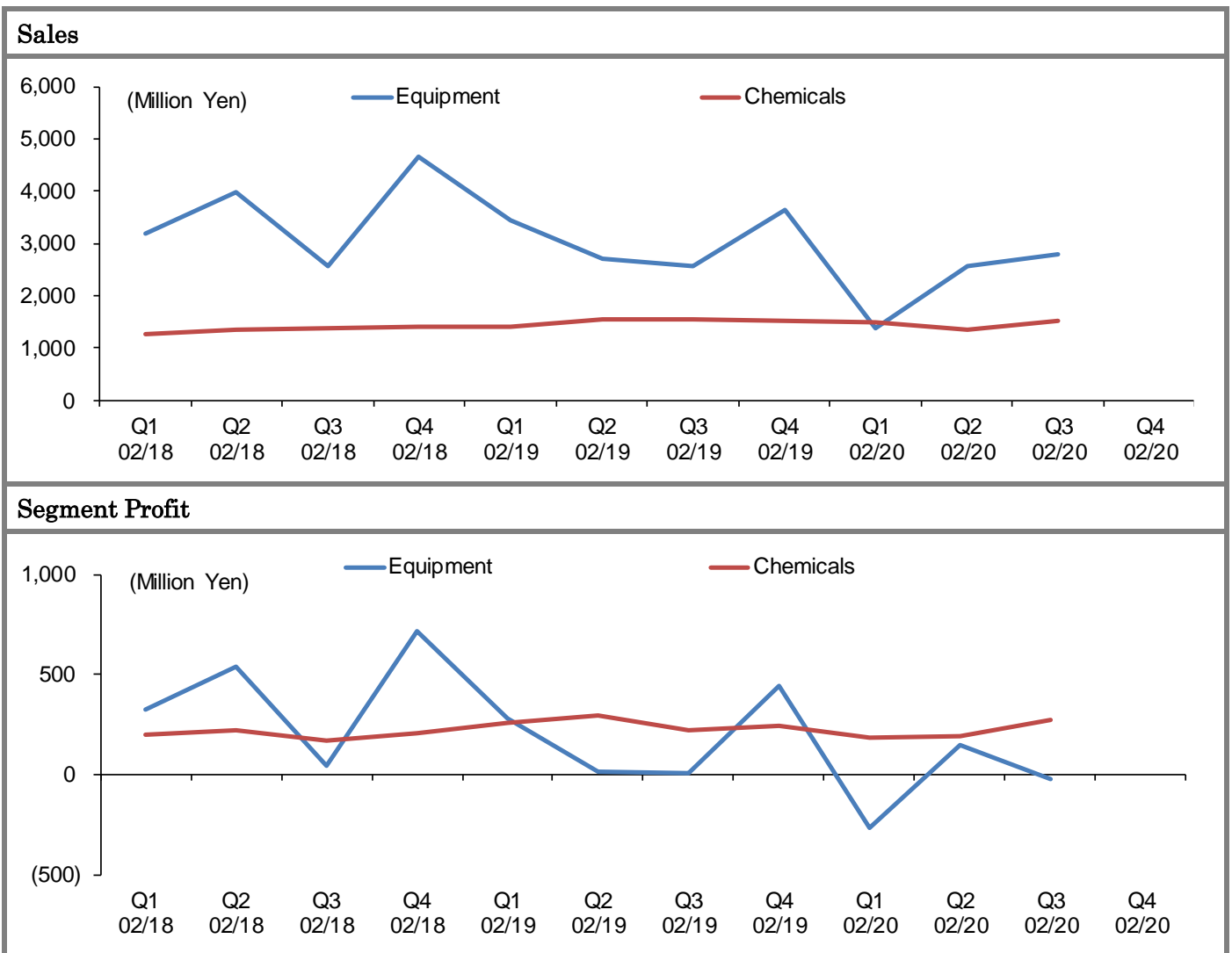
Company Name	FREUND CORPORATION Company Website IR Information Share Price (Japanese)	
Established	22 April 1964	
Listing	24 July 1996: Tokyo Stock Exchange JASDAQ Standard (ticker: 6312)	
Capital	¥1,035m (as of the end of November 2019)	
No. of Shares	18,400,000 shares, including 1,655,480 treasury shares (as of the end of Nov. 2019)	
Main Features	<ul style="list-style-type: none"> ● Leading the market in Japan for granulation and 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 and CEO: Iwao Fusejima	
Shareholders	Company's Tr. Stock 8.9%, 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: 386, Parent: 223 (as of the end of November 2019)	

Source: Company Data

3.0 Recent Trading and Prospects

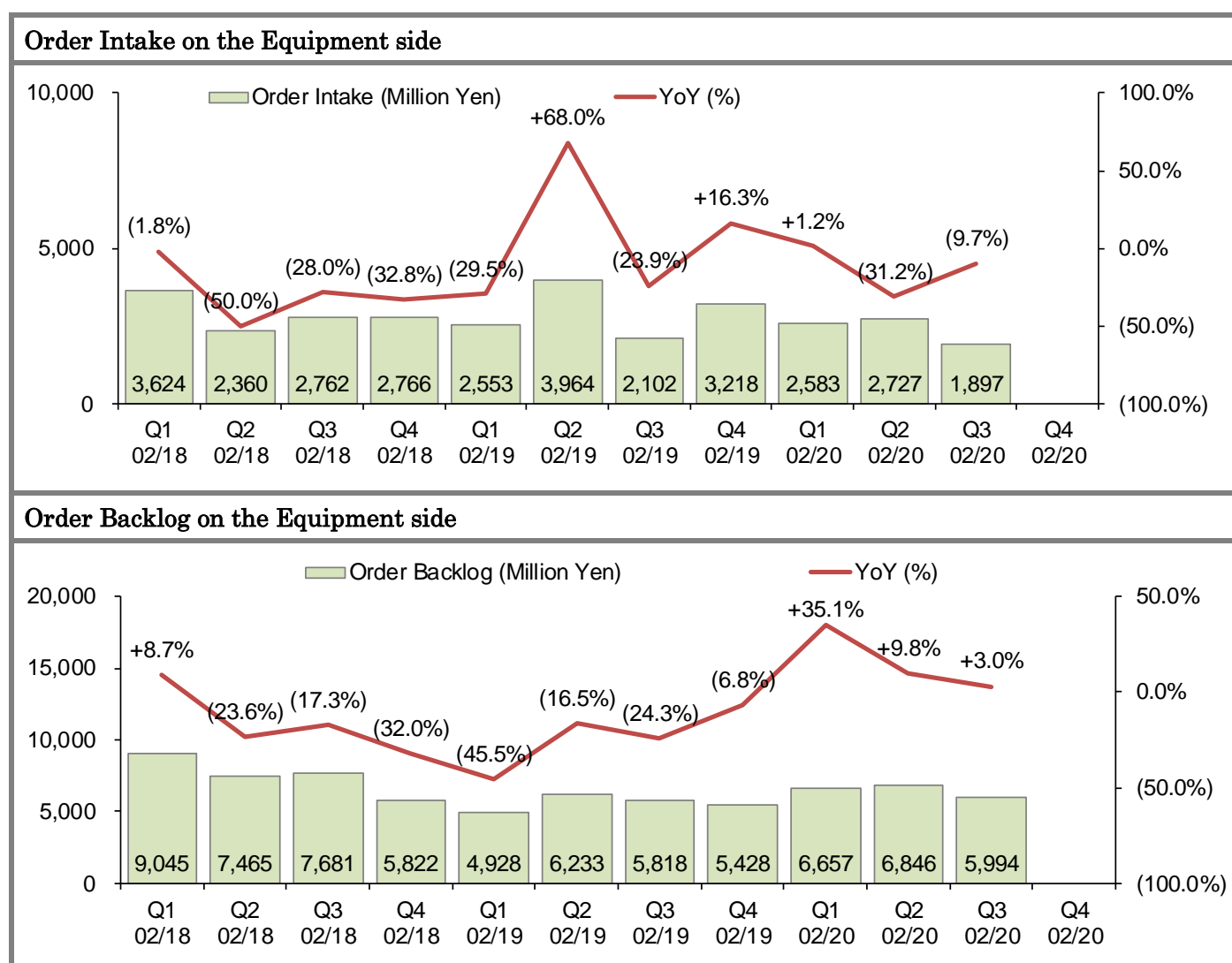
Q1 to Q3 FY02/2020 Results

In Q1 to Q3 FY02/2020, sales came in at ¥11,110m (down 16.1% YoY), operating profit ¥93m (down 86.1%), recurring profit ¥111m (down 85.5%) and profit attributable to owners of parent ¥37m (92.8%), while operating profit margin 0.8% (down 4.2% points). Compared with full-year Company forecasts (released on 9 January 2020), the Company sees progress rate of 65.4% for sales and 15.5% for operating profit, superficially implying weakness so far. Nevertheless, the Company says that full-year sales on the Equipment side in FY02/2020 are to concentrate in Q4 far more than previous years and thus earnings even more substantially as is taken for granted.



Source: Company Data, WRJ Calculation

In Q1 to Q3, sales came in at ¥6,749m (down 22.6%), segment profit minus ¥142m (versus ¥295m during the same period of the previous year) and segment profit margin minus 2.1% (down 5.5% points) on the Equipment side mainly comprising pharmaceutical-related granulation and coating equipment. By region, sales of the mainstay market in Japan came down as well as those of ex-Japan Asian regions and thus the Company has failed to see sales to more than compensate for fixed cost. Meanwhile, order intake came in at ¥7,208m (down 16.4%) and order backlog stood at ¥5,994m (up 3.0%). The weakness of the market in Japan is also cited as the key negative factor for sluggish order intake. Still, more importantly, order backlog has continued to exceed that of the same period of the previous year since the beginning of FY02/2020. This should be a factor to drive sales in Q4, as assumed in FY02/2020 Company forecasts (released on 9 January 2020).

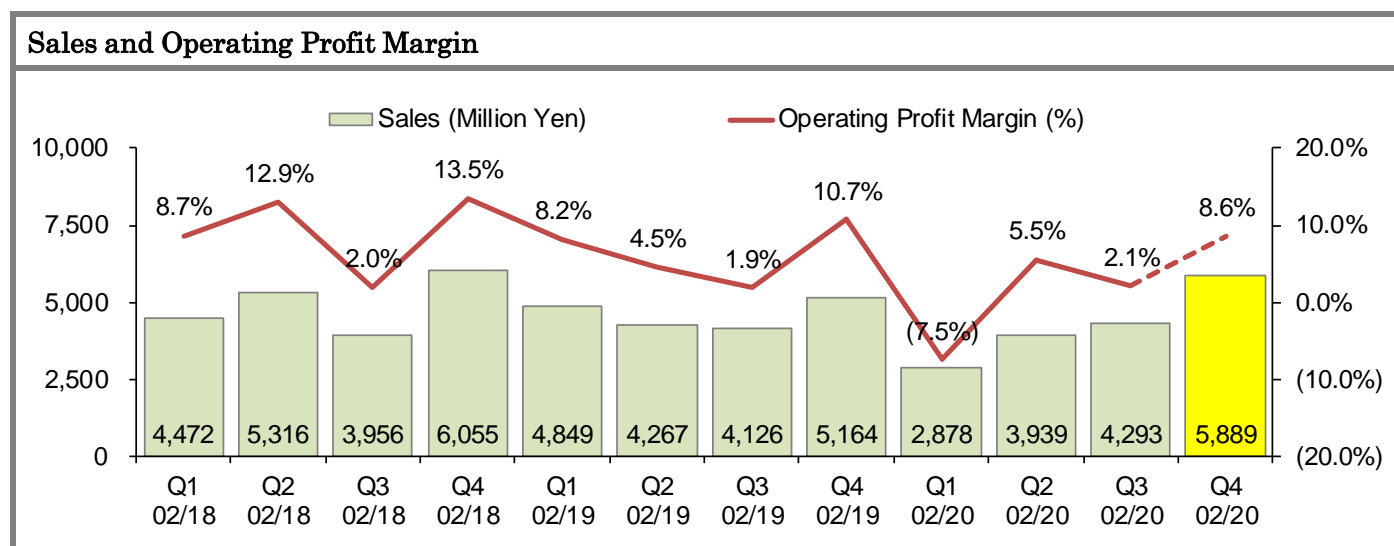


Source: Company Data, WRJ Calculation

Meanwhile, on the Chemicals side, sales came in at ¥4,360m (down 3.5%), segment profit ¥652m (down 16.5%) and segment profit margin 15.0% (down 2.3% points). For pharmaceutical excipients used in pharmaceutical oral agents, which are considered to have a considerable impact on the business performance on the Chemicals side as a whole, sales of the mainstay market in Japan are firm, but the Company suffers from production adjustments by major overseas users. Still, the situations have remained unchanged that this business segment is a stable source of earnings with the Company.

FY02/2020 Company Forecasts

FY02/2020 Company forecasts (released on 9 January 2020) are going for prospective sales of ¥17,000m (down 7.7% YoY), operating profit of ¥600m (down 50.9%), recurring profit of ¥600m (down 54.8%) and profit attributable to owners of parent of ¥350m (down 58.5%), while operating profit margin of 3.5% (down 3.1% points). Compared with initial Company forecast (released on 9 April 2019), downward revision has been made, i.e., by ¥500m (2.9%) in sales, by ¥400m (40.0%) in operating profit, by ¥400m (40.0%) in recurring profit and by ¥350m (50.0%) in profit attributable to owners of parent. Sales on the Equipment side are falling short of initial expectations and thus sales as a whole for the Company too, while it is inevitable for earnings to fall short of in line with this.



Source: Company Data, WRJ Calculation

Meanwhile, FY02/2020 Company forecasts have remained unchanged for prospective annual dividend, going for ¥20.00 per share. The Company has set a target payout ratio of 30%, but it will see payout ratio as high as 95.7% after above-mentioned downward revision. The Company, which has expressed an aggressive stance on shareholder returns, appears to be focusing on maintaining stability of annual dividend, although it has not written down the policy.

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		Net Chg.
	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	02/2020	
Sales	4,849	9,117	13,243	18,408	2,878	6,817	11,110	-	-	(2,132)
Cost of Sales	3,245	6,100	8,874	12,220	1,830	4,400	7,331	-	-	(1,542)
Gross Profit	1,604	3,016	4,368	6,188	1,047	2,416	3,779	-	-	(589)
SG&A Expenses	1,204	2,423	3,698	4,964	1,262	2,413	3,686	-	-	(12)
Operating Profit	399	592	670	1,223	(214)	3	93	-	-	(577)
Non Operating Balance	79	91	100	103	(2)	2	18	-	-	(81)
Recurring Profit	478	684	770	1,326	(217)	6	111	-	-	(659)
Extraordinary Balance	21	21	22	(70)	7	11	(16)	-	-	(39)
Profit before Income Taxes	500	705	792	1,255	(210)	17	94	-	-	(698)
Total Income Taxes	153	239	269	412	(52)	24	56	-	-	(212)
Profit Attributable to Owners of Parent	347	466	523	843	(158)	(7)	37	-	-	(485)
Sales YoY	+8.4%	(6.9%)	(3.7%)	(7.0%)	(40.6%)	(25.2%)	(16.1%)	-	-	-
Operating Profit YoY	+3.0%	(44.8%)	(41.9%)	(37.9%)	-	(99.4%)	(86.1%)	-	-	-
Recurring Profit YoY	+20.3%	(37.3%)	(34.4%)	(33.5%)	-	(99.1%)	(85.5%)	-	-	-
Profit Attributable to Owners of Parent YoY	+26.6%	(36.5%)	(38.4%)	(42.9%)	-	-	(92.8%)	-	-	-
Gross Profit Margin	33.1%	33.1%	33.0%	33.6%	36.4%	35.4%	34.0%	-	-	+1.0%
Sales to SG&A Expenses Ratio	24.8%	26.6%	27.9%	27.0%	43.9%	35.4%	33.2%	-	-	+5.2%
Operating Profit Margin	8.2%	6.5%	5.1%	6.6%	(7.5%)	0.0%	0.8%	-	-	(4.2%)
Recurring Profit Margin	9.9%	7.5%	5.8%	7.2%	(7.6%)	0.1%	1.0%	-	-	(4.8%)
Profit Attributable to Owners of Parent Margin	7.2%	5.1%	4.0%	4.6%	(5.5%)	(0.1%)	0.3%	-	-	(3.6%)
Total Income Taxes / Profit before Income Taxes	30.6%	33.9%	34.0%	32.8%	-	145.1%	60.0%	-	-	+26.1%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	02/2020	
Sales	4,849	4,267	4,126	5,164	2,878	3,939	4,293	-	-	+167
Cost of Sales	3,245	2,855	2,773	3,345	1,830	2,570	2,930	-	-	+157
Gross Profit	1,604	1,412	1,352	1,819	1,047	1,368	1,362	-	-	+9
SG&A Expenses	1,204	1,218	1,275	1,266	1,262	1,150	1,272	-	-	(2)
Operating Profit	399	193	77	552	(214)	218	89	-	-	+12
Non Operating Balance	79	11	8	2	(2)	5	15	-	-	+6
Recurring Profit	478	205	86	555	(217)	223	105	-	-	+18
Extraordinary Balance	21	0	0	(92)	7	3	(27)	-	-	(28)
Profit before Income Taxes	500	205	86	462	(210)	227	77	-	-	(9)
Total Income Taxes	153	86	29	142	(52)	76	31	-	-	+2
Profit Attributable to Owners of Parent	347	118	57	319	(158)	150	45	-	-	(11)
Sales YoY	+8.4%	(19.7%)	+4.3%	(14.7%)	(40.6%)	(7.7%)	+4.0%	-	-	-
Operating Profit YoY	+3.0%	(71.8%)	(0.9%)	(32.5%)	-	+12.5%	+15.8%	-	-	-
Recurring Profit YoY	+20.3%	(70.4%)	+4.3%	(32.2%)	-	+8.7%	+21.9%	-	-	-
Profit Attributable to Owners of Parent YoY	+26.6%	(74.1%)	(50.1%)	(49.1%)	-	+26.3%	(20.7%)	-	-	-
Gross Profit Margin	33.1%	33.1%	32.8%	35.2%	36.4%	34.7%	31.7%	-	-	(1.0%)
Sales to SG&A Expenses Ratio	24.8%	28.5%	30.9%	24.5%	43.9%	29.2%	29.7%	-	-	(1.3%)
Operating Profit Margin	8.2%	4.5%	1.9%	10.7%	(7.5%)	5.5%	2.1%	-	-	+0.2%
Recurring Profit Margin	9.9%	4.8%	2.1%	10.8%	(7.6%)	5.7%	2.5%	-	-	+0.4%
Profit Attributable to Owners of Parent Margin	7.2%	2.8%	1.4%	6.2%	(5.5%)	3.8%	1.1%	-	-	(0.3%)
Total Income Taxes / Profit before Income Taxes	30.6%	42.1%	34.0%	30.9%	-	33.9%	41.1%	-	-	+7.1%

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 02/2019	Q1 to Q2 02/2019	Q1 to Q3 02/2019	Q1 to Q4 02/2019	Q1 02/2020	Q1 to Q2 02/2020	Q1 to Q3 02/2020	Q1 to Q4 02/2020		
Equipment	3,433	6,145	8,723	12,368	1,386	3,964	6,749	-	(1,973)	
Chemicals	1,416	2,971	4,519	6,040	1,491	2,852	4,360	-	(159)	
Sales	4,849	9,117	13,243	18,408	2,878	6,817	11,110	-	(2,132)	
Machinery	+7.4%	(14.3%)	(10.5%)	(14.1%)	(59.6%)	(35.5%)	(22.6%)	-	-	
Chemicals	+11.1%	+13.5%	+13.0%	+11.9%	+5.3%	(4.0%)	(3.5%)	-	-	
Sales (YoY)	+8.4%	(6.9%)	(3.7%)	(7.0%)	(40.6%)	(25.2%)	(16.1%)	-	-	
Equipment	70.8%	67.4%	65.9%	67.2%	48.2%	58.2%	60.8%	-	-	
Chemicals	29.2%	32.6%	34.1%	32.8%	51.8%	41.8%	39.2%	-	-	
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	
Equipment	278	291	295	737	(267)	(119)	(142)	-	(437)	
Chemicals	259	556	781	1,024	187	382	652	-	(128)	
Segment Profit	537	847	1,076	1,762	(79)	262	510	-	(566)	
Elimination	(138)	(254)	(406)	(538)	(135)	(259)	(417)	-	(10)	
Operating Profit	399	592	670	1,223	(214)	3	93	-	(577)	
Equipment	(14.8%)	(66.5%)	(67.5%)	(54.8%)	-	-	-	-	-	
Chemicals	+32.5%	+32.1%	+31.5%	+27.9%	(27.8%)	(31.3%)	(16.5%)	-	-	
Segment Profit (YoY)	+2.9%	(34.3%)	(28.4%)	(27.6%)	-	(69.0%)	(52.6%)	-	-	
Equipment	51.7%	34.4%	27.5%	41.8%	-	(45.7%)	(27.9%)	-	-	
Chemicals	48.3%	65.6%	72.5%	58.2%	-	145.7%	127.9%	-	-	
Segment Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-	
Equipment	8.1%	4.7%	3.4%	6.0%	(19.3%)	(3.0%)	(2.1%)	-	(5.5%)	
Chemicals	18.3%	18.7%	17.3%	17.0%	12.6%	13.4%	15.0%	-	(2.3%)	
Elimination	(2.9%)	(2.8%)	(3.1%)	(2.9%)	(4.7%)	(3.8%)	(3.8%)	-	(0.7%)	
Operating Profit Margin	8.2%	6.5%	5.1%	6.6%	(7.5%)	0.0%	0.8%	-	(4.2%)	

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 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019	Q1 02/2020	Q2 02/2020	Q3 02/2020	Q4 02/2020		
Equipment	3,433	2,712	2,577	3,644	1,386	2,578	2,785	-	+207	
Chemicals	1,416	1,555	1,548	1,520	1,491	1,360	1,508	-	(40)	
Sales	4,849	4,267	4,126	5,164	2,878	3,939	4,293	-	+167	
Machinery	+7.4%	(31.7%)	+0.1%	(21.7%)	(59.6%)	(5.0%)	+8.0%	-	-	
Chemicals	+11.1%	+15.8%	+12.1%	+8.6%	+5.3%	(12.5%)	(2.6%)	-	-	
Sales (YoY)	+8.4%	(19.7%)	+4.3%	(14.7%)	(40.6%)	(7.7%)	+4.0%	-	-	
Equipment	70.8%	63.6%	62.5%	70.6%	48.2%	65.5%	64.9%	-	-	
Chemicals	29.2%	36.4%	37.5%	29.4%	51.8%	34.5%	35.1%	-	-	
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	
Equipment	278	13	4	441	(267)	147	(22)	-	(26)	
Chemicals	259	296	224	243	187	194	270	-	+45	
Segment Profit	537	309	229	685	(79)	342	247	-	+18	
Elimination	(138)	(116)	(151)	(132)	(135)	(124)	(158)	-	(6)	
Operating Profit	399	193	77	552	(214)	218	89	-	+12	
Equipment	(14.8%)	(97.5%)	(90.0%)	(38.7%)	-	-	-	-	-	
Chemicals	+32.5%	+31.9%	+30.0%	+17.5%	(27.8%)	(34.3%)	+20.1%	-	-	
Segment Profit (YoY)	+2.9%	(59.6%)	+6.6%	(26.2%)	-	+10.4%	+8.2%	-	-	
Equipment	51.7%	4.3%	1.8%	64.5%	-	43.0%	(9.0%)	-	-	
Chemicals	48.3%	95.7%	98.2%	35.5%	-	57.0%	109.0%	-	-	
Segment Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-	
Equipment	k	0.5%	0.2%	12.1%	(19.3%)	5.7%	(0.8%)	-	(1.0%)	
Chemicals	18.3%	19.1%	14.5%	16.0%	12.6%	14.3%	17.9%	-	+3.4%	
Elimination	(2.9%)	(2.7%)	(3.7%)	(2.6%)	(4.7%)	(3.2%)	(3.7%)	-	(0.0%)	
Operating Profit Margin	8.2%	4.5%	1.9%	10.7%	(7.5%)	5.5%	2.1%	-	+0.2%	

Source: Company Data, WRJ Calculation

Sales by Region (Cumulative)

Sales by Region (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 02/2019	Q1 to Q2 02/2019	Q1 to Q3 02/2019	Q1 to Q4 02/2019	Q1 02/2020	Q1 to Q2 02/2020	Q1 to Q3 02/2020	Q1 to Q4 02/2020		
Japan	-	-	10,064	-	-	-	8,514	-	(1,550)	
United States	-	-	1,089	-	-	-	1,188	-	+98	
Latin America	-	-	626	-	-	-	535	-	(91)	
Europe	-	-	251	-	-	-	307	-	+56	
Other	-	-	1,211	-	-	-	565	-	(645)	
Overseas	-	-	3,178	-	-	-	2,596	-	(581)	
Sales	4,849	9,117	13,243	18,408	2,878	6,817	11,110	-	(2,132)	
Japan	-	-	-	-	-	-	(15.4%)	-	-	
United States	-	-	-	-	-	-	+9.1%	-	-	
Latin America	-	-	-	-	-	-	(14.6%)	-	-	
Europe	-	-	-	-	-	-	+22.3%	-	-	
Other	-	-	-	-	-	-	(53.3%)	-	-	
Overseas	-	-	-	-	-	-	(18.3%)	-	-	
Sales (YoY)	+8.4%	(6.9%)	(3.7%)	(7.0%)	(40.6%)	(25.2%)	(16.1%)	-	-	
Japan	-	-	76.0%	-	-	-	76.6%	-	+0.6%	
United States	-	-	8.2%	-	-	-	10.7%	-	+2.5%	
Latin America	-	-	4.7%	-	-	-	4.8%	-	+0.1%	
Europe	-	-	1.9%	-	-	-	2.8%	-	+0.9%	
Other	-	-	9.1%	-	-	-	5.1%	-	(4.1%)	
Overseas	-	-	24.0%	-	-	-	23.4%	-	(0.6%)	
Sales (Composition)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	0.0%	

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 02/2019	Q2 02/2019	Q3 02/2019	Q4 02/2019	Q1 02/2020	Q2 02/2020	Q3 02/2020	Q4 02/2020		
Cash and Deposit	5,236	5,245	4,834	5,534	4,607	5,030	4,232	-	(602)	
Accounts Receivables	4,576	4,377	4,499	4,332	4,039	3,800	4,320	-	(179)	
Inventory	2,998	2,802	3,220	2,475	3,308	3,447	3,870	-	+650	
Other	545	566	653	368	387	443	457	-	(195)	
Current Assets	13,356	12,991	13,208	12,711	12,342	12,721	12,881	-	(327)	
Tangible Assets	3,471	3,554	3,580	3,769	3,857	3,997	4,206	-	+625	
Intangible Assets	96	91	93	16	17	16	96	-	+3	
Investments and Other Assets	860	847	843	951	1,009	978	998	-	+154	
Fixed Assets	4,428	4,493	4,517	4,736	4,885	4,992	5,301	-	+783	
Total Assets	17,784	17,484	17,726	17,448	17,227	17,713	18,182	-	+456	
Accounts Payables	2,510	2,142	2,343	2,169	2,043	2,350	2,783	-	+440	
Short Term Debt	-	-	-	-	-	-	-	-	-	
Other	2,258	2,169	2,105	1,768	2,216	2,317	2,235	-	+129	
Current Liabilities	4,768	4,312	4,449	3,938	4,259	4,668	5,019	-	+569	
Long Term Debt	-	-	-	-	-	-	-	-	-	
Other	323	319	323	258	244	238	241	-	(81)	
Fixed Liabilities	323	319	323	258	244	238	241	-	(81)	
Total Liabilities	5,092	4,632	4,772	4,197	4,504	4,906	5,260	-	+487	
Shareholders' Equity	12,973	13,092	13,149	13,469	12,976	13,127	13,172	-	+22	
Adjustments	(281)	(240)	(196)	(219)	(253)	(319)	(251)	-	(54)	
Total Assets	12,691	12,852	12,953	13,250	12,723	12,807	12,921	-	(31)	
Total Liabilities and Net Assets	17,784	17,484	17,726	17,448	17,227	17,713	18,182	-	+456	
Equity Capital	12,691	12,852	12,953	13,250	12,723	12,807	12,921	-	(32)	
Interest Bearing Debt	-	-	-	-	-	-	-	-	-	
Net Debt	(5,236)	(5,245)	(4,834)	(5,534)	(4,607)	(5,030)	(4,232)	-	+602	
Equity Capital Ratio	71.4%	73.5%	73.1%	75.9%	73.9%	72.3%	71.1%	-	-	
Net-Debt-Equity Ratio	(41.3%)	(40.8%)	(37.3%)	(41.8%)	(36.2%)	(39.3%)	(32.8%)	-	-	
ROE (12 months)	12.5%	9.5%	9.0%	6.4%	2.7%	2.9%	2.8%	-	-	
ROA (12 months)	11.5%	8.7%	8.5%	7.3%	3.6%	3.7%	3.7%	-	-	
Total Assets Turnover	109%	98%	93%	118%	67%	89%	94%	-	-	
Inventory Turnover	4.3	4.1	3.4	5.4	2.2	3.0	3.0	-	-	
Days of Inventory	84	90	106	68	165	122	121	-	-	
Quick Ratio	206%	223%	210%	251%	203%	189%	170%	-	-	
Current Ratio	280%	301%	297%	323%	290%	273%	257%	-	-	

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
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		
	02/2019	02/2019	02/2019	02/2019	02/2020	02/2020	02/2020	02/2020	02/2020	Net Chg.
Operating Cash Flow	-	(230)	-	435	-	289	-	-	-	-
Investment Cash Flow	-	(190)	-	(566)	-	(414)	-	-	-	-
Operating CF and Investment CF	-	(420)	-	(130)	-	(124)	-	-	-	-
Financing Cash Flow	-	(918)	-	(921)	-	(359)	-	-	-	-

Source: Company Data, WRJ Calculation

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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