

FY2018 Third Quarter Summary of Consolidated Financial Results

(Nine Months ended December 2018)

- Consolidated sales decreased by 3.3% year-on-year to ¥54.9 billion. Operating income declined by 34.1% to ¥2.7 billion. Ordinary income dropped by 32.6% to ¥2.8 billion. Profit attributable to owners of parent decreased by 48.3% to ¥1.0 billion.
- In Japan, demand for smart meters remained at high levels and inventory adjustment by electric power companies has passed its peak. Nonetheless, sales in Japan decreased due to lower smart meter sales in the first half and stagnant demand in panel boards.
- Overseas, delays in production due to difficulty in procuring of certain electronic components led to lower sales.
- In addition to the decrease in revenues, overseas businesses suffered higher cost of sales ratio, reflecting increased costs from delay in production, combined with changes in product sales mix, which led to overall decline in consolidated profits.

1. Consolidated Financial Results

(Millions of yen)

| | FY2017 3Q | FY2018 3Q | YoY Change | |
|--|-----------|-----------|------------|-----------|
| | | | Amount | % |
| Net sales | 56,741 | 54,877 | (1,864) | (3.3)% |
| Measurement and control equipment | 55,782 | 53,456 | (2,325) | (4.2)% |
| Others | 1,067 | 1,527 | 459 | +43.0% |
| Adjustment | (108) | (106) | 1 | — |
| Gross profit | 16,206 | 14,467 | (1,738) | (10.7)% |
| Ratio to sales | 28.6% | 26.4% | | (2.2)pt |
| SG & A expenses | 12,140 | 11,786 | (353) | (2.9)% |
| Ratio to sales | 21.4% | 21.5% | | +0.1pt |
| Operating income | 4,065 | 2,681 | (1,384) | (34.1)% |
| Ratio to sales | 7.2% | 4.9% | | (2.3)pt |
| Measurement and control equipment | 4,046 | 2,445 | (1,601) | (39.6)% |
| Others | 13 | 231 | 218 | +1,624.0% |
| Adjustment | 6 | 4 | (1) | (28.6)% |
| Ordinary income | 4,181 | 2,817 | (1,363) | (32.6)% |
| Profit attributable to owners of parent | 1,867 | 966 | (901) | (48.3)% |
| Net income per share (yen) | 38.27 | 19.76 | (18.51) | (48.4)% |

2. Consolidated Sales by Region (Excluding intercompany sales)

(Millions of yen)

| | FY2017 3Q | FY2018 3Q | YoY Change | | FY2017 | FY2018 Forecast Revised on 31/10/2018 |
|-----------------|-----------|-----------|------------|---------|--------|--|
| | | | Amount | % | | |
| Japan | 42,403 | 41,345 | (1,058) | (2.5)% | 59,927 | 58,300 |
| Overseas | 14,338 | 13,531 | (806) | (5.6)% | 18,852 | 21,700 |
| Oceania | 6,166 | 5,291 | (874) | (14.2)% | 7,807 | |
| Europe | 2,897 | 2,931 | 33 | +1.1% | 3,858 | |
| Asia | 4,391 | 4,609 | 218 | +5.0% | 6,168 | |
| Others | 882 | 699 | (183) | (20.7)% | 1,017 | |
| Total | 56,741 | 54,877 | (1,864) | (3.3)% | 78,780 | 80,000 |

3. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

| | FY2017 3Q | FY2018 3Q | YoY Change | | FY2018 | FY2018 Forecast Revised on 31/10/2018 |
|----------------------|-----------|-----------|------------|---------|--------|--|
| | | | Amount | % | | |
| R&D expenditures | 2,461 | 2,262 | (198) | (8.1)% | 3,398 | 3,500 |
| Depreciation | 2,054 | 1,937 | (116) | (5.7)% | 2,820 | 3,000 |
| Capital expenditures | 1,989 | 1,316 | (672) | (33.8)% | 3,030 | 3,000 |

4. FY2018 Consolidated Forecast

There is no change in the forecast for the fiscal year ending March 31, 2019 (Last revised on October 31, 2018). Business performance in Japan and overseas have been progressing steadily according to the revised forecast.

(Millions of yen)

| | FY2017 Results | FY2018 Forecast Revised on 31/10/2018 | YoY Change | | Progress vs FY2018 Forecast Revised on 31/10/2018 |
|--|-------------------|---|------------|---------|---|
| | | | Amount | % | |
| Net sales | 78,780 | 80,000 | 1,219 | +1.5% | 68.6% |
| Operating income | 5,544 | 3,500 | (2,044) | (36.9)% | 76.6% |
| Ordinary income | 5,634 | 3,400 | (2,234) | (39.7)% | 82.9% |
| Profit attributable to owners of parent | 2,666 | 1,200 | (1,466) | (55.0)% | 80.5% |

- 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.