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PALTEK CORPORATION

Summary of Q3 FY12/18 Financial Results and Follow-up Interview

PALTEK Corporation (hereinafter "PALTEK" or the "Company") announced its Q3 cumulative (Jan-Sep; hereinafter "Q3 YTD") FY12/18 consolidated financial results. This note is a summary of the results and an interview Trias Corporation conducted with the Company.

Q3 FY12/18 Consolidated Financial Results

PALTEK announced its FY12/18 Q3 YTD consolidated financial results on November 5, 2018 as are shown in Table 1. While Semiconductor Business saw net sales and profits decline YoY due both to change in transaction form with its largest supplier Xilinx Inc. (hereinafter "Xilinx") and to termination of purchase from a vendor, consolidated net sales and operating profit were mostly in line with Company's forecasts while ordinary profit and bottom line fell short because of forex losses.

●[Table 1] Q3 FY12/18 Consolidated Financial Results

	FY12/17		FY12/18		YoY Changes	
(¥ million, %)	Q3 YTD	Composition Ratio	Q3 YTD	Composition Ratio	Amount	Ratio
Net sales	24,821	100.0%	22,841	100.0%	(1,979)	-8.0%
Gross profit	3,136	12.6%	2,835	12.4%	(300)	-9.6%
SG&A expenses	2,444	9.8%	2,363	10.3%	(81)	-3.3%
Operating profit	691	2.8%	472	2.1%	(219)	-31.7%
Ordinary profit	759	3.1%	217	1.0%	(541)	-71.3%
Profit attributable to owners of parent	504	2.0%	119	0.5%	(385)	-76.3%

Source: Compiled by Trias Corporation from the Company IR materials

Consolidated net sales declined by 8.0% YoY and gross profit dropped 9.6% YoY. Gross profit margin (GPM), marginally fell from 12.6% a year earlier to 12.4% as is seen in Table 2 on page 2, but excluding an impact from forex moves, the adjusted ratio was flat YoY at 12.8%. A decline in GPM for Semiconductor Business due to the change in the sales contract terms was in fact fully offset as Design Service Business, which bear higher GPM, weighed more in overall sales. Profitability of Solution Business should be similar to FY12/17 Q3, and thus appeared to have little impact on the overall GPM.

●[Table 2] Impacts of Forex Moves on GPM

(¥ million, %)	FY12/17 Q3 YTD	FY12/17 Margin to Net Sales	FY12/18 Q3 YTD	FY12/18 Margin to Net Sales	YoY Changes Amount
Gross profit	3,136	12.6%	2,835	12.4%	(300)
(Impacts from forex)	(34)	-0.1%	(94)	-0.4%	(60)
Adjusted gross profit	3,170	12.8%	2,929	12.8%	(240)

Source: Compiled by Trias Corporation from the Company IR materials

SG&A expenses declined by 3.3% YoY. This is partly due to having outsourced logistics operations to third parties in FY12/17. SG&A expenses ratio rose to 10.3% from 9.8% in Q3 FY12/17 due to the decline in net sales.

As a result, operating profit dropped by 31.7% YoY. The operating profit margin edged down from 2.8% in Q3 FY12/17 to 2.1% as SG&A expenses ratio elevated.

Non-operating balance deteriorated by ¥323 million, from a positive ¥68 million a year before to a negative ¥255 million. The major cause was a turnaround of forex accounts, from a profit of 129 million to a loss of ¥183 million. A forex loss posted in 1H remained although the yen weakened to near ¥114/$ towards the end of Q3. Accordingly, ordinary profit plunged by 71.3% YoY and profit attributable to owners of parent (hereafter "net profit") fell 76.3% YoY.

Summary of Consolidated Net Sales by Operating Segment

As Table 3 shows, Semiconductor Business saw net sales decline by 9.0% as application specific ICs (ASICs) for telecom use were slack and the termination of a contract with a major vendor of analog products. Meanwhile, Design Service Business enjoyed a 12.9% YoY net sales increase thanks to stronger demand from medical and telecom device makers for both contract development and ODM (Original Design Manufacturing：designing and manufacturing of products sold under customer brands) products. Net sales of Solution Business, the new segment, were largely flat YoY. While newly launched segment businesses such as infant breathing monitoring systems and gateway products for industrial IoT markets have come on line, the conventional business including anti-electric outage systems for medical institutions was weak.

●[Table 3] Q3 FY12/18 Cummulative Financial Summary by Operating Segment

(¥ million, %)	FY12/17 Q3 YTD	FY12/17 Composition Ratio	FY12/18 Q3 YTD	FY12/18 Composition Ratio	YoY Changes Amount	YoY Changes Ratio
Semiconductor	23,579	95.0%	21,461	94.0%	(2,117)	-9.0%
Design Service	1,103	4.4%	1,246	5.5%	142	12.9%
Solution	138	0.6%	133	0.6%	(5)	-3.6%
Total	24,821	100.0%	22,841	100.0%	(1,979)	-8.0%

Source: Compiled by Trias Corporation from the Company IR materials

Summary of Semiconductor Business Net Sales by Product

As Table 4 illustrates, net sales of FPGA, the Company's main stay consisting of roughly 40% of the segment, declined by 1.1% YoY. In the FPGA business, US Xilinx changed transaction form (*) at the beginning of FY12/18 and overtook technical supports to certain large clients previously served by PALTEK, resulting in a decline in its profit margin while net sales were affected only marginally.

*Note: Outline of the change is mentioned in the section "FY12/18 Consolidated Financial Forecasts Summary," and for more details please refer to our IRTV memo dated on December 7, 2017 ("Changing Transaction Form with the Largest Supplier; Painful for FY12/18 Earnings, But Also a Major Opportunity").

Net sales for ASSP fell by 24.3% YoY as demand from broadband telecom equipment makers fell. Standard ICs rose 10.9% in net sales thanks partly to jumps in local sales at Singapore and Hong Kong offices after the Company started reinforcing them from FY12/17. Net sales of analog ICs dropped sharply by 37.0% YoY due to a termination of distributor agreement with US Linear Technology Corporation, so far PALTEK's major source of the device, as of January 31, 2018. Finally, sales of memory devices declined by 6.9% YoY as industrial equipment and overseas home appliance uses decreased.

●[Table 4] Q3 FY12/18 YTD Semiconductor Sales by Product

	FY12/17		FY12/18		YoY Changes	
(¥ million, %)	Q3 YTD	Composition Ratio	Q3 YTD	Composition Ratio	Amount	Ratio
FPGA	9,118	38.7%	9,017	42.0%	(101)	-1.1%
Application Specific IC (ASSP)	4,233	18.0%	3,204	14.9%	(1,029)	-24.3%
Standard IC	2,489	10.6%	2,759	12.9%	270	10.8%
Analog	2,400	10.2%	1,512	7.0%	(888)	-37.0%
Memory	5,336	22.6%	4,967	23.1%	(369)	-6.9%
Semiconductor Total	23,579	100%	21,461	100%	(2,117)	-9.0%

Source: Compiled by Trias Corporation from the Company IR materials

Summary of Financial Status

As for balance sheet shown in Table 5, total assets decreased by ¥3,259 million compared to the end of FY12/17. The decrease mostly came from a decline of ¥3,070 million in accounts receivable - other as the Company's debt collection proceeded for US dollar denominated receivables which are linked to purchase discounts by overseas vendors. On the debt/capital side of B/S, short-term loans payable significantly decreased by ¥3,520 million, from ¥5,030 million at the end of FY12/17 to ¥1,510 million.

Due to the decrease in accounts receivable - other, operating cash flows during Q3 turned from a negative ¥3,770 million a year before to a positive ¥3,906 million, allowing the Company to pay back a large part of its bank loans.

The equity ratio rose sharply from 55.3% at the end of FY12/17 to 68.1% at the Q3-end, with the

decrease in short-term loans payable as a main cause.

[Table 5] Q3-end FY12/18 Consolidated Balance Sheet Summary

(¥ million, %)	FY12/17 FY-End	FY12/18 Q3-End	YoY Changes Amount	Major Factors
Cash and deposits	2,178	2,325	146	
Notes and accounts receivable - trade	7,087	6,437	(650)	
Merchandise	3,559	3,251	(308)	
Other current asstes	3,904	1,410	(2,493)	Decrease in accounts receivable - other
Non-current assets	450	496	46	
Total assets	17,180	13,921	(3,259)	
Notes and accounts payable - trade	1,387	1,040	(347)	
Short-term loands payable	5,030	1,510	(3,520)	Repayments of bank loans
Other current liabilities	999	1,643	644	
Non-current liabilities	261	247	(13)	
Net assets	9,501	9,478	(22)	
Total liabilities and net assets	17,180	13,921	(3,259)	

Source: Compiled by Trias Corporation from the Company IR materials

Summary of FY12/18 Consolidated Financial Forecasts

Key Points to FY12/18 Full-Year Forecasts

Company's FY12/18 full-year forecasts remained intact after being revised upward in August 2018. The Company looks for a decline in net sales and sharp drops in profits for FY12/18. The factors are twofold as below:

- The change in FPGA transaction form and the termination of distribution contract with a major analog device vendor.
- Growing upfront investments in Solution Business and other strategic areas.

Below are the outlines of these factors. For more details, please refer to our IRTV memo dated on December 7, 2017 ("Changing Transaction Form with the Largest Supplier; Painful for FY12/18 Earnings, But Also a Major Opportunity").

＜Change in FPGA Transaction Form and Termination of Distribution Contract with Major Analog Device Vendor＞

Up to FY12/17, PALTEK had been selling Xilinx FPGAs to its clients with technical support such as proposing products and installing programs into the devices. From FY12/18 onward, however, it will play only trading functions of selling and logistics for certain major clients, while Xilinx has directly provided technical support to these clients.

For other existing clients, including a number of long-standing large manufacturers, the sales terms remain unchanged. As a result, while FPGA net sales should not change much, the Company receives

little fees for product proposal services as well as technical support from several specific clients shifting to the new contracts, which consist approximately 60% of overall FPGA net sales, and this should lead to lower profitability at the overall Semiconductor Business. The negative impact from this change foreseen by the Company is worth ¥750 million annualized at the gross profit level. Only for FY12/18, however, the negative impact on gross profit should be around ¥500 million, as some clients concerned intended to delay the transitions until April in FY12/18, the Company explains.

President Yabuki asserts "Remaining FPGA business should improve in both net sales and profits in the medium term as we are enhancing human resources serving to those clients with no change in sales transactions."

Meanwhile, analog semiconductor sales will drop sharply as the distributor agreement with Linear Technology was terminated at the end of January 2018. This was a result of Linear's changing its distribution channels in Japan after it was acquired by US Analog Devices Inc. in March 2017.

＜Upfront Investments in Solution Business and Other Strategic Areas＞

PALTEK acknowledged it will newly focus on solution businesses when it disclosed its mid-term business plan in February 2017. The Company upgraded these operations to a new independent segment, Solution Business, at the start of FY12/18 with an intention to accelerate its operations. More than 10 FPGA related sales personnel and engineers previously devoted to the clients subject to the changes in the transaction form have been transferred to the following four areas which either have fallen short of manpower, or the Company intends to focus on: i) Strengthening the sales force for Solution Business, ii) Reinforcing the sales force for Design Service Business (ODM business), iii) Developing and marketing FPGA-based solutions, and iv) Enhancing Semiconductor Business for growing markets.

In the short term, some of these business areas are obliged to see some downward pressure on profits as the expenses for transferred personnel should weigh at the initial stage. President Yabuki, however, rather asserts "The change in transaction form this time gave us a great opportunity," and intends to take a proactive stance towards growth and focused areas in the coming years.

Assumptions for FY12/18 Consolidated Performance

As Table 6 on page 6 indicates, the Company is looking for YoY declines in both net sales and profits. Consolidated net sales are forecast to decrease by 4.5% YoY due to weaker Semiconductor Business.

●[Table 6] FY12/18 Consolidated Financial Forecasts

(¥ million, %)	FY12/17 Actual		FY12/18 Forecasts		YoY Changes	
	Full-Year	Composition Ratio	Full-Year	Composition Ratio	Amount	Ratio
Net sales	33,075	100.0%	31,600	100.0%	(1,475)	-4.5%
Gross profit	4,275	12.9%	3,900	12.3%	(375)	-8.8%
SG&A expenses	3,237	9.8%	3,220	10.2%	(17)	-0.5%
Operating profit	1,037	3.1%	680	2.2%	(357)	-34.5%
Ordinary profit	1,084	3.3%	470	1.5%	(614)	-56.7%
Profit attributable to owners of parent	703	2.1%	300	0.9%	(403)	-57.3%

Source: Compiled by Trias Corporation from the Company IR materials

Gross profit should fall by 8.8% YoY and GPM would narrow from 12.9% in FY12/17 to 12.3%. The aforementioned negative impact of ¥500 million on the gross profit caused by the change in FPGA transaction form would weigh on, but this should be partly offset by better product mix in other semiconductor products.

By operating segment, as shown in Table 7 on page 7, expected lower profitability of Semiconductor Business should be partly absorbed by higher sales composition of relatively better profit margin segment, of Design Service Business, which is resulted from increased sales. No impact from forex moves is assumed. As for Solution Business, GPM should be largely as high as that for Design Service Business.

SG&A expenses are forecast to edge down by 0.5% YoY. An increase in labor expenses from full contribution of midcareer personnel hired in FY12/17 should be mostly absorbed by reduction efforts for other expenses such as outsourcing logistics operations to third parties. SG&A expenses ratio would rise from 9.8% in FY12/17 to 10.3%.

Operating profit, therefore, should drop by 34.5% YoY and operating profit margin from 3.1% in FY12/17 to 2.2%. Partial change in FPGA transaction form and the negative impact from decreased analog products would weigh on.

Non-operating profit/loss balance is expected to turn around from a profit of ¥47 million to a loss of ¥210 million. Ordinary profit is forecast to fall by 56.7% YoY as a forex loss of ¥120 million in FY12/17 to disappear, with more decline than that at operating profit level. Net profit should decrease by 57.3% YoY. It is worth noting, however, ordinary and net profits could be lower if any forex losses up to Q3 remain.

Up to Q3, achievement rates against the full-year forecasts are 72% for net sales and 69% for operating profit, both of which the Company sees as in line with its forecasts, while 46% for ordinary profit falls short as the unexpected forex loss was incurred.

Summary of Consolidated Net Sales by Operating Segment

Forecasts by operating segment are shown in Table 7, where the Company is looking for net sales for Semiconductor Business to decline by 6.5% YoY and for Design Service Business to jump by 30.7% YoY. For the latter, ODM business for medical devices and contract development for telecom equipment should contribute to the nice growth, the Company explains. The new segment, Solution Business, should be growing rapidly by 42.2% YoY. For FY12/18, some of new solution products such as the infant breathing monitoring systems and paper-based packaging systems have started to contribute, whereas major products up to FY12/17 were smart energy businesses such as anti-electric outage systems for medical institutions.

For infant breathing monitoring systems for childcare facilities, branded as *IBUKI ONE*, some local governments including Tokyo City have already decided or been considering to subsidize installations of monitoring devices including *IBUKI ONE*. PALTEK says it has already received estimation requests from many childcare facilities and closed orders have also been built up. It also launched *IBUKI NAP*, an application software in September 2018 which monitors, checks and records data for infants while they are taking nap at childcare facilities.

With the paper-based packaging systems, on the other hand, the Company attended LOGIS-TECH TOKYO, one of the largest material handling and logistics trade show in Asia, in September. The systems have been highly evaluated for their advantages in saving packaging costs and time, and the Company says it has already closed contracts with 9 users including leading logistics operators and mail order companies for 60 units, and another 19 potential users are now examining trials with 29 units.

A brand new solution business for the Company from FY12/18 is marketing of *Muscle Suit™ Edge*, a wearable robot which supports physical works, launched in September. The new product is a low cost version developed by INNOPHYS, a venture company born from the Tokyo University of Science, which realized the weight as light as 4.3 kg by using "artificial muscle" driven by air pressure. PALTEK will be marketing 3 models including already existing ones to such most applicable areas as caring, logistics, construction and agriculture where shortages of new hires and aging of existing employees have been seriously persistent in Japan.

[Table 7] FY12/18 Net Sales Forecasts by Operating Segment

	FY12/17 Actual		FY12/18 Forecasts		YoY Changes	
(¥ million, %)	Full-Year	Composition Ratio	Full-Year	Composition Ratio	Amount	Ratio
Semiconductor	31,334	94.7%	29,300	92.7%	(2,034)	-6.5%
Design Service	1,530	4.6%	2,000	6.3%	470	30.7%
Solution	211	0.6%	300	0.9%	89	42.2%
Total	33,075	100.0%	31,600	100.0%	(1,475)	-4.5%

Source: Compiled by Trias Corporation from the Company IR materials

Summary of Semiconductor Business Net Sales by Product

As Table 8 shows, similarly to the Q3 trend, net sales of FPGAs should remain flattish with forecast of 1.3% YoY growth, ASSPs and Analog products are to decline sharply, and standard ICs to increase by 9.4% YoY. Net sales for memories, meanwhile, could potentially decline depending on Q4 demand from overseas consumer devices, in contrast to the growth forecast. Even if this is the case, however, impact on overall profits should be minimal as this business bears thin profit margin.

●[Table 8] FY12/18 Semiconductor Business Net Sales Forecasts by Product

	FY12/17 Actual		FY12/18 Forecasts		YoY Changes	
(¥ million, %)	Full-Year	Composition Ratio	Full-Year	Composition Ratio	Amount	Ratio
FPGA	11,749	37.5%	11,900	40.6%	151	1.3%
Application Specific IC (ASSP)	5,448	17.4%	3,950	13.5%	(1,498)	-27.5%
Standard IC	3,428	10.9%	3,750	12.8%	322	9.4%
Analog	3,199	10.2%	2,000	6.8%	(1,199)	-37.5%
Memory	7,508	24.0%	7,700	26.3%	192	2.6%
Semiconductor Total	31,334	100.0%	29,300	100.0%	(2,034)	-6.5%

Source: Compiled by Trias Corporation from the Company IR materials

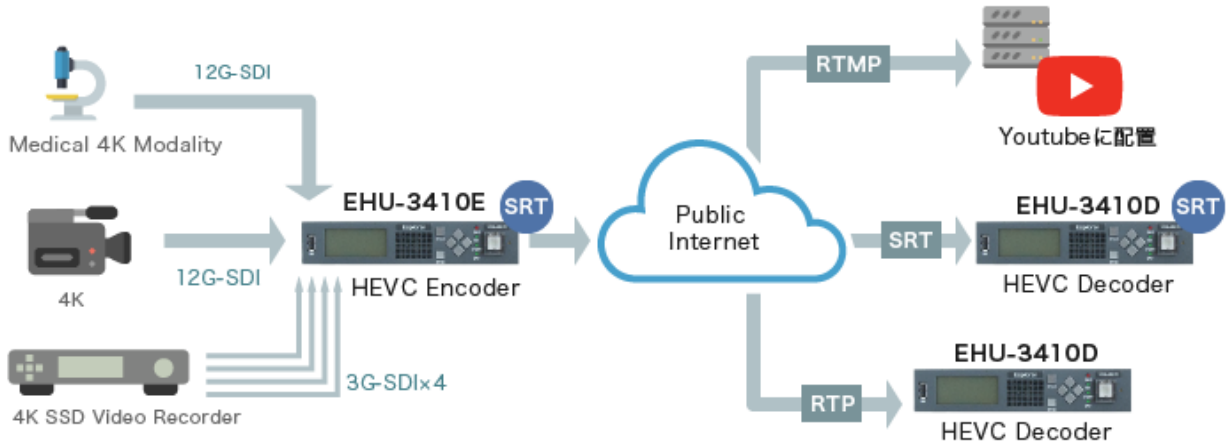
Topic: SRT Protocol and Edge AI Solutions Invite Our Attention

PALTEK is rapidly expanding its business domain to higher value added systems or solution businesses from semiconductor distribution business which has been getting more difficult to achieve high growth due to intensifying competition due to the increasingly globalized or maturing markets. In this context, what we closely watch at this time are STR Protocol and Edge solutions leveraging AI, both the Group are focusing on anew.

Launching Nation's First 4K-Enabled Codecs Equipped with SRT Protocol

PALTEK's group company Explorer Inc. announced in November 2018 to ship nation's first codec systems equipped with SRT (Secure Reliable Transport) Protocol, EHU-3410E (encoder) and EHU-3410D (decoder), from March 2019. Explorer is a technology-driven developer and vendor of video transmission systems with its core expertise in leading-edge visual technologies. SRT is a technology enabling to send high quality videos in high speed even through unstable transmission channels. Incorporating the IP protocol can realize high quality, secured and low latency video transmissions in IP streaming.

●[Figure 1] Nation's First H.265/HEVC 4K/2K Codec System Incorporating SRT Protocol



Source: Compiled by Trias Corporation from Explorer Inc. website

Collaboration with Haivision Drives Shift PALTEK's Distribution Business from Product Sales to System Sales

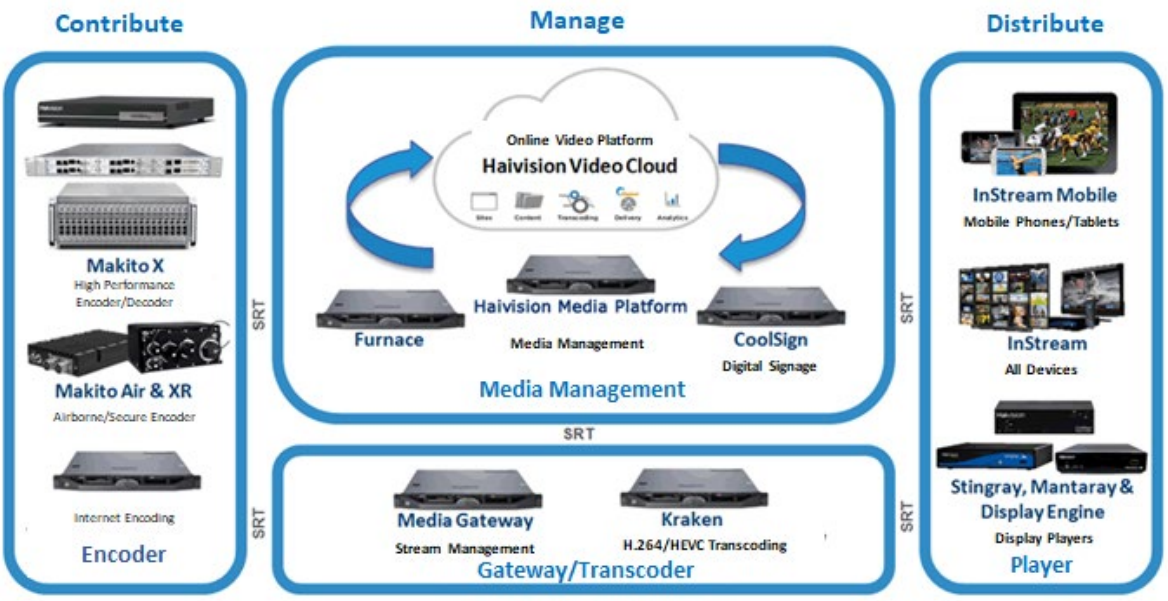
SRT Protocol is an open source video transmission technology developed by Canadian company Haivision which PALTEK started to partner with in 2017. Compared with conventional protocols, the emerging technology secures stable video quality even through volatile transmission channels and security is enhanced as well. The SRT Alliance, aiming for spreading and promoting SRT Protocol, was founded in April 2017 and currently joined by 160 global companies including Microsoft with more than 60 of them have already adopted the technology to their products. The technology appears destined to become a de facto standard for high quality video transmission protocols in our view. So far, Japanese participants to the alliance count only 3 companies: PALTEK, Explorer, and CyberAgent, Inc.

The biggest advantage of the protocol is its ability to send high quality videos with much less losses in quality of frames and/or videos in higher speed even in unstable telecom environments, namely represented by the Internet. This means secure video transmission systems can be built handily at low cost without using high speed telecom channels such as dedicated networks. Put another way, high quality video system markets previously needed by a limited number of users such as broadcasters can expand at a glance to the vast markets serving to media industries including video publishing, medical areas, security industries and even ordinary companies irrelevant to such technologies.

As Figure 2 on page 10 illustrates, Haivision's expertise is its excellent ability to provide a series of product families with hardware, software and services as a comprehensive system for video streaming

tasks ranging from video distributions to media management and video allocations. Its products have already been widely adopted in areas such as intracompany communications, remote medical care, live and on-demand video learnings as well as live events, and the Canadian company also provides video solutions necessitated for ISR (Intelligence, Surveillance and Reconnaissance) activities at US government and defence related institutions.

● **[Figure 2] Haivision's Product Families Ranging from Video Distributions and Media Management to Video Allocations**

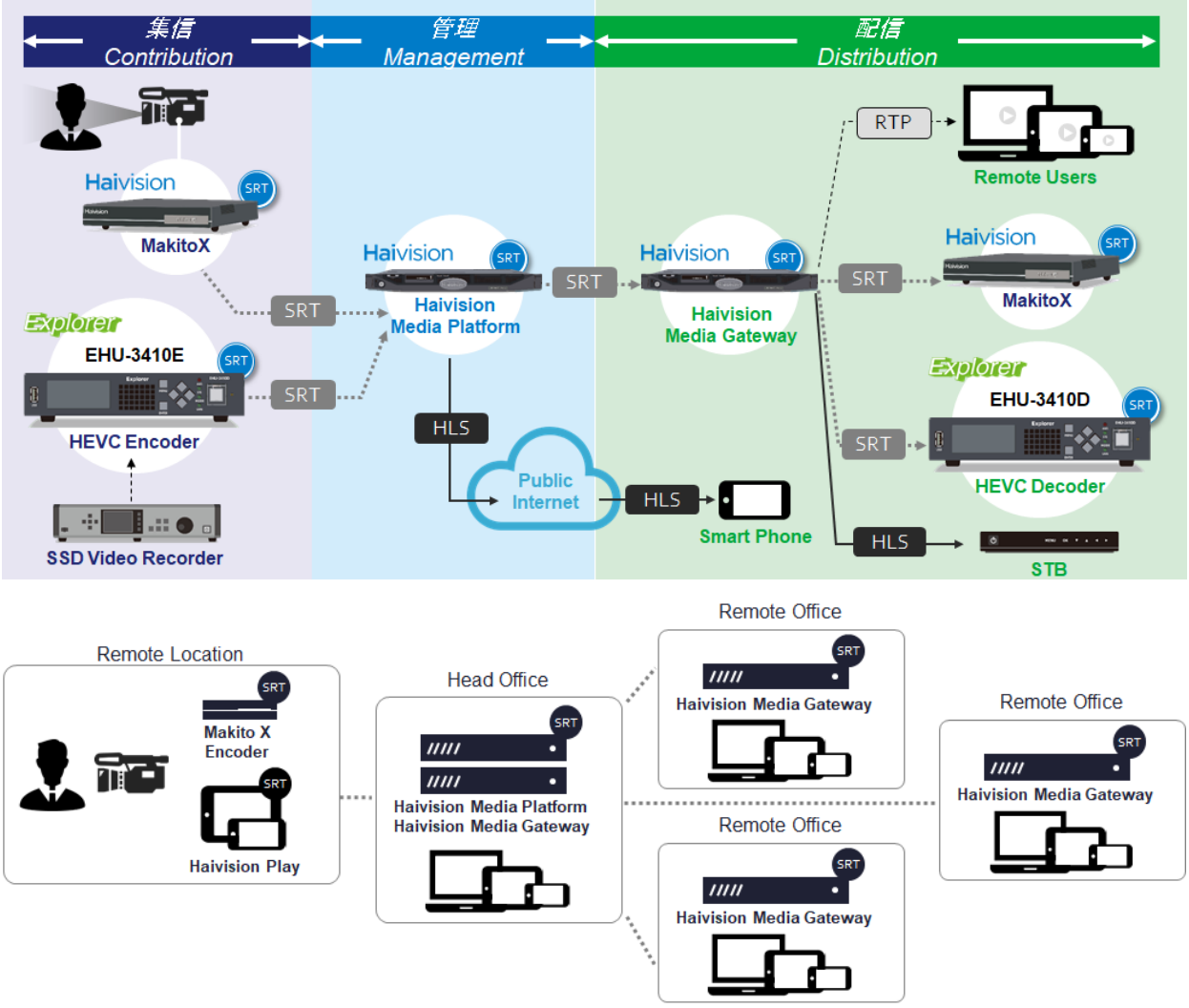


Source: Compiled by Trias Corporation from Explorer Inc. website

On the other hand, the PALTEK group, with Exporer at its center, is developing codec products including H.264/AVC and H.265/HEVC by leveraging core espertise in their leading edge video compression technologies, and have showcased ample track records namely in such areas as broadcasting and industrial products (monitoring cameras).

PALTEK Group by combining the newly developed Explorer video transmission systems with Haivision's technologies and products, can design and sell comprehensive transmission systems which satisfy individual needs of customers. The Group also intends to expand these new systems to ODM businesses and ultimately look to overseas deliveries through local sales agencies.

● [Figure3] System Configuration of Combination of Explorer and Haivision Technologies/Products Enabled by SRT Protocol



Source: Compiled by Trias Corporation based on materials presented by Explorer Inc. at the Inter BEE 2018

Edge Solutions Leveraging AI

PALTEK announced a flurry of collaboration and partnership on AI related technologies from September to November in 2018. In September, it annouced collaboration with Japnese venture **Hacarus Inc.** to start developing FPGA products and box computers equipped with the partner's AI engine *HACARUS-X*. Trough the collaboration, both companies will be offering AI devices which meet needs for high-speed, compact and low power consumption, by installing *HACARUS-X* on hardware, including PALTEK's FPGAs and box computers.

Also in November, the Company signed a distributor agreement with **Digital Media Professionals Inc.**

(hereinafter "DMP," TSE Mothers, securities code: 3652) which has expertise in IP lisenses and SoCs / modules mainly around AI technologies and will start marketing *ZIA™ C3*, an edge AI FPGA module developed by DMP.

PALTEK is focusing on AI technologies as it looks ahead to future progress in the "Connected Industries," the Japanese version of next generation manufacturing systems "Industries 4.0" which was first advocated by Germany. These systems are IoT-oriented, i.e., connect input/output devices and equipment via Internet, to harmonize equipment and production lines to meet with high-mix & low-volume as well as other production requirements, and enhance productivity including reductions in operators, which is forecast to spread widely. PALTEK calls these as "Edge AI Solutions" and aims to meet with future demand and to cultivate markets with these 2 partners. As a start, the Company joined the "Inter BEE 2018" trade show in November.

That said, however, when these edge IoT systems are to proliferate, it is inevitable the challenges for lowered reliability/security of the overall systems arise as real-time performance and telecom environment deteriorate due to bloated telecom/data amounts and processing delays. This is why PALTEK has become focusing on AI technologies. The Company's aim is to lighten the above-mentioned burdens on overall systems by using AI for pre-processing and/or narrowing down data volume as well as operating status acquired by these edge devices, and hence overcome the challenges.

DMP's edge AI FPGA modules should allow PALTEK to install AI functions on devices offered by sectors or companies interested in AI such as industrial, medical and security industries. In addition, the Company intends to offer its Edge AI Solutions most suitable for third party solution providers and system integrators which have so far only served with software without using FPGAs.

In these AI solutions, as customized algorism is essential to each particular use, PALTEK is seeking to build business models which enable importing such algorism from potential clients and leading them to final implementation.

References

Consolidated Key Financial Data

No. of shares issued	Jun-18	11,849,899
No. of treasury shares	Jun-18	895,733
Market value (¥mn)	11-Dec-18	7,631
BPS (¥)	Jun-18	867.35
ROE (%)	Jun-18	7.4%
ROA (%)	Jun-18	4.6%
PER (times)	Dec-18 fcst.	23.5
PCFR (times)	Jun-18	9.9
PBR (times)	Jun-18	0.7
Share price (¥)	11-Dec-18	644
Unit share (shares)	11-Dec-18	100
Average daily volume (shs)	11-Dec-18	86,909

Total assets (¥mn)	Jun-18	13,461
Shareholders' equity (¥mn)	Jun-18	9,490
Interest-bearing debt (¥mn)	Jun-18	1,210
Equity ratio (%)	Jun-18	70.5%
Ratio of interest-bearing debt (%)	Jun-18	12.7%
Free cash flows (¥mn)	Jun-18	3,845

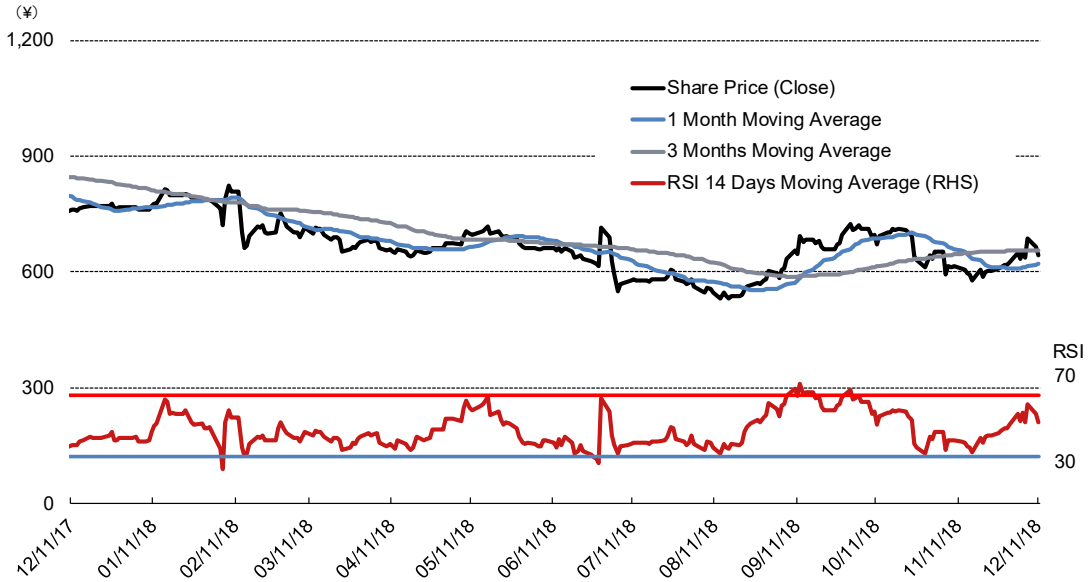
ROE = Profit attributable to owners of the Company / Averaged shareholders' equity
ROA = Profit attributable to owners of the Company / Averaged total assets
PCFR = Market value / (Profit attributable to owners of the Company + Depreciation)
Ave. daily vol. = Ave. daily vol. (from 17-Dec-17 to 11-Dec-18)
Interest-bearing debts ratio = I.B.D. / Shareholders' equity
Free cash flows = Operating CF + Investment CF

Consolidated Financial Results

Consolidated (¥million)	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	EPS(¥)	DPS(¥)
FY12/14	23,155	1,008	1,052	563	49.31	8.00
FY12/15	28,841	1,361	1,144	674	61.16	15.00
FY12/16	33,544	515	110	11	1.05	13.00
FY12/17	33,075	1,037	1,084	703	64.18	13.00
1H FY12/18	15,585	381	227	133	12.20	0.00
FY12/18 Forecasts	31,600	680	470	300	27.39	10.00

Note: FY12/18 forecasts announced on August 1, 2018

Share Prices and RSI



Source: Prepared by Trias Corp. with Bloomberg data.
Note: RSI, Relative Strength Index, is the index representing the ratio of overbought or oversold share prices. In general, over 70 in RSI shows overbought share price range, while below 30 shows oversold share price range.
RSI = averaged share price appreciation for N days ÷ (averaged share price appreciation for N days + averaged share price decline for N days) x 100