



February 5, 2018

Consolidated Financial Results for the Nine Months Ended December 31, 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: February 14, 2018
 Scheduled date of commencement of dividend payment: None
 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 Nine Months Ended December 31, 2017 (April 1, 2017 – December 31, 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	%
Nine months ended								
December 31, 2017	86,263	21.0	10,696	16.9	11,045	14.6	7,762	17.4
December 31, 2016	71,268	—	9,146	—	9,634	—	6,612	—

	Profit attributable to owners of parent		Comprehensive income (loss)		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Million yen	%	Yen		Yen	
Nine months ended								
December 31, 2017	7,737	16.8	9,046	62.8	68.75		68.58	
December 31, 2016	6,625	—	5,558	—	58.88		58.74	

(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				
December 31, 2017	160,006	115,401	115,176	72.0
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	—	11.00	—		
Fiscal year ending March 31, 2018 (Forecasts)				15.00	26.00

(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	
Full-year										
	120,000	—	14,000	—	14,300	—	9,700	—	86.19	

(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. , Inax Inamoto Holdings 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 December 31, 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 December 31, 2017: 12,744,628 shares
 - As of March 31, 2017: 12,744,432 shares
- (iii) Weighted-average number of common shares outstanding for the period
 - Nine months ended December 31, 2017: 112,546,602 shares
 - Nine months ended December 31, 2016: 112,532,193 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 Nine Months Ended December 31, 2017, (2) 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 Nine months ended December 31, 2016 and the fiscal year ended March 31, 2017 are presented in accordance with IFRS.

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1. Qualitative Information Regarding Results for the Nine Months Ended December 31, 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 December 31, 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 nine months ended December 31, 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 nine months ended December 31, 2017, the economy is continuing its trend of gradual recovery backed by the depreciation of the yen, solid performance in corporate revenue and steady employment situation. As the U.S. economy continued to be firm and economic activities in China recovered, overseas economies showed solid performance in general in spite of prevailing uncertainties brought on by political trends in the U.S., economic trends in Asia, and the escalation of geopolitical risks.

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 restructured and integrated our sales and maintenance organizations focused on geographic area instead of the different business lines, and strove to further 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 nine months ended December 31, 2017, domestically, sales of our mainstay small once-through boilers and food processing equipment increased against the backdrop of solid capital investment. Overseas, sales steadily grew in China with growing demand for gas-fired boilers as replacement for coal-fired boilers accompanying the enhancements to environmental regulations and through our solution proposal efforts. With the addition of our Domestic Laundry business from the six months ended September 30, 2017, revenue increased to ¥86,263 million, up 21.0% from the same period of the previous fiscal year, operating profit increased to ¥10,696 million, up 16.9% from the same period of the previous fiscal year, profit before income taxes amounted to ¥11,045 million, up 14.6% from the same period of the previous fiscal year, and profit attributable to owners of parent stood at ¥7,737 million, up 16.8% 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 decreased sales in marine equipment, sales of small once-through boilers were strong in the chemical industries field. As for food processing equipment, sales of vacuum cooling equipment and chilled water equipment have been especially favorable. As a result, revenue in this business was ¥39,471 million, up 4.9% from the same period of the previous fiscal year and segment profit was ¥3,310 million, up 3.7% from the same period of the previous fiscal year.

(ii) Domestic Maintenance

In the Domestic Maintenance business, sales of the paid maintenance contracts grew due to introduction of larger-capacity boilers and an increase in the number of installations of boilers. As a result, revenue in this business was ¥21,905 million, up 5.7% from the same period of the previous fiscal year and segment profit was ¥6,231 million, up 10.3% from the same period of the previous fiscal year.

(iii) Domestic Laundry

In the linen supply industry, while new factories are constructed in anticipation of a surge in demand for hotel linen due to increasing number of inbound tourists resulting from Japan’s tourism initiatives, factory-wide overhaul of equipment and other large-scale investments are also being made to meet an increasing demand for labor-saving and automation solutions in an effort to curtail labor shortages and to reduce working hours. Amidst this business environment, sales of our flagship product - tunnel washer - boasted strong performance, with revenue in this business at ¥8,471 million, while segment profit amounted to ¥126 million due to various costs resulting from acquisition and amortization of intangible assets.

(iv) Overseas Manufacturing and Sales of Products

In Overseas Manufacturing and Sales of Products business, sales in China grew reflecting increased demand for high-efficiency gas-fired boilers due to stricter nitrogen oxide (NOx) emission standards introduced in April 2017 and tightening of environmental regulations in areas with severe air pollution. Meanwhile, sales in Taiwan and ASEAN nations have also continued to be strong. Sales in South Korea increased due to our solution proposal, and sales in the Americas are also trending upwards. As a result, revenue in this business was ¥12,622 million, up 30.3% from the same period of the previous fiscal year. In terms of segment profit, although expenses increased due to the increase in the number of operating locations and personnel in China, the increase in sales resulted in profit of ¥861 million, up 144.6% from the same period of the previous fiscal year.

(v) Overseas Maintenance

In the Overseas Maintenance business, sales grew in China as a result of activity to secure paid maintenance contracts and revenue in this business increased to ¥3,752 million, up 17.0% from the same period of the previous fiscal year. In terms of segment profit, although expenses increased due to the increase in the number of personnel in China, the increase in sales resulted in profit of ¥270 million, up 443.8% from the same period of the previous fiscal year.

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

The full-year consolidated forecasts for the fiscal year ending March 31, 2018 that the Company announced on November 6, 2017 remain unchanged

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

	Date of transition to IFRS As of April 1, 2016	As of March 31, 2017	As of December 31, 2017
(Million yen)			
Assets			
Current assets			
Cash and cash equivalents	24,222	31,205	21,182
Trade and other receivables	29,408	31,197	35,447
Other financial assets	12,236	10,824	10,807
Inventories	13,808	15,014	21,452
Other current assets	571	591	1,041
Total current assets	80,247	88,835	89,931
Non-current assets			
Property, plant and equipment	35,791	36,168	40,250
Goodwill and intangible assets	658	795	14,375
Other financial assets	13,649	11,134	12,174
Net defined benefit asset	1,237	826	933
Deferred tax assets	1,562	2,414	2,250
Other non-current assets	95	70	89
Total non-current assets	52,994	51,410	70,074
Total assets	133,242	140,245	160,006

(Million yen)

	Date of transition to IFRS As of April 1, 2016	As of March 31, 2017	As of December 31, 2017
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	7,599	7,515	11,345
Other financial liabilities	28	6	4,537
Income taxes payable	2,177	2,386	1,286
Provisions	706	889	1,011
Other current liabilities	17,594	19,762	20,441
Total current liabilities	28,107	30,559	38,622
Non-current liabilities			
Other financial liabilities	16	12	2,897
Net defined benefit liability	386	430	484
Provisions	1	1	1
Deferred tax liabilities	81	54	2,224
Other non-current liabilities	370	298	373
Total non-current liabilities	856	797	5,982
Total liabilities	28,963	31,356	44,604
Equity			
Capital stock	9,544	9,544	9,544
Capital surplus	10,344	10,406	10,466
Retained earnings	87,958	93,859	99,008
Treasury shares	(7,042)	(7,020)	(7,020)
Other components of equity	3,207	1,894	3,178
Total equity attributable to owners of parent	104,012	108,685	115,176
Non-controlling interests	266	203	225
Total equity	104,278	108,888	115,401
Total liabilities and equity	133,242	140,245	160,006

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

(Million yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Revenue	71,268	86,263
Cost of revenue	41,150	51,183
Gross profit	30,118	35,079
Selling, general and administrative expenses	21,242	24,858
Other income	345	536
Other expenses	74	61
Operating profit	9,146	10,696
Finance income	488	367
Finance costs	0	18
Profit before income taxes	9,634	11,045
Income tax expenses	3,022	3,282
Profit	6,612	7,762
Profit attributable to:		
Owners of parent	6,625	7,737
Non-controlling interests	(13)	25
Profit	6,612	7,762
Earnings per share		
Basic (Yen)	58.88	68.75
Diluted (Yen)	58.74	68.58

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	6,612	7,762
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,128)	583
Total items that will not be reclassified to profit or loss	(1,128)	583
Items that will be reclassified to profit or loss		
Translation adjustments of foreign operations	74	700
Total items that will be reclassified to profit or loss	74	700
Other comprehensive income (loss), net of taxes	(1,054)	1,283
Comprehensive income (loss)	5,558	9,046
Comprehensive income (loss) attributable to		
Owners of parent	5,572	9,020
Non-controlling interests	(14)	25
Profit	5,558	9,046

(3) Condensed Consolidated Statements of Changes in Equity

For the Nine Months Ended December 31, 2016 (April 1, 2016 – December 31, 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	—	—	6,625	—
Other comprehensive income (loss)	—	—	—	—
Comprehensive income (loss)	—	—	6,625	—
Compensation costs related to stock options	—	47	—	—
Sales of treasury shares upon exercise of stock options	—	(24)	—	24
Dividends	—	—	(2,362)	—
Changes in the ownership interest in subsidiaries without loss of control	—	8	—	—
Acquisition of treasury shares	—	—	—	(1)
Disposal of treasury shares	—	0	—	0
Total transactions with the owners	—	31	(2,362)	23
As of December 31, 2016	9,544	10,375	92,221	(7,019)

	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, 2016	3,207	—	3,207	104,012	266	104,278
Profit	—	—	—	6,625	(13)	6,612
Other comprehensive income (loss)	(1,128)	75	(1,053)	(1,053)	(0)	(1,054)
Comprehensive income (loss)	(1,128)	75	(1,053)	5,572	(14)	5,558
Compensation costs related to stock options	—	—	—	47	—	47
Sales of treasury shares upon exercise of stock options	—	—	—	0	—	0
Dividends	—	—	—	(2,362)	—	(2,362)
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	8	(14)	(6)
Acquisition of treasury shares	—	—	—	(1)	0	(1)
Disposal of treasury shares	—	—	—	0	—	0
Total transactions with the owners	—	—	—	(2,308)	(14)	(2,323)
As of December 31, 2016	2,079	75	2,154	107,275	237	107,513

For the Nine Months Ended December 31, 2017 (April 1, 2017 – December 31, 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	—	—	7,737	—
Other comprehensive income	—	—	—	—
Comprehensive income	—	—	7,737	—
Compensation costs related to stock options	—	57	—	—
Sales of treasury shares upon exercise of stock options	—	—	—	—
Dividends	—	—	(2,588)	—
Changes in the ownership interest in subsidiaries without loss of control	—	2	—	—
Acquisition of treasury shares	—	—	—	(0)
Disposal of treasury shares	—	—	—	—
Total transactions with the owners	—	59	(2,588)	(0)
As of December 31, 2017	9,544	10,466	99,008	(7,020)

	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, 2017	1,950	(55)	1,894	108,685	203	108,888	
Profit	—	—	—	7,737	25	7,762	
Other comprehensive income (loss)	582	700	1,283	1,283	0	1,283	
Comprehensive income (loss)	582	700	1,283	9,020	25	9,046	
Compensation costs related to stock options	—	—	—	57	—	57	
Sales of treasury shares upon exercise of stock options	—	—	—	—	—	—	
Dividends	—	—	—	(2,588)	(0)	(2,588)	
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	2	(3)	(1)	
Acquisition of treasury shares	—	—	—	(0)	0	(0)	
Disposal of treasury shares	—	—	—	—	—	—	
Total transactions with the owners	—	—	—	(2,529)	(3)	(2,533)	
As of December 31, 2017	2,533	644	3,178	115,176	225	115,401	

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.

As of July 3, 2017, the Miura Group acquired all shares in Inax Inamoto Holdings Co., Ltd., a company manufacturing and selling industrial washing machines and dryers, etc.

In accordance with this, the Miura Group has added a new reportable segment of the Domestic Laundry business to Domestic Manufacturing and Sales of Products business, Domestic Maintenance business, Overseas Manufacturing and Sales of Products business, and Overseas Maintenance business, which are founded upon a manufacturing, sales, and maintenance framework and are composed of its existing domestic and overseas 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 Nine Months Ended December 31, 2016

(Million yen)

	Reportable segments						Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Domestic (Note 1)			Overseas (Note 1)		Subtotal				
	Manufacturing and sales of products	Maintenance	Laundry	Manufacturing and sales of products	Maintenance					
Revenue										
Revenue to external customers	37,619	20,714	—	9,690	3,206	71,231	37	71,268	—	71,268
Intersegment revenue and transfers	1,661	106	—	136	29	1,934	320	2,254	(2,254)	—
Total	39,281	20,821	—	9,827	3,236	73,166	357	73,523	(2,254)	71,268
Segment profit (loss)	3,193	5,648	—	352	49	9,243	17	9,260	(113)	9,146
Finance income	—	—	—	—	—	—	—	—	—	488
Finance costs	—	—	—	—	—	—	—	—	—	0
Profit before income taxes	—	—	—	—	—	—	—	—	—	9,634

(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) includes the elimination of internal transactions among segments.

For the Nine Months Ended December 31, 2017

(Million yen)

	Reportable segments					Subtotal	Others (Note 3)	Total	Adjustment (Note 4)	Consolidated
	Domestic (Note 1)			Overseas (Note 1)						
	Manufacturing and sales of products	Maintenance	Laundry (Note 2)	Manufacturing and sales of products	Maintenance					
Revenue										
Revenue to external customers	39,471	21,905	8,471	12,622	3,752	86,222	40	86,263	—	86,263
Intersegment revenue and transfers	2,510	120	7	236	24	2,898	319	3,218	(3,218)	—
Total	41,981	22,025	8,478	12,859	3,776	89,121	360	89,482	(3,218)	86,263
Segment profit (loss)	3,310	6,231	126	861	270	10,800	27	10,828	(132)	10,696
Finance income	—	—	—	—	—	—	—	—	—	367
Finance costs	—	—	—	—	—	—	—	—	—	18
Profit before income taxes	—	—	—	—	—	—	—	—	—	11,045

(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 segment of the Domestic Laundry business includes ¥29 million for expenses related to establishment of MLE Co., Ltd., ¥122 million for acquisition-related costs associated with business combinations and ¥393 million for amortization expense of intangible assets acquired through business combinations.
3. 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.
4. Adjustment of segment profit includes the elimination of internal transactions among segments.

(Important Subsequent Events)

Not applicable

(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	Goodwill and 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	28,191	(9,341)	111	18,961	Cash and cash equivalents
	-	28,992	1,662	30,655	Trade and other receivables
Notes and accounts receivable	23,978	(23,978)	-	-	
Electronically recorded monetary claims	3,079	(3,079)	-	-	
Lease investment assets	1,913	(1,913)	-	-	
Securities	6,100	(6,100)	-	-	
	-	17,388	(313)	17,074	Inventories
Merchandise and finished goods	6,566	(6,566)	-	-	
Work in process	4,077	(4,077)	-	-	
Raw materials and supplies	6,743	(6,743)	-	-	
	-	15,605	(159)	15,445	Other financial assets
Deferred tax assets	2,131	(2,131)	-	-	
Other	999	(268)	165	896	Other current assets
Allowance for doubtful accounts	(84)	84	-	-	
Total current assets	83,697	(2,131)	1,466	83,033	Total current assets
Non-current assets					Non-current assets
Property, plant and equipment	39,584	-	(3,416)	36,167	Property, plant and equipment
Intangible assets	768	(27)	2	743	Goodwill and intangible assets
	-	12,327	(13)	12,313	Other financial assets
Investment securities	11,117	(11,117)	-	-	
Net defined benefit asset	1,508	-	164	1,627	Net defined benefit asset
	-	2,205	(177)	2,027	Deferred tax assets
	-	131	(49)	81	Other non-current assets
Other	1,427	(1,427)	-	-	
Allowance for doubtful accounts	(40)	40	-	-	
Total non-current assets	54,365	2,131	(3,490)	53,006	Total non-current assets
Total assets	138,063	-	(2,023)	136,039	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	-	6,921	20	6,942	Current Liabilities
Notes and accounts payable	3,660	(3,660)	-	-	Trade and other payables
Income taxes payable	-	16	(0)	16	Other financial liabilities
Advances received	1,099	-	19	1,118	Income taxes payable
Provision for product warranties	-	696	(1)	695	Provisions
Provision for bonuses	-	17,362	1,574	18,936	Other current liabilities
Asset retirement obligations	10,460	(10,460)	-	-	
Other	690	(690)	-	-	
	2,364	(2,364)	-	-	
	6	(6)	-	-	
	7,815	(7,815)	-	-	
Total current liabilities	26,097	(0)	1,612	27,709	Total current liabilities
Non-current liabilities	-	14	(0)	13	Non-current liabilities
Net defined benefit liability	429	-	3	433	Other financial liabilities
Provision for directors' retirement benefits	-	-	1	1	Net defined benefit liability
Deferred tax liabilities	74	(74)	-	-	Provisions
Other	1,597	-	(1,526)	70	Deferred tax liabilities
	237	60	-	297	Other non-current liabilities
Total non-current liabilities	2,338	0	(1,522)	816	Total non-current liabilities
Total liabilities	28,435	-	90	28,526	Total liabilities
Net assets					Equity
Shareholders' equity					Equity attributable to owners of parent
Capital stock	9,544	-	-	9,544	Capital stock
Capital surplus	10,122	253	-	10,375	Capital surplus
Retained earnings	94,384	-	(2,162)	92,221	Retained earnings
Treasury shares	(7,019)	-	-	(7,019)	Treasury shares
Accumulated other comprehensive income	2,088	-	65	2,154	Other components of equity
	109,119	253	(2,096)	107,275	Total equity attributable to owners of parent
Subscription rights to shares	253	(253)	-	-	
Non-controlling interests	255	-	(17)	237	Non-controlling interests
Total net assets	109,627	-	(2,114)	107,513	Total equity
Total liabilities and net assets	138,063	-	(2,023)	136,039	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	Goodwill and 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.

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
Trade and other payables					Trade and other payables
Notes and accounts payable	3,772	(3,772)	-	-	
	-	6	(0)	6	Other financial liabilities
Income taxes payable	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
Other financial liabilities					Other financial liabilities
Net defined benefit liability	430	-	0	430	Net defined benefit liability
	-	-	1	1	Provisions
Provision for directors' retirement benefits	78	(78)	-	-	
Deferred tax liabilities	1,526	-	(1,472)	54	Deferred tax liabilities
Other	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 nine months ended December 31, 2016 (Million yen)

Japanese GAAP		Reclassification	Differences in recognition and measurement	IFRS	
Account item	Amount	Amount	Amount	Amount	Account item
Net sales	71,378	-	(109)	71,268	Revenue
Cost of sales	41,649	-	(499)	41,150	Cost of revenue
Gross profit	29,728	-	389	30,118	Gross profit
Selling, general and administrative expenses	22,412	73	(1,243)	21,242	Selling, general and administrative expenses
	-	602	(257)	345	Other income
	-	103	(28)	74	Other expenses
Operating profit	7,316	425	1,404	9,146	Operating profit
	-	485	2	488	Finance income
	-	0	(0)	0	Finance costs
Non-operating profit	1,047	(1,047)	-	-	
Non-operating expenses	37	(37)	-	-	
Extraordinary profit	4	(4)	-	-	
Extraordinary loss	29	(29)	-	-	
Profit before income taxes	8,300	(73)	1,407	9,634	Profit before income taxes
Income taxes	2,760	(73)	335	3,022	Income tax expenses
Profit	5,539	-	1,072	6,612	Profit
Other comprehensive income					Other comprehensive income
Valuation difference on available-for-sale securities	(1,126)	-	(2)	(1,128)	Financial assets measured at fair value through other comprehensive income
Remeasurements of defined benefit plans	628	-	(628)	-	Remeasurements of defined benefit plans
Foreign currency translation adjustment	30	-	44	74	Translation adjustments of foreign operations
Total other comprehensive income	(467)	-	(586)	(1,054)	Other comprehensive income(loss), net of tax
Comprehensive income	5,072	-	485	5,558	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.