

## SHOFU (7979)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2016		22,975	1,568	1,393	789	49.4	18.0	1,340
FY03/2017		22,305	1,382	1,141	836	52.6	20.0	1,397
FY03/2018CoE		23,970	1,488	1,403	959	60.4	20.0	-
FY03/2017	YoY	(2.9%)	(11.9%)	(18.1%)	6.0%	-	-	-
FY03/2018CoE	YoY	7.5%	7.7%	23.0%	14.6%	-	-	-
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 FY03/2017		16,454	996	869	653	-	-	-
Q1 to Q3 FY03/2018		17,801	1,135	1,281	933	-	-	-
Q1 to Q3 FY03/2017	YoY	(3.5%)	(17.1%)	(22.7%)	(9.4%)	-	-	-
Q1 to Q3 FY03/2018	YoY	8.2%	14.0%	47.3%	42.8%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (5 February 2018)

#### Launching New Product

On 2 February 2018, SHOFU, mainly developing, manufacturing and selling dental materials, released its Q1 to Q3 FY03/2018 results. It has been revealed that the Company is to see a turnaround for its business performance trend. The Company saw decreasing sales and earnings in FY03/2017, temporarily lacking in launch of new product, while sales and earnings increasing in FY03/2018. As has been initially assumed, the Company benefited from launch of new product on the mainstay Dental-related Business side in Q1 to Q3, while having seen substantially improving earnings on the Nail-related Business side to develop, manufacture and sell nail salon materials. Meanwhile, given SG&A expenses having been successfully controlled, etc., initial Company forecasts look marginally being exceeded in terms of operating profit. On top of this, the Company sees unexpected forex profit at the non-operating level, unexpectedly driving recurring profit and profit attributable to owners of parent.


Sales in Japan came in at ¥10,199m (up 3.7% YoY) and ¥7,602m (up 14.8%) overseas. In Japan, the Company benefited a lot from launch of new product, represented by “EyeSpecial C- ” or new digital oral cavity imaging device to have been launched in the market on the mainstay Dental-related Business side, as well as having benefited from launch of new product on the Nail-related Business side at the same time. In regards to sales overseas, the Company saw increases by 9.9% on a local currency basis, i.e., by 7.7% on the Dental-related side and by 35.7% on the Nail-related side. While the Company has remained well cultivating markets overseas on the former, rapidly doing so on the latter.

For information: [SHOFU \(7979\) Earnings Recovery in H2 \(19 December 2017\)](#)

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## 2.0 Company Profile

### Comprehensively Manufacturing Dental Materials

<b>Company Name</b>	SHOFU INC. <a href="#">Website</a> <a href="#">IR Information</a> <a href="#">Share Price</a> 
<b>Established</b>	15 May 1922
<b>Listing</b>	25 July 1963: Tokyo Stock Exchange 1st Section (Ticker: 7979)
<b>Capital</b>	¥4,474m (As of the end of December 2017)
<b>No. of Shares</b>	16,114,089 shares, including 215,742 treasury shares (As of the end of Dec. 2017)
<b>Main Features</b>	<ul style="list-style-type: none"> <li>● The leader of artificial teeth and abrasives in Japan</li> <li>● Focus on operations overseas where the Company finds a great room to cultivate</li> <li>● Also developing, manufacturing and selling nail salon materials</li> </ul>
<b>Business Segments</b>	<ul style="list-style-type: none"> <li>. Dental-related Business</li> <li>. Nail-related Business</li> <li>. Other Business</li> </ul>
<b>Top Management</b>	President & CEO: Noriyuki Negoro
<b>Shareholders</b>	Mitsui Chemicals, Inc. 11.17%, The Bank of Kyoto, Ltd. 4.42% (As of the end of September 2017)
<b>Headquarters</b>	Higashiyama-ku, Kyoto-city, JAPAN
<b>No. of Employees</b>	Consolidated:1,125, Parent: 439 (As of the end of December 2017)

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 to Q3 FY03/2018 Results

In Q1 to Q3 FY03/2018, sales came in at ¥17,801m (up 8.2% YoY), operating profit ¥1,135m (up 14.0%), recurring profit ¥1,281m (up 47.3%) and profit attributable to owners of parent ¥933m (up 42.8%), while operating profit margin 6.4% (up 0.3% points). Meanwhile, when compared with FY03/2018 Company forecasts, sales saw progress rate of 74.3%, operating profit 76.3%, recurring profit 91.3% and profit attributable to owners of parent 97.3%.

By business segment, Dental-related Business to develop, manufacture and sell dental materials saw sales of ¥15,903m (up 6.0%), operating profit of ¥1,093m (up 8.3%) and operating profit margin of 6.9% (up 0.1% point), while sales of ¥1,821m (up 31.4%), operating profit of ¥21m (versus operating loss of ¥36m during the same period in the previous year) and operating profit margin of 1.2% (up 3.8% points) for Nail-related Business to develop, manufacture and sell nail salon materials. While operating profit (before elimination of intersegment transactions) as a whole for the Company saw net increases by ¥138m, net increases by ¥84m on the Dental-related Business side and net increases by ¥58m on the Nail-related Business side. That is to say, Nail-related Business is not significant in sales, but played an important role for improving earnings as a whole for the Company.

Still, it appears that sales of ¥10,199m (up 3.7%) in Japan as a whole for the Company were also driven by Nail-related Business to a large extent. On top of buoyant sales of existing product, new gel nail brand of “ageha” to have been newly launched was well accepted in the market, according to the Company. Sales on the Dental-related Business side in Japan did increase due to launch of new product, etc., but seemingly not very much, negatively affected by ongoing maturity in the market and thus intensifying competition. More importantly, however, the Company has kept on steadily cultivating markets overseas. For example, sales in North America on the Dental-related Business side increased by 9.4% on a local currency basis and sales in China by 17.8%.

### Forex Rate

Forex Rate (Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	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	Q1 to Q4 03/2018	Net Chg.
US Dollar	109.07	106.43	107.88	109.03	111.61	111.42	111.82	-	-	+3.94
Euro	122.47	119.12	119.13	119.37	123.14	126.63	128.59	-	-	+9.46
GBP	155.63	146.56	143.72	143.04	142.92	144.38	146.24	-	-	+2.52
Chinese Yuan	17.84	17.21	16.68	16.56	16.51	16.42	16.50	-	-	(0.18)
US Dollar (YoY)	(10.1%)	(12.4%)	(11.2%)	(9.3%)	+2.3%	+4.7%	+3.7%	-	-	-
Euro	(8.5%)	(11.5%)	(10.9%)	(9.8%)	+0.5%	+6.3%	+7.9%	-	-	-
GBP	(16.3%)	(21.5%)	(22.5%)	(20.8%)	(8.2%)	(1.5%)	+1.8%	-	-	-
Chinese Yuan	(6.9%)	(11.1%)	(13.7%)	(13.8%)	(7.5%)	(4.6%)	(1.1%)	-	-	-

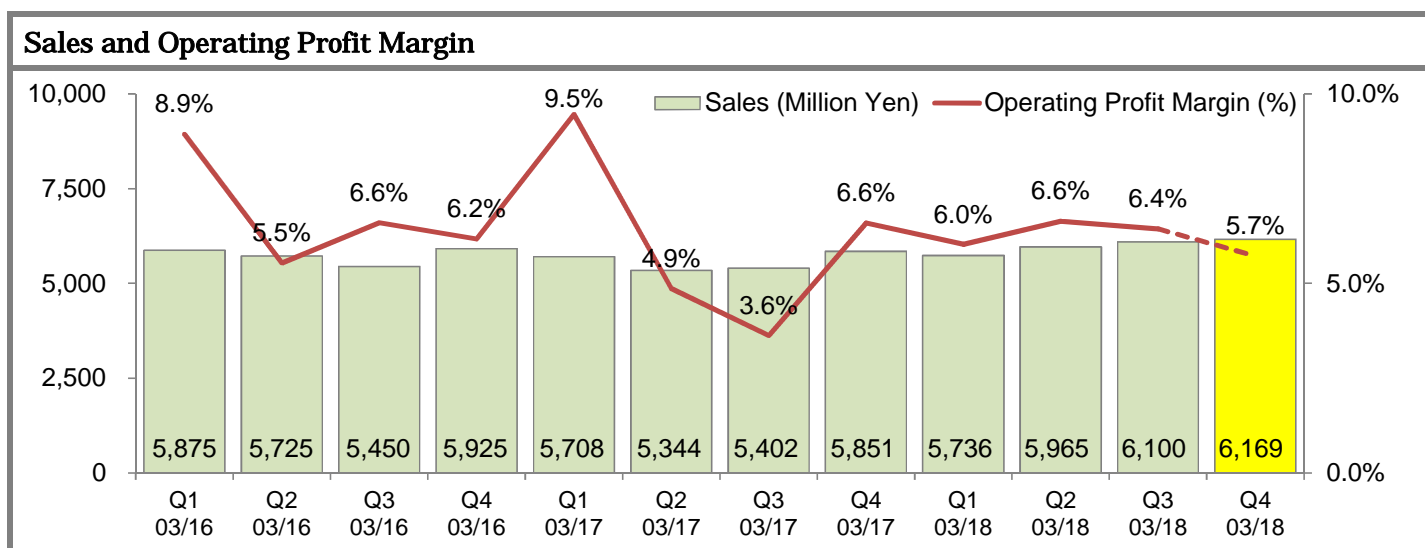
Source: Company Data, WRJ Calculation

Source: Company Data, WRJ Calculation

Meanwhile, the Company saw surging recurring profit due to improving non-operating balance by ¥273m (from negative ¥127m to ¥146m) in line with improving forex profit/loss by ¥275m (from negative ¥112m to ¥163m). On a quarterly basis, the Company evaluates its foreign-currency-denominated assets and liabilities, while yen got depreciated against foreign currency as of the end of Q3 versus end of FY03/2017, having resulted in improving evaluation on foreign-currency-denominated assets. In particular, weakening yen against euro was so influential here, according to the Company. At the end of the day, profit attributable to owners of parent also surged. On a full-year basis, all those forex profit will persist as far as no major forex rate changes taking place toward the end of FY03/2018.

### FY03/2018 Company Forecasts

FY03/2018 initial Company forecasts have remained unchanged, going for prospective sales of ¥23,970m (up 7.5% YoY), operating profit of ¥1,488m (up 7.7%), recurring profit of ¥1,403m (up 23.0%) and profit attributable to owners of parent of ¥959m (up 14.6%), while operating profit margin of 6.21% (up 0.01% point). Prospective annual dividend of ¥20.0 per share, implying payout ratio of 33.1%, has also remained unchanged.



Source: Company Data, WRJ Calculation (Q4 FY03/2018: based on full-year Company forecasts and Q1 to Q3 results)

## 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>5,708</b>	<b>11,052</b>	<b>16,454</b>	<b>22,305</b>	<b>5,736</b>	<b>11,701</b>	<b>17,801</b>	-	-	<b>+1,347</b>
CoGS	2,282	4,504	6,841	9,357	2,420	4,986	7,556	-	-	+715
Gross Profit	3,425	6,547	9,612	12,947	3,315	6,714	10,244	-	-	+632
SG&A	2,885	5,747	8,616	11,564	2,968	5,971	9,109	-	-	+493
<b>Operating Profit</b>	<b>540</b>	<b>800</b>	<b>996</b>	<b>1,382</b>	<b>346</b>	<b>742</b>	<b>1,135</b>	-	-	<b>+139</b>
Non Operating Balance	(223)	(291)	(127)	(241)	86	111	146	-	-	+273
<b>Recurring Profit</b>	<b>317</b>	<b>509</b>	<b>869</b>	<b>1,141</b>	<b>432</b>	<b>853</b>	<b>1,281</b>	-	-	<b>+412</b>
Extraordinary Balance	0	0	0	0	9	23	23	-	-	+23
Profit before Income Taxes	317	509	869	1,141	441	876	1,304	-	-	+435
Total Income Taxes	87	206	211	299	146	237	368	-	-	+157
NP Belonging to Non-Controlling SHs	-	1	4	5	0	3	3	-	-	(1)
<b>Profit Attributable to Owners of Parent</b>	<b>230</b>	<b>301</b>	<b>653</b>	<b>836</b>	<b>294</b>	<b>635</b>	<b>933</b>	-	-	<b>+280</b>
Sales YoY	(2.9%)	(4.7%)	(3.5%)	(2.9%)	+0.5%	+5.9%	+8.2%	-	-	-
Operating Profit YoY	+2.9%	(5.0%)	(17.1%)	(11.9%)	(35.8%)	(7.2%)	+14.0%	-	-	-
Recurring Profit YoY	(45.7%)	(38.3%)	(22.7%)	(18.1%)	+36.2%	+67.6%	+47.3%	-	-	-
Profit Attributable to Owners of Parent YoY	(36.7%)	(39.3%)	(9.4%)	+6.0%	+27.9%	+111.2%	+42.8%	-	-	-
Gross Profit Margin	60.0%	59.2%	58.4%	58.0%	57.8%	57.4%	57.5%	-	-	(0.9%)
(SG&A / Sales)	50.5%	52.0%	52.4%	51.8%	51.7%	51.0%	51.2%	-	-	(1.2%)
Operating Profit Margin	9.5%	7.2%	6.1%	6.2%	6.0%	6.3%	6.4%	-	-	+0.3%
Recurring Profit Margin	5.6%	4.6%	5.3%	5.1%	7.5%	7.3%	7.2%	-	-	+1.9%
Profit Attributable to Owners of Parent Margin	4.0%	2.7%	4.0%	3.7%	5.1%	5.4%	5.2%	-	-	+1.3%
Total Income Taxes / Profit before Income Taxes	27.4%	40.5%	24.3%	26.2%	33.1%	27.1%	28.2%	-	-	+3.9%
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>5,708</b>	<b>5,344</b>	<b>5,402</b>	<b>5,851</b>	<b>5,736</b>	<b>5,965</b>	<b>6,100</b>	-	-	<b>+698</b>
CoGS	2,282	2,222	2,337	2,516	2,420	2,566	2,570	-	-	+233
Gross Profit	3,425	3,122	3,065	3,335	3,315	3,399	3,530	-	-	+465
SG&A	2,885	2,862	2,869	2,948	2,968	3,003	3,138	-	-	+269
<b>Operating Profit</b>	<b>540</b>	<b>260</b>	<b>196</b>	<b>386</b>	<b>346</b>	<b>396</b>	<b>393</b>	-	-	<b>+197</b>
Non Operating Balance	(223)	(68)	164	(114)	86	25	35	-	-	(129)
<b>Recurring Profit</b>	<b>317</b>	<b>192</b>	<b>360</b>	<b>272</b>	<b>432</b>	<b>421</b>	<b>428</b>	-	-	<b>+68</b>
Extraordinary Balance	0	0	0	0	9	14	0	-	-	-
Profit before Income Taxes	317	192	360	272	441	435	428	-	-	+68
Total Income Taxes	87	119	5	88	146	91	131	-	-	+126
NP Belonging to Non-Controlling SHs	-	1	3	1	0	3	0	-	-	(3)
<b>Profit Attributable to Owners of Parent</b>	<b>230</b>	<b>71</b>	<b>352</b>	<b>183</b>	<b>294</b>	<b>341</b>	<b>298</b>	-	-	<b>(54)</b>
Sales YoY	(2.9%)	(6.7%)	(0.9%)	(1.2%)	+0.5%	+11.6%	+12.9%	-	-	-
Operating Profit YoY	+2.9%	(18.0%)	(45.6%)	+5.5%	(35.8%)	+52.3%	+100.5%	-	-	-
Recurring Profit YoY	(45.7%)	(20.3%)	+20.4%	+1.1%	+36.2%	+119.3%	+18.9%	-	-	-
Profit Attributable to Owners of Parent YoY	(36.7%)	(46.2%)	+56.4%	+165.2%	+27.9%	+380.3%	(15.3%)	-	-	-
Gross Profit Margin	60.0%	58.4%	56.7%	57.0%	57.8%	57.0%	57.9%	-	-	+1.1%
(SG&A / Sales)	50.5%	53.6%	53.1%	50.4%	51.7%	50.3%	51.4%	-	-	(1.7%)
Operating Profit Margin	9.5%	4.9%	3.6%	6.6%	6.0%	6.6%	6.4%	-	-	+2.8%
Recurring Profit Margin	5.6%	3.6%	6.7%	4.6%	7.5%	7.1%	7.0%	-	-	+0.4%
Profit Attributable to Owners of Parent Margin	4.0%	1.3%	6.5%	3.1%	5.1%	5.7%	4.9%	-	-	(1.6%)
Total Income Taxes / Profit before Income Taxes	27.4%	62.0%	1.4%	32.4%	33.1%	20.9%	30.6%	-	-	+29.2%

Source: Company Data, WRJ Calculation

## Segmented Information (Cumulative, Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018		
Dental-related Business	5,258	10,095	14,999	20,267	5,174	10,441	15,903	-		+904
Nail-related Business	428	913	1,385	1,944	538	1,210	1,821	-		+436
Other Business	21	43	69	93	23	49	76	-		+7
<b>Sales</b>	<b>5,708</b>	<b>11,052</b>	<b>16,454</b>	<b>22,305</b>	<b>5,736</b>	<b>11,701</b>	<b>17,801</b>	-		<b>+1,347</b>
Dental-related Business	554	812	1,009	1,380	354	717	1,093	-		+84
Nail-related Business	(21)	(26)	(36)	(25)	(14)	13	21	-		+58
Other Business	6	12	19	22	5	8	14	-		(5)
<b>Segment profit</b>	<b>539</b>	<b>798</b>	<b>992</b>	<b>1,376</b>	<b>345</b>	<b>739</b>	<b>1,130</b>	-		<b>+138</b>
Elimination of intersegment transactions	1	2	4	5	1	3	4	-		0
<b>Operating Profit</b>	<b>540</b>	<b>800</b>	<b>996</b>	<b>1,382</b>	<b>346</b>	<b>742</b>	<b>1,135</b>	-		<b>+139</b>
Dental-related Business	10.5%	8.0%	6.7%	6.8%	6.8%	6.9%	6.9%	-		+0.1%
Nail-related Business	(4.9%)	(2.8%)	(2.6%)	(1.3%)	(2.6%)	1.1%	1.2%	-		+3.8%
Other Business	28.6%	27.9%	27.5%	23.7%	21.7%	16.3%	18.4%	-		(9.1%)
<b>Operating Profit Margin</b>	<b>9.5%</b>	<b>7.2%</b>	<b>6.1%</b>	<b>6.2%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>6.4%</b>	-		<b>+0.3%</b>

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	03/2017	03/2017	03/2017	03/2017	03/2018	03/2018	03/2018	03/2018		
Dental-related Business	5,258	4,837	4,904	5,268	5,174	5,267	5,462	-		+558
Nail-related Business	428	485	472	559	538	672	611	-		+139
Other Business	21	22	26	24	23	26	27	-		+1
<b>Sales</b>	<b>5,708</b>	<b>5,344</b>	<b>5,402</b>	<b>5,851</b>	<b>5,736</b>	<b>5,965</b>	<b>6,100</b>	-		<b>+698</b>
Dental-related Business	554	258	197	371	354	363	376	-		+179
Nail-related Business	(21)	(5)	(10)	11	(14)	27	8	-		+18
Other Business	6	6	7	3	5	3	6	-		(1)
<b>Segment profit</b>	<b>539</b>	<b>259</b>	<b>194</b>	<b>384</b>	<b>345</b>	<b>394</b>	<b>391</b>	-		<b>+197</b>
Elimination of intersegment transactions	1	1	2	1	1	2	1	-		(1)
<b>Operating Profit</b>	<b>540</b>	<b>260</b>	<b>196</b>	<b>386</b>	<b>346</b>	<b>396</b>	<b>393</b>	-		<b>+197</b>
Dental-related Business	10.5%	5.3%	4.0%	7.0%	6.8%	6.9%	6.9%	-		+2.9%
Nail-related Business	(4.9%)	(1.0%)	(2.1%)	2.0%	(2.6%)	4.0%	1.3%	-		+3.4%
Other Business	28.6%	27.3%	26.9%	12.5%	21.7%	11.5%	22.2%	-		(4.7%)
<b>Operating Profit Margin</b>	<b>9.5%</b>	<b>4.9%</b>	<b>3.6%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>6.4%</b>	-		<b>+2.8%</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 & Deposit	4,581	4,449	4,651	4,997	4,844	4,881	5,111	-	+460	
Accounts Receivables	2,933	2,907	2,869	3,138	3,199	3,227	3,020	-	+151	
Inventory	5,510	5,480	5,653	5,365	5,712	5,934	6,141	-	+488	
Other	1,063	799	886	786	965	956	973	-	+87	
<b>Current Assets</b>	<b>14,087</b>	<b>13,635</b>	<b>14,059</b>	<b>14,286</b>	<b>14,720</b>	<b>14,998</b>	<b>15,245</b>	-	<b>+1,186</b>	
Tangible Assets	6,574	6,553	6,629	6,682	6,677	6,667	6,597	-	(32)	
Intangible Assets	1,561	1,510	1,586	1,538	1,595	1,613	1,599	-	+13	
Investments & Other Assets	5,624	5,787	6,290	6,345	6,840	7,194	7,659	-	+1,369	
<b>Fixed Assets</b>	<b>13,760</b>	<b>13,851</b>	<b>14,506</b>	<b>14,566</b>	<b>15,113</b>	<b>15,475</b>	<b>15,856</b>	-	<b>+1,350</b>	
<b>Total Assets</b>	<b>27,848</b>	<b>27,486</b>	<b>28,566</b>	<b>28,853</b>	<b>29,834</b>	<b>30,473</b>	<b>31,102</b>	-	<b>+2,536</b>	
Accounts Payables	520	492	618	612	706	611	688	-	+70	
Short Term Debt	504	504	505	505	505	505	505	-	0	
Other	2,224	1,969	1,922	2,098	2,315	2,248	2,110	-	+188	
<b>Current Liabilities</b>	<b>3,248</b>	<b>2,965</b>	<b>3,045</b>	<b>3,215</b>	<b>3,526</b>	<b>3,364</b>	<b>3,303</b>	-	<b>+258</b>	
Long Term Debt	1,604	1,479	1,355	1,225	1,100	975	850	-	(505)	
Other	1,979	1,990	2,129	2,116	2,286	2,423	2,599	-	+470	
<b>Fixed Liabilities</b>	<b>3,583</b>	<b>3,469</b>	<b>3,484</b>	<b>3,341</b>	<b>3,386</b>	<b>3,398</b>	<b>3,449</b>	-	<b>(35)</b>	
<b>Total Liabilities</b>	<b>6,832</b>	<b>6,435</b>	<b>6,530</b>	<b>6,556</b>	<b>6,912</b>	<b>6,762</b>	<b>6,753</b>	-	<b>+223</b>	
<b>Shareholders' Equity</b>	<b>19,470</b>	<b>19,541</b>	<b>19,766</b>	<b>19,949</b>	<b>20,066</b>	<b>20,408</b>	<b>20,578</b>	-	<b>+812</b>	
Other	1,545	1,510	2,269	2,347	2,855	3,302	3,770	-	+1,501	
<b>Net Assets</b>	<b>21,015</b>	<b>21,051</b>	<b>22,035</b>	<b>22,296</b>	<b>22,921</b>	<b>23,710</b>	<b>24,348</b>	-	<b>+2,313</b>	
<b>Total Liabilities &amp; Net Assets</b>	<b>27,848</b>	<b>27,486</b>	<b>28,566</b>	<b>28,853</b>	<b>29,834</b>	<b>30,473</b>	<b>31,102</b>	-	<b>+2,536</b>	
Equity Capital	20,929	20,957	21,930	22,185	22,818	23,598	24,230	-	+2,300	
Interest Bearing Debt	2,108	1,983	1,860	1,730	1,605	1,480	1,355	-	(505)	
Net Debt	(2,473)	(2,466)	(2,791)	(3,267)	(3,239)	(3,401)	(3,756)	-	(965)	
Equity Ratio	75.2%	76.2%	76.8%	76.9%	76.5%	77.4%	77.9%	-	+1.1%	
Net Debt Equity Ratio	(11.8%)	(11.8%)	(12.7%)	(14.7%)	(14.2%)	(14.4%)	(15.5%)	-	(2.8%)	
ROE (12 months)	3.0%	2.8%	3.3%	3.8%	4.1%	5.3%	4.8%	-	+1.6%	
ROA (12 months)	3.9%	3.8%	3.9%	4.0%	4.4%	5.1%	5.2%	-	+1.3%	
Days for Inventory Turnover	220	225	220	194	215	211	218	-	-	
Quick Ratio	231%	248%	247%	253%	228%	241%	246%	-	-	
Current Ratio	434%	460%	462%	444%	417%	446%	462%	-	-	

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	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	-	1,012	-	2,308	-	611	-	-	-
Investing Cash Flow	-	(396)	-	(1,052)	-	(578)	-	-	-
<b>Operating CF &amp; Investing CF</b>	<b>-</b>	<b>616</b>	<b>-</b>	<b>1,256</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financing Cash Flow	-	(434)	-	(835)	-	(458)	-	-	-

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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