

## FY2018 First Quarter Summary of Consolidated Financial Results

(Three Months ended June 2018)

- Consolidated net sales decreased by 10.2% year-on-year to ¥16.3 billion. Operating income decreased by 49.7% to ¥0.6 billion. Ordinary income dropped by 46.8% to ¥0.7 billion. Profit attributable to owners of parent declined 43.3% to ¥0.3 billion.
- Domestic smart meters demand remains strong. However, sales volumes fell due to inventory adjustment by certain electric power companies.
- Overseas sales decreased due to falling orders compared to the same quarter in the previous year in Oceania and emerging countries. On the other hand, we enhanced marketing activities and production structure in response to further expanding demand.

### 1. Consolidated Financial Results

(Millions of yen)

	FY2017 1Q	FY2018 1Q	YoY Change	
			Amount	%
<b>Net sales</b>	18,131	16,274	(1,857)	(10.2)%
Measurement and control equipment	17,904	15,837	(2,066)	(11.5)%
Others	264	473	+208	+78.7%
Adjustment	(37)	(36)	+0	—
<b>Gross profit</b>	5,186	4,450	(736)	(14.2)%
Ratio to sales	28.6%	27.3%		(1.3)pt
<b>SG &amp; A expenses</b>	3,990	3,848	(141)	(3.5)%
Ratio to sales	22.0%	23.6%		+1.6pt
<b>Operating income</b>	1,196	601	(594)	(49.7)%
Ratio to sales	6.6%	3.7%		(2.9)pt
Measurement and control equipment	1,227	533	(694)	(56.6)%
Others	(33)	67	+100	—
Adjustment	2	1	(0)	(28.6)%
<b>Ordinary income</b>	1,340	713	(627)	(46.8)%
<b>Profit attributable to owners of parent</b>	539	306	(233)	(43.3)%
Net income per share (yen)	11.06	6.27	(4.79)	(43.3)%

### 2. Consolidated Sales by Region (Excluded intercompany sales)

(Millions of yen)

	FY2017 1Q	FY2018 1Q	YoY Change	
			Amount	%
<b>Japan</b>	13,516	12,761	(755)	(5.6)%
<b>Overseas</b>	4,615	3,513	(1,101)	(23.9)%
Oceania	2,121	1,257	(863)	(40.7)%
Europe	779	961	+181	+23.3%
Asia	1,389	1,183	(206)	(14.8)%
Others	325	110	(214)	(65.9)%
<b>Total</b>	18,131	16,274	(1,857)	(10.2)%

### 3. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2017 1Q	FY2018 1Q	YoY Change		FY2018 Full-year Forecast
			Amount	%	
R&D expenditures	829	715	(113)	(13.7)%	3,900
Depreciation	649	633	(16)	(2.5)%	3,100
Capital expenditures	602	356	(246)	(40.9)%	2,500

### 4. FY2018 Consolidated Results Forecast

Domestic demand for smart meters is still high. In overseas market, demand for smart meters is projected to rise in Australia from the second quarter. In addition, we anticipate increasing sales in the United Kingdom and emerging countries. Therefore, the forecast is unchanged from the announcement on May 9, 2018.

(Millions of yen)

	First Half				Full-year			
	FY2017 Results	FY2018 Forecast	YoY	1Q Progress	FY2017 Results	FY2018 Forecast	YoY	1Q Progress
Net sales	36,550	37,000	+1.2%	44.0%	78,780	86,000	+9.2%	18.9%
Operating income	2,201	1,600	(27.3)%	37.6%	5,544	6,000	+8.2%	10.0%
Ordinary income	2,263	1,600	(29.3)%	44.6%	5,634	6,000	+6.5%	11.9%
Profit attributable to owners of parent	817	600	(26.7)%	51.0%	2,666	3,300	+23.8%	9.3%

- Forward-looking statements made in this material is based on management's estimates, assumptions and projections at the time of publication and do not represent a commitment that they will be achieved. A number of factors could cause actual results to differ materially from expectations.
- All amounts are in millions of yen rounded down unless otherwise stated.