

## 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 Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY02/2019		9,117	592	684	466	-	-	-
Q3 to Q4 FY02/2019CoE		10,882	1,307	1,215	883	-	-	-
Q1 to Q2 FY02/2019	YoY	(6.9%)	(44.8%)	(37.3%)	(36.5%)	-	-	-
Q3 to Q4 FY02/2019CoE	YoY	8.7%	45.8%	34.7%	18.9%	-	-	-

Source: Company Data, WRJ Calculation

### 1.0 Results Update (5 October 2018)

#### Recovery of Order Intake


On 5 October 2018, FREUND CORPORATION, developing, manufacturing and selling equipment of pharmaceutical and industrial domains as the key earnings pillar, released its Q1 to Q2 FY02/2019 results. It has been revealed that order intake on the Equipment side sees a recovery due to large-scale project, while sales and earnings are buoyant on the Chemicals side. In Q1 to Q2, order intake on the Equipment side came in at ¥6,518m (up 8.9% YoY), while ¥2,553m in Q1 and ¥3,964m in Q2, suggesting increases by no less than 55.2% on a quarter on quarter basis. As far as we could gather, the Company saw order intake on large-scale project overseas in regards to the mainstay pharmaceutical domain, which was the key driver. Increasing sales and earnings on the Chemicals side are basically in line with those of pharmaceutical excipients in Japan and overseas. In Japan, sales associated with generic drugs were favorable, while exports to India overseas. Meanwhile, given ongoing firm demand, the Company has decided to beef up capacity for pharmaceutical excipients as soon as possible.

We are to attend the Company's results meeting on 18 October in order to gather information more in depth as well as interviewing with management afterwards so that we should be able to update [FREUND CORPORATION \(6312\) Still Slowing \(2 August 2018\)](#) 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 Equipment for Pharmaceutical and Industrial Domains

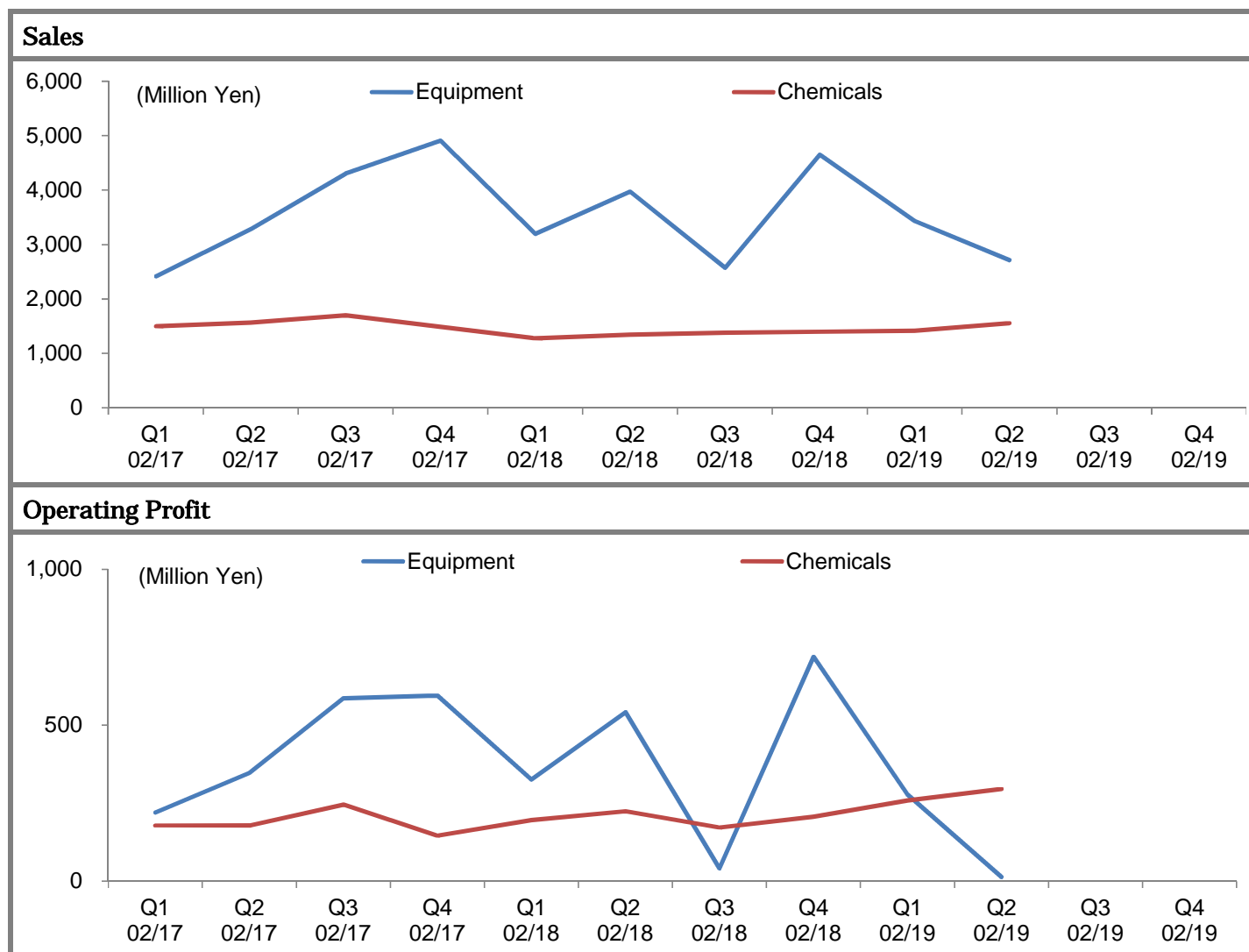
<b>Company Name</b>	FREUND CORPORATION <a href="#">Company Website</a> <a href="#">IR Information</a> <a href="#">Share Price (Japanese)</a>	
<b>Established</b>	22 April 1964	
<b>Listing</b>	24 July 1996: Tokyo Stock Exchange JASDAQ Standard (ticker: 6312)	
<b>Capital</b>	¥1,035m (as of the end of August 2018)	
<b>No. of Shares</b>	18,400,000 shares, including 1,655,478 treasury shares (as of the end of Aug. 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 fields, 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>	KK Fusejima Yokosha 8.96%, Yasutoyo Fusejima 7.18%, MUFG Bank, Ltd. 4.54% (as of the end of August 2018)	
<b>Headquarters</b>	FREUND Bldg., 6-25-13 Nishishinjuku, Shinjuku-ku, Tokyo, JAPAN	
<b>No. of Employees</b>	Consolidated: 415, Parent: 241 (as of the end of August 2018)	

Source: Company Data

## 3.0 Recent Trading and Prospects

### Q1 to Q2 FY02/2019 Results

In Q1 to Q2 FY02/2019, sales came in at ¥9,117m (down 6.9% YoY), operating profit ¥592m (down 44.8%), recurring profit ¥684m (down 37.3%) and profit attributable to owners of parent ¥466m (down 36.5%), while operating profit margin 6.5% (down 4.5% points).

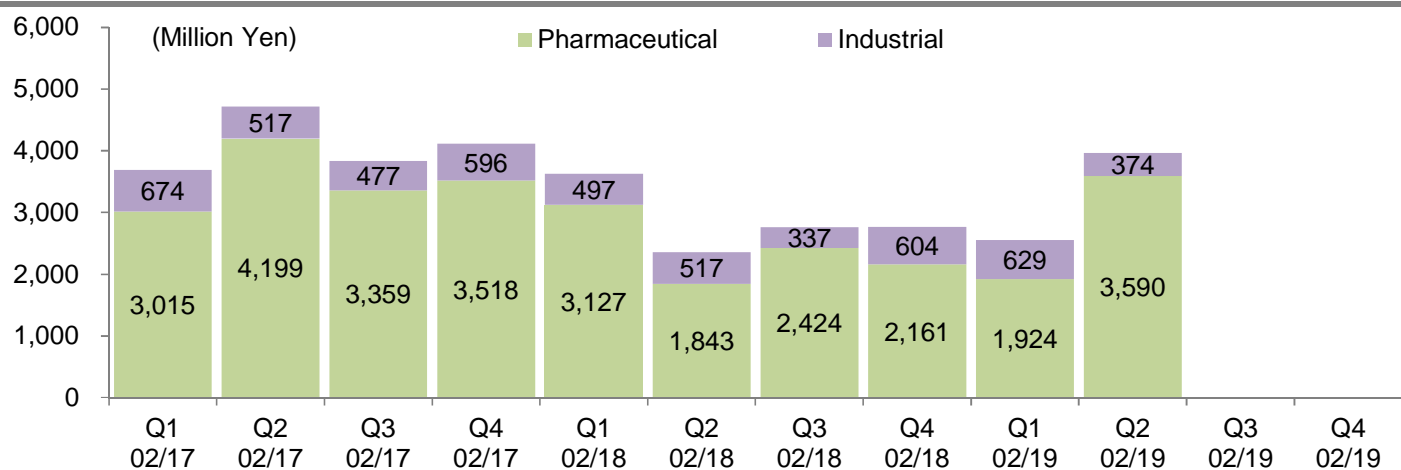


Source: Company Data, WRJ Calculation

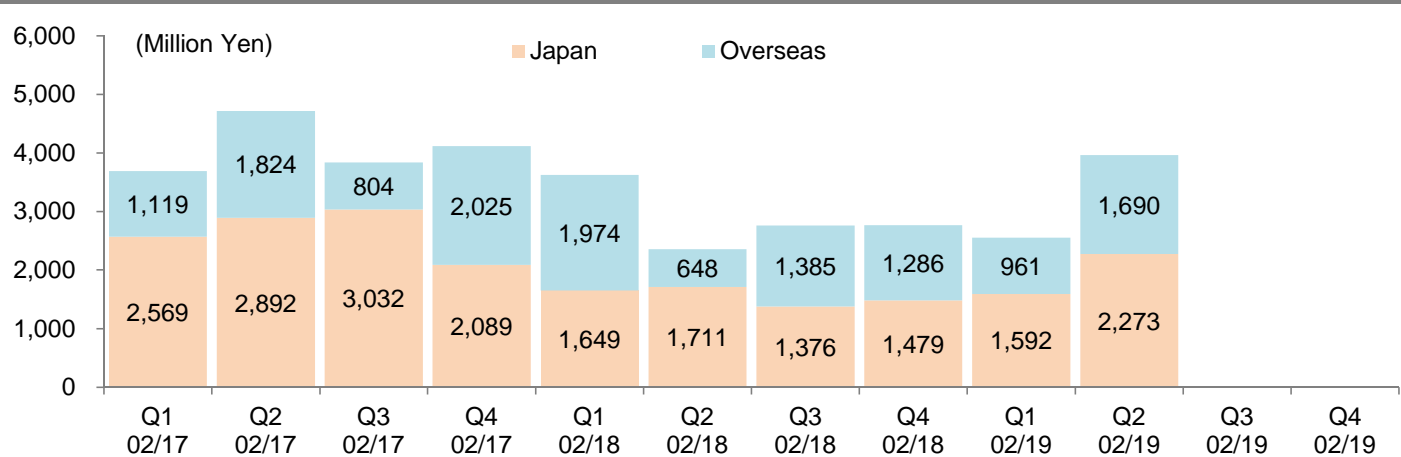
By business segment, Equipment saw sales of ¥6,145m (down 14.3%), segment profit of ¥291m (down 66.5%) and segment profit margin of 4.7% (down 7.4% points), while Chemicals sales of ¥2,971m (up 13.5%), segment profit of ¥556m (up 32.1%) and segment profit margin of 18.7% (up 2.6% points). Meanwhile, the Company saw total segment profit (before elimination) of ¥847m as a whole for the Company, suggesting that Equipment accounted for 34.4% of total and Chemicals 65.6%. Over the past 5 years, Equipment used to account for some 70% and thus the Company saw almost a reversal of the said ratio between the two business segments as far as Q1 to Q2 results were concerned. This was due mainly to major adjustments of earnings on the Equipment side. Sales in Japan came in at ¥4,352m (down 4.5%) and sales overseas ¥1,793m (down 31.4%), having resulted in falling sales as a whole for the Equipment side, while gross profit margin was under pressure as far as we could see.

More importantly, however, order intake or leading indicator for sales is now recovering and order backlog picking up. In Q1 to Q2, order intake on the Equipment side came in at ¥6,518m (up 8.9% YoY), while ¥2,553m in Q1 and ¥3,964m in Q2, suggesting increases by no less than 55.2% on a quarter on quarter basis. As far as we could gather, the Company saw order intake on large-scale project overseas in regards to the mainstay pharmaceutical domain, which was the key driver.

### Equipment: Order Intake by Application



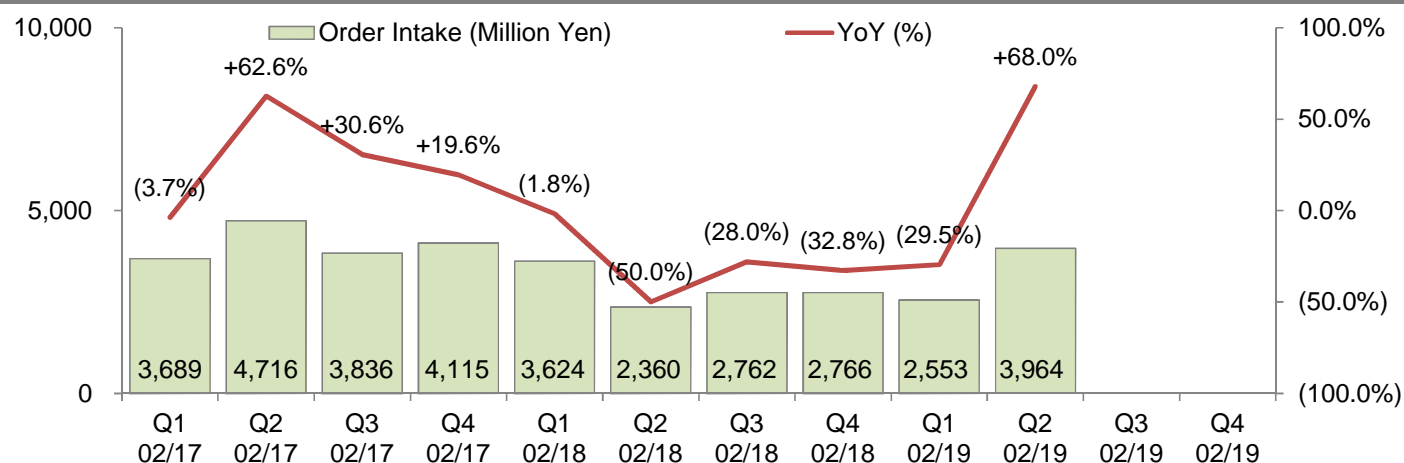
### Equipment: Order Intake by Region



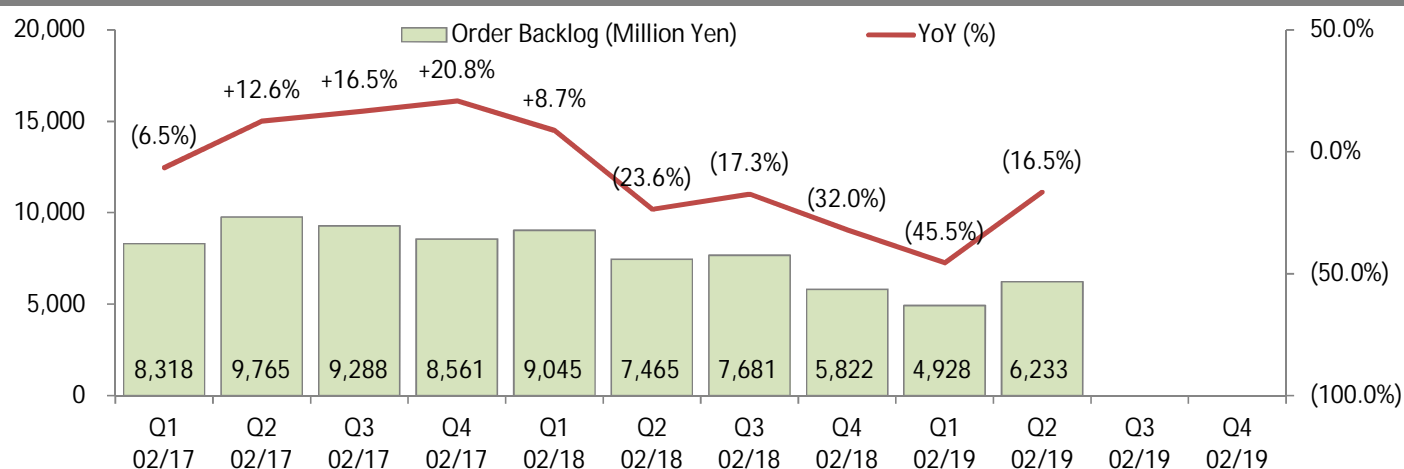
Source: Company Data, WRJ Calculation

On the Equipment side, sales and order intake comprise those of pharmaceutical and industrial domains. The mainstay equipment of pharmaceutical domain includes existing granulation/coating equipment as well as tablet-printing equipment (TABREX) belonging to new field. The Company's U.S. subsidiary FREUND-VECTOR CORPORATION in charge of the operations overseas mainly in North America saw order intake on large-scale project of granulation/coating equipment, while tablet-printing equipment (TABREX) introduced in Japan suffered from shortfall of order intake when compared with initial expectations, according to the Company. As a result, it appears that existing granulation/coating equipment has remained accounting for the bulk of sales and order intake, driving order intake on the Equipment side as a whole with its strengths.

### Equipment: Quarterly Order Intake



### Equipment: Quarterly Order Backlog



Source: Company Data, WRJ Calculation

### FY02/2019 Company Forecasts

FY02/2019 initial 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>9,117</b>	-	-	-	<b>(671)</b>
Cost of Sales	2,915	6,317	8,993	12,985	3,245	6,100	-	-	-	(216)
Gross Profit	1,556	3,471	4,752	6,816	1,604	3,016	-	-	-	(455)
SG&A	1,169	2,397	3,599	4,845	1,204	2,423	-	-	-	+26
<b>Operating Profit</b>	<b>387</b>	<b>1,074</b>	<b>1,152</b>	<b>1,971</b>	<b>399</b>	<b>592</b>	-	-	-	<b>(481)</b>
Non Operating Balance	10	17	21	22	79	91	-	-	-	+74
<b>Recurring Profit</b>	<b>397</b>	<b>1,091</b>	<b>1,174</b>	<b>1,994</b>	<b>478</b>	<b>684</b>	-	-	-	<b>(407)</b>
Extraordinary Balance	0	(1)	59	99	21	21	-	-	-	+23
Profit before Income Taxes	397	1,089	1,234	2,093	500	705	-	-	-	(383)
Total Income Taxes	123	355	384	615	153	239	-	-	-	(115)
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>466</b>	-	-	-	<b>(268)</b>
Sales YoY	+14.3%	+11.7%	(6.9%)	(6.4%)	+8.4%	(6.9%)	-	-	-	-
Operating Profit YoY	+31.3%	+56.4%	(20.0%)	(3.4%)	+3.0%	(44.8%)	-	-	-	-
Recurring Profit YoY	+26.7%	+54.0%	(21.0%)	(4.9%)	+20.3%	(37.3%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	+464.9%	+139.7%	+4.1%	+38.8%	+26.6%	(36.5%)	-	-	-	-
Gross Profit Margin	34.8%	35.5%	34.6%	34.4%	33.1%	33.1%	-	-	-	(2.4%)
SG&A / Sales	26.1%	24.5%	26.2%	24.5%	24.8%	26.6%	-	-	-	+2.1%
Operating Profit Margin	8.7%	11.0%	8.4%	10.0%	8.2%	6.5%	-	-	-	(4.5%)
Recurring Profit Margin	8.9%	11.2%	8.5%	10.1%	9.9%	7.5%	-	-	-	(3.6%)
Profit Attributable to Owners of Parent Margin	6.1%	7.5%	6.2%	7.5%	7.2%	5.1%	-	-	-	(2.4%)
Total Income Taxes / Profit before Income Taxes	31.0%	32.6%	31.2%	29.4%	30.6%	33.9%	-	-	-	+1.4%

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>4,267</b>	-	-	-	<b>(1,049)</b>
Cost of Sales	2,915	3,401	2,675	3,991	3,245	2,855	-	-	-	(546)
Gross Profit	1,556	1,915	1,280	2,063	1,604	1,412	-	-	-	(503)
SG&A	1,169	1,227	1,202	1,245	1,204	1,218	-	-	-	(9)
<b>Operating Profit</b>	<b>387</b>	<b>687</b>	<b>78</b>	<b>818</b>	<b>399</b>	<b>193</b>	-	-	-	<b>(493)</b>
Non Operating Balance	10	6	4	1	79	11	-	-	-	+5
<b>Recurring Profit</b>	<b>397</b>	<b>693</b>	<b>82</b>	<b>819</b>	<b>478</b>	<b>205</b>	-	-	-	<b>(488)</b>
Extraordinary Balance	0	(1)	61	39	21	0	-	-	-	+1
Profit before Income Taxes	397	691	144	858	500	205	-	-	-	(486)
Total Income Taxes	123	231	29	230	153	86	-	-	-	(145)
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>118</b>	-	-	-	<b>(341)</b>
Sales YoY	+14.3%	+9.6%	(34.1%)	(5.3%)	+8.4%	(19.7%)	-	-	-	-
Operating Profit YoY	+31.3%	+75.2%	(89.6%)	+36.3%	+3.0%	(71.8%)	-	-	-	-
Recurring Profit YoY	+26.7%	+75.7%	(89.4%)	+34.2%	+20.3%	(70.4%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	+464.9%	+78.5%	(77.4%)	+152.7%	+26.6%	(74.1%)	-	-	-	-
Gross Profit Margin	34.8%	36.0%	32.4%	34.1%	33.1%	33.1%	-	-	-	(2.9%)
SG&A / Sales	26.1%	23.1%	30.4%	20.6%	24.8%	28.5%	-	-	-	+5.5%
Operating Profit Margin	8.7%	12.9%	2.0%	13.5%	8.2%	4.5%	-	-	-	(8.4%)
Recurring Profit Margin	8.9%	13.1%	2.1%	13.5%	9.9%	4.8%	-	-	-	(8.2%)
Profit Attributable to Owners of Parent Margin	6.1%	8.7%	2.9%	10.4%	7.2%	2.8%	-	-	-	(5.9%)
Total Income Taxes / Profit before Income Taxes	31.0%	33.5%	20.6%	26.8%	30.6%	42.1%	-	-	-	+8.6%

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	6,145	-	-	(1,025)	
Chemicals	1,274	2,617	3,998	5,398	1,416	2,971	-	-	+353	
<b>Sales</b>	<b>4,472</b>	<b>9,789</b>	<b>13,745</b>	<b>19,801</b>	<b>4,849</b>	<b>9,117</b>	-	-	<b>(671)</b>	
Machinery	+32.5%	+25.9%	(2.6%)	(3.4%)	+7.4%	(14.3%)	-	-	-	
Chemicals	(15.0%)	(14.6%)	(16.1%)	(13.6%)	+11.1%	+13.5%	-	-	-	
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+11.7%</b>	<b>(6.9%)</b>	<b>(6.4%)</b>	<b>+8.4%</b>	<b>(6.9%)</b>	-	-	-	
Equipment	71.5%	73.3%	70.9%	72.7%	70.8%	67.4%	-	-	-	
Chemicals	28.5%	26.7%	29.1%	27.3%	29.2%	32.6%	-	-	-	
<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>	<b>100.0%</b>	-	-	-	
Equipment	326	868	910	1,631	278	291	-	-	(577)	
Chemicals	196	420	593	801	259	556	-	-	+135	
<b>Segment Profit</b>	<b>522</b>	<b>1,289</b>	<b>1,504</b>	<b>2,432</b>	<b>537</b>	<b>847</b>	-	-	<b>(442)</b>	
Elimination	(135)	(215)	(351)	(461)	(138)	(254)	-	-	(39)	
<b>Operating Profit</b>	<b>387</b>	<b>1,074</b>	<b>1,152</b>	<b>1,971</b>	<b>399</b>	<b>592</b>	-	-	<b>(481)</b>	
Equipment	+48.1%	+53.1%	(21.1%)	(6.8%)	(14.8%)	(66.5%)	-	-	-	
Chemicals	+10.1%	+17.9%	(1.4%)	+7.1%	+32.5%	+32.1%	-	-	-	
<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>	<b>(34.3%)</b>	-	-	-	
Equipment	62.5%	67.4%	60.5%	67.1%	51.7%	34.4%	-	-	-	
Chemicals	37.5%	32.6%	39.5%	32.9%	48.3%	65.6%	-	-	-	
<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>	<b>100.0%</b>	-	-	-	
Equipment	10.2%	12.1%	9.3%	11.3%	8.1%	4.7%	-	-	(7.4%)	
Chemicals	15.4%	16.1%	14.9%	14.8%	18.3%	18.7%	-	-	+2.6%	
Elimination	(3.0%)	(2.2%)	(2.6%)	(2.3%)	(2.9%)	(2.8%)	-	-	(0.6%)	
<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>6.5%</b>	-	-	<b>(4.5%)</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	2,712	-	-	(1,261)	
Chemicals	1,274	1,343	1,381	1,399	1,416	1,555	-	-	+211	
<b>Sales</b>	<b>4,472</b>	<b>5,316</b>	<b>3,956</b>	<b>6,055</b>	<b>4,849</b>	<b>4,267</b>	-	-	<b>(1,049)</b>	
Machinery	+32.5%	+21.0%	(40.2%)	(5.2%)	+7.4%	(31.7%)	-	-	-	
Chemicals	(15.0%)	(14.2%)	(18.7%)	(5.8%)	+11.1%	+15.8%	-	-	-	
<b>Sales (YoY)</b>	<b>+14.3%</b>	<b>+9.6%</b>	<b>(34.1%)</b>	<b>(5.3%)</b>	<b>+8.4%</b>	<b>(19.7%)</b>	-	-	-	
Equipment	71.5%	74.7%	65.1%	76.9%	70.8%	63.6%	-	-	-	
Chemicals	28.5%	25.3%	34.9%	23.1%	29.2%	36.4%	-	-	-	
<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>	<b>100.0%</b>	-	-	-	
Equipment	326	542	41	720	278	13	-	-	(529)	
Chemicals	196	224	172	207	259	296	-	-	+71	
<b>Segment Profit</b>	<b>522</b>	<b>767</b>	<b>214</b>	<b>927</b>	<b>537</b>	<b>309</b>	-	-	<b>(457)</b>	
Elimination	(135)	(80)	(136)	(109)	(138)	(116)	-	-	(36)	
<b>Operating Profit</b>	<b>387</b>	<b>687</b>	<b>78</b>	<b>818</b>	<b>399</b>	<b>193</b>	-	-	<b>(493)</b>	
Equipment	+48.1%	+56.2%	(92.9%)	+20.9%	(14.8%)	(97.5%)	-	-	-	
Chemicals	+10.1%	+25.7%	(29.4%)	+41.7%	+32.5%	+31.9%	-	-	-	
<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>	<b>(59.6%)</b>	-	-	-	
Equipment	62.5%	70.7%	19.5%	77.7%	51.7%	4.3%	-	-	-	
Chemicals	37.5%	29.3%	80.5%	22.3%	48.3%	95.7%	-	-	-	
<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>	<b>100.0%</b>	-	-	-	
Equipment	10.2%	13.7%	1.6%	15.5%	8.1%	0.5%	-	-	(13.2%)	
Chemicals	15.4%	16.7%	12.5%	14.8%	18.3%	19.1%	-	-	+2.3%	
Elimination	(3.0%)	(1.5%)	(3.5%)	(1.8%)	(2.9%)	(2.7%)	-	-	(1.2%)	
<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>4.5%</b>	-	-	<b>(8.4%)</b>	

Source: Company Data, WRJ Calculation

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

Sales by Region: Equipment (Million Yen)		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	
Japan		2,566	4,559	5,883	8,493	2,783	4,352	-	-	(207)
North America & Latin America		331	1,119	1,795	2,979	289	1,007	-	-	(112)
Europe & Africa		210	1,018	1,287	1,782	80	141	-	-	(876)
Middle East, Asia & Oceania		88	473	781	1,147	279	643	-	-	+169
Overseas		631	2,612	3,864	5,909	649	1,793	-	-	(818)
<b>Sales</b>		<b>3,198</b>	<b>7,171</b>	<b>9,747</b>	<b>14,403</b>	<b>3,433</b>	<b>6,145</b>	-	-	<b>(1,025)</b>
Japan		+41.1%	+8.7%	(16.4%)	(10.2%)	+8.5%	(4.5%)	-	-	-
North America & Latin America		(24.2%)	+1.4%	(5.9%)	(23.3%)	(12.7%)	(10.0%)	-	-	-
Europe & Africa		+127.0%	+286.3%	+203.4%	+105.4%	(62.0%)	(86.1%)	-	-	-
Middle East, Asia & Oceania		+39.7%	+251.8%	+23.6%	+63.3%	+215.0%	+35.8%	-	-	-
Overseas		+6.3%	+73.8%	+30.4%	+8.3%	+2.9%	(31.4%)	-	-	-
<b>Sales (YoY)</b>		<b>+32.5%</b>	<b>+25.9%</b>	<b>(2.6%)</b>	<b>(3.4%)</b>	<b>+7.4%</b>	<b>(14.3%)</b>	-	-	-
Japan		80.3%	63.6%	60.4%	59.0%	81.1%	70.8%	-	-	-
North America & Latin America		10.4%	15.6%	18.4%	20.7%	8.4%	16.4%	-	-	-
Europe & Africa		6.6%	14.2%	13.2%	12.4%	2.3%	2.3%	-	-	-
Middle East, Asia & Oceania		2.8%	6.6%	8.0%	8.0%	8.2%	10.5%	-	-	-
Overseas		19.7%	36.4%	39.6%	41.0%	18.9%	29.2%	-	-	-
<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>100.0%</b>	-	-	-

Sales by Region: Equipment (Million Yen)		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	
Japan		2,566	1,992	1,323	2,610	2,783	1,568	-	-	(424)
North America & Latin America		331	788	675	1,184	289	718	-	-	(69)
Europe & Africa		210	807	269	494	80	61	-	-	(746)
Middle East, Asia & Oceania		88	385	307	365	279	363	-	-	(21)
Overseas		631	1,980	1,252	2,045	649	1,143	-	-	(837)
<b>Sales</b>		<b>3,198</b>	<b>3,973</b>	<b>2,575</b>	<b>4,655</b>	<b>3,433</b>	<b>2,712</b>	-	-	<b>(1,261)</b>
Japan		+41.1%	(16.1%)	(53.5%)	+7.9%	+8.5%	(21.3%)	-	-	-
North America & Latin America		(24.2%)	+18.2%	(15.8%)	(40.1%)	(12.7%)	(8.8%)	-	-	-
Europe & Africa		+127.0%	+373.0%	+67.5%	+11.6%	(62.0%)	(92.4%)	-	-	-
Middle East, Asia & Oceania		+39.7%	+441.6%	(38.2%)	+419.0%	+215.0%	(5.5%)	-	-	-
Overseas		+6.3%	+118.0%	(14.3%)	(17.9%)	+2.9%	(42.3%)	-	-	-
<b>Sales (YoY)</b>		<b>+32.5%</b>	<b>+21.0%</b>	<b>(40.2%)</b>	<b>(5.2%)</b>	<b>+7.4%</b>	<b>(31.7%)</b>	-	-	-
Japan		80.3%	50.2%	51.4%	56.1%	81.1%	57.8%	-	-	-
North America & Latin America		10.4%	19.8%	26.2%	25.4%	8.4%	26.5%	-	-	-
Europe & Africa		6.6%	20.3%	10.5%	10.6%	2.3%	2.3%	-	-	-
Middle East, Asia & Oceania		2.8%	9.7%	11.9%	7.9%	8.2%	13.4%	-	-	-
Overseas		19.7%	49.8%	48.6%	43.9%	18.9%	42.2%	-	-	-
<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>100.0%</b>	-	-	-

Source: Company Data, WRJ Calculation



## Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 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	5,245	-	-	-	(754)
Accounts Receivables	4,352	5,028	4,341	4,451	4,576	4,377	-	-	-	(650)
Inventory	3,094	3,344	4,061	3,185	2,998	2,802	-	-	-	(542)
Other	720	639	718	579	545	566	-	-	-	(72)
<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>12,991</b>	-	-	-	<b>(2,021)</b>
Tangible Assets	3,205	3,219	3,355	3,370	3,471	3,554	-	-	-	+334
Intangible Assets	43	32	20	102	96	91	-	-	-	+58
Investments & Other Assets	869	857	864	868	860	847	-	-	-	(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>4,493</b>	-	-	-	<b>+383</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>17,484</b>	-	-	-	<b>(1,637)</b>
Accounts Payables	2,893	3,289	3,273	2,823	2,510	2,142	-	-	-	(1,147)
Short Term Debt	-	-	-	-	-	-	-	-	-	-
Other	3,139	2,966	3,458	2,741	2,258	2,169	-	-	-	(797)
<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>4,312</b>	-	-	-	<b>(1,944)</b>
Long Term Debt	-	-	-	-	-	-	-	-	-	-
Other	325	333	336	318	323	319	-	-	-	(13)
<b>Fixed Liabilities</b>	<b>325</b>	<b>333</b>	<b>336</b>	<b>318</b>	<b>323</b>	<b>319</b>	-	-	-	<b>(13)</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>4,632</b>	-	-	-	<b>(1,957)</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>13,092</b>	-	-	-	<b>+292</b>
Adjustments	(258)	(267)	(226)	(301)	(281)	(240)	-	-	-	+27
<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>12,852</b>	-	-	-	<b>+320</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>17,484</b>	-	-	-	<b>(1,637)</b>
Equity Capital	12,081	12,532	12,688	13,242	12,691	12,852	-	-	-	+320
Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-
Net Debt	(6,152)	(6,000)	(6,392)	(6,568)	(5,236)	(5,245)	-	-	-	+754
Equity Capital Ratio	65.5%	65.5%	64.2%	69.2%	71.4%	73.5%	-	-	-	-
Net-Debt-Equity Ratio	(50.9%)	(47.9%)	(50.4%)	(49.6%)	(41.3%)	(40.8%)	-	-	-	-
ROE (12 months)	11.1%	12.6%	9.0%	11.6%	12.5%	9.5%	-	-	-	-
ROA (12 months)	12.3%	13.2%	9.4%	10.4%	11.5%	8.7%	-	-	-	-
Total Assets Turnover	97%	111%	80%	127%	109%	98%	-	-	-	-
Inventory Turnover	3.8	4.1	2.6	5.0	4.3	4.1	-	-	-	-
Days of Inventory	97	90	139	73	84	90	-	-	-	-
Quick Ratio	174%	176%	159%	198%	206%	223%	-	-	-	-
Current Ratio	237%	240%	230%	266%	280%	301%	-	-	-	-

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	-	(230)	-	-	-	+145
Investment Cash Flow	-	(224)	-	(493)	-	(190)	-	-	-	+34
<b>Operating CF &amp; Investment CF</b>	<b>-</b>	<b>(600)</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>(420)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+179</b>
Financing Cash Flow	-	(368)	-	(499)	-	(918)	-	-	-	(550)

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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