

**Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019**  
**[Japanese Standards] (Consolidated)**

August 2, 2019

Company name: OKAMOTO INDUSTRIES,INC.  
 Stock exchange listing: Tokyo  
 Stock code: 5122 URL <https://www.okamoto-inc.jp/>  
 Representative: Toshio Tamura, President  
 Inquiries: Hiroshi Takashima, Managing Director Accounting Dept.  
 Scheduled date to file Securities Report: August 9, 2019  
 Scheduled date to commence dividend payments: -  
 Supplemental material on quarterly results: No  
 Presentation on quarterly results: No

(Amounts less than one million yen are rounded down)

1.Consolidated financial results for the three months ended June 30, 2019  
 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results(cumulative) (% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	22,678	0.9	2,263	△ 21.6	2,544	△ 26.9	1,834	△ 30.7
Three months ended June 30, 2018	22,467	6.2	2,886	2.1	3,478	13.1	2,646	24.0

(Note) Comprehensive income: Three months ended June 30, 2019 : 1,141 million yen △ 59.7 %  
 Three months ended June 30, 2018 : 2,831 million yen 3.9 %

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2019	96.90	-
Three months ended June 30, 2018	137.64	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	106,266	65,137	58.5
As of March 31, 2019	108,262	66,095	58.4

(Reference) Own capital: As of June 30, 2019 : 62,176 million yen  
 As of March 31, 2019 : 63,203 million yen

2.Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY Ended March 31, 2019	-	10.00	-	**75.00	-
FY Ended March 31, 2020	-				
FY Ended March 31, 2020 (forecast)		*50.00	-	*50.00	*100.00

(Note) Revision of the latest dividend forecast announced: No

\*Reflects five to one reverse share split.

\*\*Ordinary dividend of 50 yen and commemorative dividend of 25 yen.

3.Forecasts of consolidated financial results for the year ending March 31, 2020  
 (from April 1, 2019 to March 31, 2020)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ended September 30, 2019	45,500	△ 0.6	3,700	△ 23.5	4,000	△ 29.8	2,700	△ 34.7	141.81
Full year	95,000	1.3	8,200	△ 5.5	9,100	△ 9.0	5,600	△ 12.8	294.12

(Note) Revision of the latest consolidated results forecast announced No

\*Notes

(1) Changes in status of significant subsidiaries during the three months ended June 30, 2019  
 (changes in status of specified subsidiaries accompanying changes in consolidated) No  
 Newly consolidated subsidiaries: - Subsidiaries excluded: -

(2) Application of accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

① Changes in accounting principles due to revisions to accounting standards: No  
 ② Changes other than ①: No  
 ③ Changes in accounting estimates: No  
 ④ Retrospective restatements: No

(4) Number of outstanding shares (common stock)

① Number of outstanding shares at period-end (including treasury stock)  
 ② Number of treasury stocks at period-end  
 ③ Average number of shares during the period (cumulative total for quarterly period)

①	Three months ended June 30, 2019	19,599,367	FY Ended March 31, 2019	20,399,367
②	Three months ended June 30, 2019	696,960	FY Ended March 31, 2019	1,359,218
③	Three months ended June 30, 2019	18,995,889	Three months ended June 30, 2018	19,227,218

\*The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm.

\*Explanation relating to the appropriate use of forecasts of business results and other items of note.

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Actual results, etc. may differ from projections due to a variety of reasons.

**Consolidated Quarterly Financial Statements and Notes**  
**Consolidated Quarterly Balance Sheets**

(millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	23,070	21,903
Notes and accounts receivable-trade	20,043	19,646
Electronically recorded monetary claims-operating	7,814	7,176
Merchandise and finished goods	9,176	9,795
Work in process	2,091	2,143
Raw materials and supplies	2,770	2,895
Other	1,596	1,529
Allowance for doubtful accounts	△ 40	△ 36
Total current assets	66,522	65,054
Non-current assets		
Property, plant and equipment	22,601	23,084
Intangible assets	209	381
Investments and other assets		
Investment securities	18,338	17,095
Deferred tax assets	56	102
Other	558	572
Allowance for doubtful accounts	△ 25	△ 25
Total investments and other assets	18,928	17,745
Total non-current assets	41,739	41,211
Total assets	108,262	106,266

(millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	22,012	21,018
Short-term loans payable	2,718	2,608
Income taxes payable	1,189	523
Provision for bonuses	1,016	583
Other	5,062	6,129
Total current liabilities	31,999	30,863
Non-current liabilities		
Long-term loans payable	1,014	1,008
Deferred tax liabilities	1,435	1,385
Net defined benefit liability	6,858	6,887
Other	858	985
Total non-current liabilities	10,166	10,266
Total liabilities	42,166	41,129
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	511	448
Retained earnings	47,306	44,939
Treasury stock	△ 4,950	△ 2,786
Total shareholders' equity	55,915	55,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,533	6,613
Deferred gains or losses on hedges	6	△ 1
Foreign currency translation adjustment	115	246
Remeasurements of defined benefit plans	△ 367	△ 330
Total accumulated other comprehensive income	7,288	6,527
Non-controlling interests	2,891	2,960
Total net assets	66,095	65,137
Total liabilities and net assets	108,262	106,266

**Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income**  
**Three months ended June 30, 2019**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	22,467	22,678
Cost of sales	16,006	16,838
Gross profit	6,460	5,840
Selling, general and administrative expenses		
Freightage and packing expenses	895	921
Other selling expenses	550	586
Salaries and bonuses	879	886
Provision for bonuses	178	178
Retirement benefit expenses	52	43
Other general and administrative expenses	1,017	960
Total selling, general and administrative expenses	3,574	3,576
Operating profit	2,886	2,263
Non-operating income		
Interest income	4	6
Dividends income	249	261
Real estate rent	166	165
Foreign exchange gains	205	-
Equity in earnings of affiliates	17	-
Other income	18	16
Total non-operating income	661	449
Non-operating expenses		
Interest expenses	6	7
Rent expenses on real estates	43	32
Foreign exchange losses	-	107
Equity in losses of affiliates	-	2
Other expenses	20	18
Total non-operating expenses	69	168
Ordinary income	3,478	2,544
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	49	-
Other income	-	1
Total extraordinary gain	49	1
Extraordinary loss		
Loss on retirement of noncurrent assets	3	0
Other loss	-	2
Total extraordinary loss	3	2
Profit before income taxes	3,524	2,543
Income taxes-current	826	414
Income taxes-deferred	27	275
Total income taxes	854	690
Net income	2,669	1,852
Profit attributable to non-controlling interests	23	17
Profit attributable to owners of parent	2,646	1,834

**Consolidated Quarterly Statements of Comprehensive Income**  
**Three months ended June 30, 2019**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	2,669	1,852
Other comprehensive income		
Valuation difference on available-for-sale securities	458	△ 874
Deferred gains or losses on hedges	7	△ 8
Foreign currency translation adjustment	△ 343	146
Remeasurements of defined benefit plans, net of tax	31	36
Share of other comprehensive income of associates accounted for using equity method	6	△ 10
Total accumulated other comprehensive income	161	△ 710
Comprehensive income	2,831	1,141
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	2,843	1,072
Comprehensive income attributable to non-controlling interests	△ 12	68

## Information about net sales, profit or loss, assets, liabilities and other items by reportable segment

Three months ended June 30, 2019

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	14,377	8,022	22,399	67	22,467	-	22,467
Intersegment sales or transfers	21	105	126	888	1,015	△ 1,015	-
Total	14,398	8,127	22,525	956	23,482	△ 1,015	22,467
Segment profit (loss)	1,426	1,908	3,335	117	3,452	△ 565	2,886

\* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business and solar power business.

\*\* Adjustment is as follows:

- (1) The adjustment to segment profit represents 8 million yen in intersegment eliminations and company-wide expenses negative 573 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.

Three months ended June 30, 2020

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	14,603	8,004	22,607	71	22,678	-	22,678
Intersegment sales or transfers	22	97	120	882	1,002	△ 1,002	-
Total	14,626	8,101	22,727	953	23,681	△ 1,002	22,678
Segment profit (loss)	785	1,893	2,678	81	2,760	△ 496	2,263

\* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business and solar power business.

\*\* Adjustment is as follows:

- (1) The adjustment to segment profit represents 6 million yen in intersegment eliminations and company-wide expenses negative 503 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.