



August 7, 2017

## Consolidated Financial Results for the Three Months Ended June 30, 2017 (IFRS)

Company name: MIURA CO.,LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 6005  
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 Scheduled date for filing of quarterly securities report: August 10, 2017  
 Scheduled date of commencement of dividend payment: —  
 Supplementary documents for quarterly financial results: None  
 Quarterly financial results briefing: None

(Units of less than 1 million yen have been omitted)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2017 (April 1, 2017 – June 30, 2017)

#### (1) Consolidated Operating Results (cumulative)

(Percentages show year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2017	20,802	5.4	2,139	32.0	2,284	60.0	1,538	65.6
June 30, 2016	19,738	—	1,620	—	1,428	—	929	—

	Profit attributable to owners of parent		Comprehensive income (loss)		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Million yen	%	Yen		Yen	
Three months ended								
June 30, 2017	1,518	62.3	1,753	—	13.49		13.46	
June 30, 2016	935	—	(831)	—	8.32		8.29	

#### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of				
June 30, 2017	138,088	109,306	109,084	79.0
March 31, 2017	140,245	108,888	108,685	77.5

### 2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	—	10.00	—	12.00	22.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecasts)		11.00	—	13.00	24.00

(Note) Revisions to the dividend forecasts most recently announced: None

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages show the rate of increase or decrease from the previous corresponding period)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of the fiscal year	51,000	—	5,300	—	5,700	—	3,800	—	33.77
Full-year	110,000	—	11,800	—	12,600	—	8,700	—	77.31

(Note) Revisions to the consolidated forecasts most recently announced: None

#### \* Notes

(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation) : Yes

Newly consolidated company : MLE Co., Ltd.

(2) Changes in Accounting Policies and Accounting Estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(3) Numbers of Outstanding Shares (Common Shares)

(i) Number of shares outstanding at the end of the period (including treasury shares)

As of June 30, 2017: 125,291,112 shares

As of March 31, 2017: 125,291,112 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2017: 12,744,432 shares

As of March 31, 2017: 12,744,432 shares

(iii) Weighted-average number of common shares outstanding for the period

Three months ended June 30, 2017: 112,546,680 shares

Three months ended June 30, 2016: 112,502,718 shares

\* Financial summaries are not required to be audited.

\* Explanation of the Proper Use of Financial Results Forecast and Other Notes

(Notes on forward-looking statements)

The forward-looking statements herein are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ significantly from these forecasts due to various factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please refer to “1. Qualitative Information Regarding Results for the Three Months Ended June 30, 2017, (3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials.

(Adoption of the International Financial Reporting Standards)

The Miura Group has begun applying International Financial Reporting Standard (“IFRS”) effective from the three months ended June 30, 2017. In addition, the financial figures for the three months ended June 30, 2016 and the fiscal year ended March 31, 2017 are presented in accordance with IFRS.

**Index**

1. Qualitative Information Regarding Results for the Three Months Ended June 30, 2017.....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position.....	3
(3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements .....	3
2. Condensed Consolidated Financial Statements.....	4
(1) Condensed Consolidated Statements of Financial Position .....	4
(2) Condensed Consolidated Statements of Income and Consolidated Statements of Comprehensive Income .....	6
(3) Condensed Consolidated Statements of Changes in Equity.....	8
3. Notes on Condensed Consolidated Financial Statements .....	10
(Segment Information).....	10
(Important Subsequent Events) .....	12
(First-time adoption).....	13

## 1. Qualitative Information Regarding Results for the Three Months Ended June 30, 2017

Matters regarding the future stated in this document are based on the judgment of the Miura Group (MIURA CO.,LTD. and its consolidated subsidiaries) as of June 30, 2017.

The Miura Group has begun applying IFRS to replace Japanese standards (“Japanese GAAP”), which was applied up until this change, effective from the three months ended June 30, 2017. To provide comparative analysis, the figures for the three months ended June 30, 2016, and the fiscal year ended March 31, 2017 have been restated to reflect IFRS.

### (1) Explanation of Operating Results

Looking back on the state of the Japanese economy during the three months ended June 30, 2017, the economy is continuing its trend of gradual recovery with signs of improvement in areas such as the recovery of corporate revenue and the employment environment. Meanwhile, the outlook for overseas economies is characterized by uncertainties such as the escalation of political risks in the United States and Europe, and geopolitical risks in Asia.

In these circumstances, the Miura Group has continuously made “Total solutions” proposals that address various challenges faced by customers, under our slogan of “To bring products with the best price and quality in the world in the fields of energy, water, and the environment,” aiming at the realization of our corporate philosophy of “Helping customers all over the world in energy conservation and environmental preservation.” In the domestic market, we carried out structural reforms focused on area strategies (integration of divisions of different lines of business carried out in each area) and strove to build customer trust by making proposals that make use of Miura’s combined capabilities. Outside Japan, we continued solution proposal based on energy conservation and the reduction of the burden on the environment, and progressed with employee training and education with the aim of enhancing maintenance services.

For the three months ended June 30, 2017, there continued to be solid capital investment by companies in the domestic market, while sales steadily grew in South Korea, overseas. Consequently, revenue increased to ¥20,802 million, up 5.4% from the same period of the previous fiscal year, operating profit increased to ¥2,139 million, up 32.0% from the same period of the previous fiscal year, profit before income taxes amounted to ¥2,284 million, up 60.0% from the same period of the previous fiscal year, and profit attributable to owners of parent stood at ¥1,518 million, up 62.3% from the same period of the previous fiscal year.

Overview of the business performance for each business segment is as follows.

#### (i) Domestic Manufacturing and Sales of Products

In the Domestic Manufacturing and Sales of Products business, despite weak sales in marine equipment, sales of small once-through boilers and related equipment were strong in the field of food production and in chemical industries. As a result, revenue in this business was ¥9,678 million, up 1.3% from the same period of the previous fiscal year and segment profit was ¥157 million, up 604.4% from the same period of the previous fiscal year.

#### (ii) Domestic Maintenance

In the Domestic Maintenance business, sales grew due to an increase in the number of installations and aggressive activity to secure paid maintenance contracts. As a result, revenue in this business was ¥6,962 million, up 4.8% from the same period of the previous fiscal year and segment profit was ¥1,943 million, up 10.3% from the same period of the previous fiscal year.

#### (iii) Overseas Manufacturing and Sales of Products

In Overseas Manufacturing and Sales of Products business, despite sluggish sales in the United States and Canada continuing from the previous fiscal year, sales grew in South Korea due to solution proposal to mostly large corporations, and sales also recovered in Taiwan and Thailand. Sales in China were also solid. As a result, revenue in this business was ¥3,014 million, up 16.7% from the same period of the previous fiscal year and segment profit was ¥99 million, compared with a segment loss of ¥24 million in the same period of the previous fiscal year.

#### (iv) Overseas Maintenance

In the Overseas Maintenance business, sales grew in South Korea and China as a result of activity to secure paid maintenance contracts and revenue in this business increased to ¥1,132 million, up 19.9% from the same period of the previous fiscal year. However, as a result of higher personnel expenses, segment loss was ¥19 million, compared with a segment loss of ¥79 million in the same period of the previous fiscal year. Nevertheless, there is a trend of improving segment loss due to the increase in the number of paid maintenance contracts.

## (2) Explanation of Financial Position

With regard to the financial position at the end of the first quarter of the fiscal year under review, total assets as of June 30, 2017 were ¥138,088 million, a decrease of ¥2,157 million compared to the previous fiscal year-end. Current assets decreased by ¥4,341 million mainly due to decreases in cash and cash equivalents of ¥2,176 million, trade and other receivables of ¥4,703 million, and an increase in inventories of ¥2,591 million. Non-current assets increased by ¥2,184 million mainly due to an increase in property, plant and equipment of ¥1,811 million.

Total liabilities were ¥28,781 million, a decrease of ¥2,575 million compared to the previous fiscal year-end. This was mainly due to decreases in income taxes payable of ¥1,599 million and other current liabilities of ¥1,438 million.

Total equity was ¥109,306 million, an increase of ¥417 million compared with the previous fiscal year-end. This was mainly due to increases in retained earnings of ¥168 million and other components of equity of ¥215 million. As a result, ratio of equity attributable to owners of parent to total assets was 79.0%.

## (3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements

The first half and full-year consolidated forecasts for the fiscal year ending March 31, 2018 that the Company announced on May 15, 2017 remain unchanged.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statements of Financial Position

(Million yen)

	Date of transition to IFRS As of April 1, 2016	As of March 31, 2017	As of June 30, 2017
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	24,222	31,205	29,028
Trade and other receivables	29,408	31,197	26,494
Other financial assets	12,236	10,824	10,661
Inventories	13,808	15,014	17,606
Other current assets	571	591	702
<b>Total current assets</b>	<b>80,247</b>	<b>88,835</b>	<b>84,493</b>
<b>Non-current assets</b>			
Property, plant and equipment	35,791	36,168	37,980
Intangible assets	658	795	808
Other financial assets	13,649	11,134	11,623
Net defined benefit asset	1,237	826	882
Deferred tax assets	1,562	2,414	2,225
Other non-current assets	95	70	74
<b>Total non-current assets</b>	<b>52,994</b>	<b>51,410</b>	<b>53,594</b>
<b>Total assets</b>	<b>133,242</b>	<b>140,245</b>	<b>135,088</b>

(Million yen)

	Date of transition to IFRS As of April 1, 2016	As of March 31, 2017	As of June 30, 2017
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	7,599	7,515	7,990
Other financial liabilities	28	6	6
Income taxes payable	2,177	2,386	787
Provisions	706	889	887
Other current liabilities	17,594	19,762	18,323
Total current liabilities	28,107	30,559	27,997
Non-current liabilities			
Other financial liabilities	16	12	16
Net defined benefit liability	386	430	461
Provisions	1	1	1
Deferred tax liabilities	81	54	7
Other non-current liabilities	370	298	296
Total non-current liabilities	856	797	784
Total liabilities	28,963	31,356	28,781
Equity			
Capital stock	9,544	9,544	9,544
Capital surplus	10,344	10,406	10,421
Retained earnings	87,958	93,859	94,028
Treasury shares	(7,042)	(7,020)	(7,020)
Other components of equity	3,207	1,894	2,110
Total equity attributable to owners of parent	104,012	108,685	109,084
Non-controlling interests	266	203	222
Total equity	104,278	108,888	109,306
Total liabilities and equity	133,242	140,245	138,088

(2) Condensed Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Condensed Consolidated Statements of Income)

(Million yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Revenue	19,738	20,802
Cost of revenue	11,375	11,556
Gross profit	8,362	9,245
Selling, general and administrative expenses	6,871	7,355
Other income	208	254
Other expenses	78	5
Operating profit	1,620	2,139
Finance income	117	145
Finance costs	309	—
Profit before income taxes	1,428	2,284
Income tax expenses	498	745
Profit	929	1,538
Profit attributable to:		
Owners of parent	935	1,518
Non-controlling interests	(6)	20
Profit	929	1,538
Earnings per share		
Basic (Yen)	8.32	13.49
Diluted (Yen)	8.29	13.46



## (Consolidated Statements of Comprehensive Income)

(Million yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	929	1,538
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(182)	318
Total items that will not be reclassified to profit or loss	(182)	318
Items that will be reclassified to profit or loss		
Translation adjustments of foreign operations	(1,578)	(104)
Total items that will be reclassified to profit or loss	(1,578)	(104)
Other comprehensive income (loss), net of taxes	(1,761)	214
Comprehensive income (loss)	(831)	1,753
Comprehensive income (loss) attributable to		
Owners of parent	(824)	1,734
Non-controlling interests	(7)	18
Comprehensive income (loss)	(831)	1,753

## (3) Condensed Consolidated Statements of Changes in Equity

For the Three Months Ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(Million yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Retained earnings	Treasury shares
As of April 1, 2016	9,544	10,344	87,958	(7,042)
Profit	—	—	935	—
Other comprehensive income (loss)	—	—	—	—
Comprehensive income (loss)	—	—	935	—
Compensation costs related to stock options	—	16	—	—
Dividends	—	—	(1,237)	—
Acquisition of treasury shares	—	—	—	(0)
Total transactions with the owners	—	16	(1,237)	(0)
As of June 30, 2016	9,544	10,360	87,657	(7,042)

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity			Total	Total		
	Financial assets measured at FVTOCI	Translation adjustments of foreign operations	Total				
As of April 1, 2016	3,207	—	3,207	104,012	266	104,278	
Profit	—	—	—	935	(6)	929	
Other comprehensive income (loss)	(182)	(1,578)	(1,760)	(1,760)	(0)	(1,761)	
Comprehensive income (loss)	(182)	(1,578)	(1,760)	(824)	(7)	(831)	
Compensation costs related to stock options	—	—	—	16	—	16	
Dividends	—	—	—	(1,237)	—	(1,237)	
Acquisition of treasury shares	—	—	—	(0)	(0)	(0)	
Total transactions with the owners	—	—	—	(1,221)	(0)	(1,221)	
As of June 30, 2016	3,025	(1,578)	1,447	101,966	259	102,225	

For the Three Months Ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(Million yen)

	Equity attributable to owners of parent			
	Capital stock	Capital surplus	Retained earnings	Treasury shares
As of April 1, 2017	9,544	10,406	93,859	(7,020)
Profit	—	—	1,518	—
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	1,518	—
Compensation costs related to stock options	—	15	—	—
Dividends	—	—	(1,350)	—
Acquisition of treasury shares	—	—	—	—
Total transactions with the owners	—	15	(1,350)	—
As of June 30, 2017	9,544	10,421	94,028	(7,020)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Financial assets measured at FVTOCI	Translation adjustments of foreign operations	Total			
As of April 1, 2017	1,950	(55)	1,894	108,685	203	108,888
Profit	—	—	—	1,518	20	1,538
Other comprehensive income (loss)	320	(104)	215	215	(1)	214
Comprehensive income (loss)	320	(104)	215	1,734	18	1,753
Compensation costs related to stock options	—	—	—	15	—	15
Dividends	—	—	—	(1,350)	(0)	(1,350)
Acquisition of treasury shares	—	—	—	—	—	—
Total transactions with the owners	—	—	—	(1,335)	(0)	(1,335)
As of June 30, 2017	2,270	(160)	2,110	109,084	222	109,306

### 3. Notes on Condensed Consolidated Financial Statements

#### (Segment Information)

##### 1. General Information on Reporting Segments

Financial information which is broken down within each component unit is available for the Miura Group's reporting segments. The information is subject to regular review by the Board of Directors in order to make decisions about resources to be allocated and to assess performance.

The Miura Group is engaged primarily in the manufacture, sales, and maintenance of boilers and related equipment. The Company and domestic affiliated companies undertake our domestic business, and our overseas affiliated companies undertake our overseas business. Each of our local subsidiaries is an independent management unit that proposes comprehensive strategy for the products it handles in each region and engages in business activities.

Accordingly, the Miura Group is composed of domestic and overseas segments founded upon a manufacturing, sales, and maintenance framework, with Domestic Manufacturing and Sales of Products, Domestic Maintenance, Overseas Manufacturing and Sales of Products, and Overseas Maintenance as our reporting segments.

##### 2. Segment revenue and performance

Revenue and performance of each reportable segment of the Miura Group are as follows.

Intersegment revenue and transfers are based on current market values.

For the Three Months Ended June 30, 2016

(Million yen)

	Reportable segments				Subtotal	Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Domestic (Note 1)		Overseas (Note 1)						
	Manufacturing and sales of products	Maintenance	Manufacturing and sales of products	Maintenance					
Revenue									
Revenue to external customers	9,552	6,645	2,582	944	19,724	13	19,738	—	19,738
Intersegment revenue and transfers	522	25	41	8	596	108	705	(705)	—
Total	10,074	6,670	2,623	952	20,321	121	20,443	(705)	19,738
Segment profit (loss)	22	1,761	(24)	(79)	1,680	12	1,692	(72)	1,620
Finance income	—	—	—	—	—	—	—	—	117
Finance costs	—	—	—	—	—	—	—	—	309
Profit before income taxes	—	—	—	—	—	—	—	—	1,428

#### (Notes)

1. The "Domestic" and "Overseas" categories among the reportable segments pertain to the business activities of domestic consolidated companies and overseas consolidated companies, respectively.
2. The "Others" category consists of business that is not included in reportable segments. It includes Real estate management business and Enterprise and personal non-life insurance and life insurance agent business.
3. Adjustment of segment profit (loss) include the elimination of internal transactions among segments.

For the Three Months Ended June 30, 2017

(Million yen)

	Reportable segments				Subtotal	Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Domestic (Note 1)		Overseas (Note 1)						
	Manufacturing and sales of products	Maintenance	Manufacturing and sales of products	Maintenance					
Revenue									
Revenue to external customers	9,678	6,962	3,014	1,132	20,787	14	20,802	—	20,802
Intersegment revenue and transfers	595	24	73	6	699	111	811	(811)	—
Total	10,274	6,986	3,087	1,139	21,487	126	21,614	(811)	20,802
Segment profit (loss)	157	1,943	99	(19)	2,181	18	2,199	(59)	2,139
Finance income	—	—	—	—	—	—	—	—	145
Finance costs	—	—	—	—	—	—	—	—	—
Profit before income taxes	—	—	—	—	—	—	—	—	2,284

(Notes)

1. The “Domestic” and “Overseas” categories among the reportable segments pertain to the business activities of domestic consolidated companies and overseas consolidated companies, respectively.
2. The “Others” category consists of business that is not included in reportable segments. It includes Real estate management business, Enterprise and personal non-life insurance and life insurance agent business and so on.
3. Adjustment of segment profit include the elimination of internal transactions among segments.

(Important Subsequent Events)

<Acquisition of all shares in Inax Inamoto Holdings Co., Ltd.>

On July 3, 2017, MLE Co., Ltd., a subsidiary of the Company, acquired all shares in Inax Inamoto Holdings Co., Ltd. Overview of the acquisition is as follows.

(i) Main reasons for the share acquisition

It is expected that synergy that will lead to further expansion of revenue will be realized from new business activities acquired through Inax Inamoto Holdings Co., Ltd.

(ii) Overview of the acquire

Name of acquiree	Description of business acquired	Acquisition date	Acquired ownership ratio	Type of consideration paid	Fair value of consideration (Million yen)
Inax Inamoto Holdings Co., Ltd.	Manufacture, sale and maintenance of industrial cleaning equipment, installation of machines and appliances, construction such as piping and electrical work	July 3, 2017	100%	Cash	11,100

(iii) Procurement method for the consideration paid

The financing will be provided by the Company's own capital and borrowings from financial institutions. As of July 3, 2017, the Company had borrowed ¥6,900 million.

(iv) Fair values of assets acquired and liabilities assumed as of the acquisition date

As the fair values of assets acquired and liabilities assumed as of the acquisition date is currently being calculated, information is omitted. The amount of goodwill, etc. arising remains undetermined at present because the allocation of acquisition costs is uncompleted.

(First-time adoption)

The Miura Group has started to disclose IFRS-based condensed consolidated financial statements from the first quarter (April 1, 2017 - June 30, 2017). The last Japan GAAP-based consolidated financial statements were prepared for the fiscal year ended March 31, 2017, while transition to IFRS took place on April 1, 2016

<Reconciliation>

In the preparation of the consolidated financial statements based on IFRS, the Miura Group makes adjustments to amounts of consolidated financial statements that have been prepared based on Japanese GAAP. The effect on financial position and operating results by the transition from Japanese GAAP to IFRS is shown below.

Reconciliation of equity as of the date of transition to IFRS (April 1, 2016) (Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Assets					Assets
Current assets					Current assets
Cash and deposits	31,271	(7,160)	111	24,222	Cash and cash equivalents
	-	27,698	1,710	29,408	Trade and other receivables
Notes and accounts receivable	23,676	(23,676)	-	-	
Electronically recorded monetary claims	1,976	(1,976)	-	-	
Lease investment assets	2,014	(2,014)	-	-	
Securities	5,073	(5,073)	-	-	
	-	13,847	(39)	13,808	Inventories
Merchandise and finished goods	4,442	(4,442)	-	-	
Work in process	3,117	(3,117)	-	-	
Raw materials and supplies	6,287	(6,287)	-	-	
	-	12,393	(157)	12,236	Other financial assets
Deferred tax assets	2,110	(2,110)	-	-	
Other	838	(288)	21	571	Other current assets
Allowance for doubtful accounts	(98)	98	-	-	
Total current assets	80,711	(2,110)	1,647	80,247	Total current assets
Non-current assets					Non-current assets
Property, plant and equipment	39,414	-	(3,623)	35,791	Property, plant and equipment
Intangible assets	686	(29)	1	658	Intangible assets
	-	13,702	(53)	13,649	Other financial assets
Investment securities	12,657	(12,657)	-	-	
Net defined benefit asset	1,039	-	198	1,237	Net defined benefit asset
Deferred tax assets	61	2,110	(610)	1,562	Deferred tax assets
	-	149	(54)	95	Other non-current assets
Long-term time deposits	60	(60)	-	-	
Other	1,139	(1,139)	-	-	
Allowance for doubtful accounts	(34)	34	-	-	
Total non-current assets	55,024	2,110	(4,140)	52,994	Total non-current assets
Total assets	135,735	-	(2,492)	133,242	Total assets

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

(Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Liabilities					Liabilities
Current liabilities	-	7,288	311	7,599	Current Liabilities
Notes and accounts payable	3,532	(3,532)	-	-	Trade and other payables
Income taxes payable	-	29	(0)	28	Other financial liabilities
Advances received	2,177	-	-	2,177	Income taxes payable
Provision for product warranties	-	706	-	706	Provisions
Provision for bonuses	-	16,103	1,490	17,594	Other current liabilities
Provision for shareholder benefit program	8,296	(8,296)	-	-	
Asset retirement obligations	700	(700)	-	-	
Other	3,730	(3,730)	-	-	
	34	(34)	-	-	
	6	(6)	-	-	
	7,828	(7,828)	-	-	
Total current liabilities	26,306	(0)	1,800	28,107	Total current liabilities
Non-current liabilities	-	17	(0)	16	Non-current liabilities
Net defined benefit liability	385	-	0	386	Other financial liabilities
Provision for directors' retirement benefits	-	-	1	1	Net defined benefit liability
Deferred tax liabilities	84	(84)	-	-	Provisions
Other	1,779	0	(1,698)	81	Deferred tax liabilities
	303	67	-	370	Other non-current liabilities
Total non-current liabilities	2,553	0	(1,697)	856	Total non-current liabilities
Total liabilities	28,860	-	103	28,963	Total liabilities
Net assets					Equity
Shareholders' equity					Equity attributable to owners of parent
Capital stock	9,544	-	-	9,544	Capital stock
Capital surplus	10,097	246	-	10,344	Capital surplus
Retained earnings	91,219	-	(3,260)	87,958	Retained earnings
Treasury shares	(7,042)	-	-	(7,042)	Treasury shares
Accumulated other comprehensive income	2,552	-	655	3,207	Other components of equity
	106,370	246	(2,604)	104,012	Total equity attributable to owners of parent
Subscription rights to shares	246	(246)	-	-	
Non-controlling interests	258	-	8	266	Non-controlling interests
Total net assets	106,875	-	(2,596)	104,278	Total equity
Total liabilities and net assets	135,735	-	(2,492)	133,242	Total liabilities and equity

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.



Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Assets					Assets
Current assets					Current assets
Cash and deposits	25,832	(8,654)	89	17,267	Cash and cash equivalents
	-	24,469	1,655	26,125	Trade and other receivables
Notes and accounts receivable	20,199	(20,199)	-	-	
Electronically recorded monetary claims	2,123	(2,123)	-	-	
Lease investment assets	1,962	(1,962)	-	-	
Securities	5,300	(5,300)	-	-	
	-	15,549	(40)	15,509	Inventories
Merchandise and finished goods	5,674	(5,674)	-	-	
Work in process	3,420	(3,420)	-	-	
Raw materials and supplies	6,455	(6,455)	-	-	
	-	14,101	(143)	13,957	Other financial assets
Deferred tax assets	2,120	(2,120)	-	-	
Other	1,012	(404)	(67)	540	Other current assets
Allowance for doubtful accounts	(74)	74	-	-	
Total current assets	74,027	(2,120)	1,494	73,400	Total current assets
Non-current assets					Non-current assets
Property, plant and equipment	38,496	-	(3,571)	34,924	Property, plant and equipment
Intangible assets	690	(25)	2	666	Intangible assets
	-	13,516	(13)	13,502	Other financial assets
Investment securities	12,351	(12,351)	-	-	
Net defined benefit asset	1,185	-	187	1,373	Net defined benefit asset
	-	2,177	(497)	1,679	Deferred tax assets
	-	139	(54)	85	Other non-current assets
Other	1,365	(1,365)	-	-	
Allowance for doubtful accounts	(30)	30	-	-	
Total non-current assets	54,058	2,120	(3,947)	52,231	Total non-current assets
Total assets	128,086	-	(2,453)	125,632	Total assets

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Liabilities					Liabilities
Current liabilities	-	5,414	164	5,579	Current Liabilities
Notes and accounts payable	3,144	(3,144)	-	-	Trade and other payables
Income taxes payable	-	17	(0)	16	Other financial liabilities
Advances received	423	-	30	453	Income taxes payable
Provision for product warranties	-	690	(0)	689	Provisions
Provision for bonuses	-	14,433	1,462	15,896	Other current liabilities
Asset retirement obligations	8,782	(8,782)	-	-	
Other	684	(684)	-	-	
	1,229	(1,229)	-	-	
	6	(6)	-	-	
	6,709	(6,709)	-	-	
Total current liabilities	20,979	(0)	1,656	22,636	Total current liabilities
Non-current liabilities	-	16	(0)	15	Non-current liabilities
Net defined benefit liability	378	-	0	378	Other financial liabilities
Provision for directors' retirement benefits	-	-	1	1	Net defined benefit liability
Deferred tax liabilities	76	(76)	-	-	Provisions
Other	1,753	-	(1,677)	76	Deferred tax liabilities
	237	60	-	298	Other non-current liabilities
Total non-current liabilities	2,446	0	(1,675)	770	Total non-current liabilities
Total liabilities	23,426	-	(19)	23,406	Total liabilities
Net assets					Equity
Shareholders' equity					Equity attributable to owners of parent
Capital stock	9,544	-	-	9,544	Capital stock
Capital surplus	10,097	263	-	10,360	Capital surplus
Retained earnings	90,540	-	(2,883)	87,657	Retained earnings
Treasury shares	(7,042)	-	-	(7,042)	Treasury shares
Accumulated other comprehensive income	996	-	450	1,447	Other components of equity
	104,136	263	(2,433)	101,966	Total equity attributable to owners of parent
Subscription rights to shares	263	(263)	-	-	
Non-controlling interests	260	-	(0)	259	Non-controlling interests
Total net assets	104,659	-	(2,434)	102,225	Total equity
Total liabilities and net assets	128,086	-	(2,453)	125,632	Total liabilities and equity

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Assets					Assets
Current assets					Current assets
Cash and deposits	22,883	8,228	92	31,205	Cash and cash equivalents
	-	29,640	1,557	31,197	Trade and other receivables
Notes and accounts receivable	24,980	(24,980)	-	-	
Electronically recorded monetary claims	2,661	(2,661)	-	-	
Lease investment assets	1,891	(1,891)	-	-	
Securities	19,050	(19,050)	-	-	
	-	14,999	15	15,014	Inventories
Merchandise and finished goods	4,897	(4,897)	-	-	
Work in process	3,311	(3,311)	-	-	
Raw materials and supplies	6,790	(6,790)	-	-	
	-	10,985	(160)	10,824	Other financial assets
Deferred tax assets	2,340	(2,340)	-	-	
Other	916	(329)	4	591	Other current assets
Allowance for doubtful accounts	(58)	58	-	-	
Total current assets	89,665	(2,340)	1,510	88,835	Total current assets
Non-current assets					Non-current assets
Property, plant and equipment	39,462	-	(3,293)	36,168	Property, plant and equipment
Intangible assets	819	(26)	2	795	Intangible assets
	-	11,125	8	11,134	Other financial assets
Investment securities	9,936	(9,936)	-	-	
Net defined benefit asset	1,834	-	(1,007)	826	Net defined benefit asset
Deferred tax assets	82	2,340	(8)	2,414	Deferred tax assets
	-	45	25	70	Other non-current assets
Long-term time deposits	89	(89)	-	-	
Other	1,173	(1,173)	-	-	
Allowance for doubtful accounts	(55)	55	-	-	
Total non-current assets	53,343	2,340	(4,273)	51,410	Total non-current assets
Total assets	143,008	-	(2,763)	140,245	Total assets

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

(Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Liabilities					Liabilities
Current liabilities	-	7,201	313	7,515	Current Liabilities
Notes and accounts payable	3,772	(3,772)	-	-	Trade and other payables
Income taxes payable	-	6	(0)	6	Other financial liabilities
	2,386	-	-	2,386	Income taxes payable
	-	890	(1)	889	Provisions
	-	17,984	1,777	19,762	Other current liabilities
Advances received	9,436	(9,436)	-	-	
Provision for product warranties	795	(795)	-	-	
Provision for bonuses	4,562	(4,562)	-	-	
Provision for loss on order received	88	(88)	-	-	
Provision for shareholder benefit program	39	(39)	-	-	
Asset retirement obligations	6	(6)	-	-	
Other	7,381	(7,381)	-	-	
Total current liabilities	28,469	-	2,089	30,559	Total current liabilities
Non-current liabilities	-	12	-	12	Non-current liabilities
Net defined benefit liability	430	-	0	430	Other financial liabilities
Provision for directors' retirement benefits	-	-	1	1	Net defined benefit liability
Deferred tax liabilities	78	(78)	-	-	Provisions
Other	1,526	-	(1,472)	54	Deferred tax liabilities
	232	66	-	298	Other non-current liabilities
Total non-current liabilities	2,267	-	(1,470)	797	Total non-current liabilities
Total liabilities	30,737	-	619	31,356	Total liabilities
Net assets					Equity
Shareholders' equity					Equity attributable to owners of parent
Capital stock					Capital stock
Capital surplus	9,544	-	-	9,544	Capital surplus
Retained earnings	10,138	268	-	10,406	Retained earnings
Treasury shares	97,019	-	(3,159)	93,859	Treasury shares
Accumulated other comprehensive income	(7,020)	-	-	(7,020)	Other components of equity
	2,097	-	(202)	1,894	
	111,778	268	(3,361)	108,685	Total equity attributable to owners of parent
Subscription rights to shares	268	(268)	-	-	
Non-controlling interests	223	-	(20)	203	Non-controlling interests
Total net assets	112,270	-	(3,382)	108,888	Total equity
Total liabilities and net assets	143,008	-	(2,763)	140,245	Total liabilities and equity

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

## Reconciliation of profit and comprehensive income for the three months ended June 30, 2016

(Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Net sales	19,839	-	(101)	19,738	Revenue
Cost of sales	11,603	-	(227)	11,375	Cost of revenue
Gross profit	8,235	-	126	8,362	Gross profit
Selling, general and administrative expenses	7,226	24	(379)	6,871	Selling, general and administrative expenses
	-	286	(78)	208	Other income
	-	126	(48)	78	Other expenses
Operating profit	1,008	135	476	1,620	Operating profit
	-	118	(0)	117	Finance income
	-	307	2	309	Finance costs
Non-operating profit	404	(404)	-	-	
Non-operating expenses	431	(431)	-	-	
Extraordinary profit	0	(0)	-	-	
Extraordinary loss	2	(2)	-	-	
Profit before income taxes	979	(24)	472	1,428	Profit before income taxes
Income taxes	417	(24)	105	498	Income tax expenses
Profit	561	-	367	929	Profit
Other comprehensive income					Other comprehensive income
Valuation difference on available-for-sale securities	(184)	-	1	(182)	Financial assets measured at fair value through other comprehensive income
Remeasurements of defined benefit plans	206	-	(206)	-	Remeasurements of defined benefit plans
Foreign currency translation adjustment	(1,754)	-	175	(1,578)	Translation adjustments of foreign operations
Total other comprehensive income	(1,732)	-	(28)	(1,761)	Other comprehensive income(loss), net of tax
Comprehensive income	(1,170)	-	338	(831)	Comprehensive income(loss)

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.

## Reconciliation of profit and comprehensive income for the fiscal year ended March 31, 2017

(Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Net sales	102,549	-	(224)	102,324	Revenue
Cost of sales	60,865	-	(689)	60,176	Cost of revenue
Gross profit	41,683	-	464	42,148	Gross profit
Selling, general and administrative expenses	31,105	94	(952)	30,247	Selling, general and administrative expenses
	-	929	(306)	622	Other income
	-	147	(25)	121	Other expenses
Operating profit	10,577	686	1,136	12,401	Operating profit
	-	492	4	497	Finance income
	-	18	(18)	0	Finance costs
Non-operating profit	1,378	(1,378)	-	-	
Non-operating expenses	42	(42)	-	-	
Extraordinary profit	6	(6)	-	-	
Extraordinary loss	86	(86)	-	-	
Profit before income taxes	11,833	(94)	1,159	12,898	Profit before income taxes
Income taxes	3,657	(94)	338	3,901	Income tax expenses
Profit	8,175	-	821	8,996	Profit
Other comprehensive income					Other comprehensive income
Valuation difference on available-for-sale securities	(1,251)	-	(4)	(1,256)	Financial assets measured at fair value through other comprehensive income
Remeasurements of defined benefit plans	896	-	(1,644)	(748)	Remeasurements of defined benefit plans
Foreign currency translation adjustment	(103)	-	46	(56)	Translation adjustments of foreign operations
Total other comprehensive income	(458)	-	(1,603)	(2,061)	Other comprehensive income(loss), net of tax
Comprehensive income	7,717	-	(782)	6,934	Comprehensive income(loss)

(Note) "Differences in recognition and measurement" include the effect from the difference in scope of consolidated subsidiaries between Japanese GAAP and IFRS.