

**Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018**  
**[Japanese Standards] (Consolidated)**

February 8, 2019

Company name: OKAMOTO INDUSTRIES, INC.  
 Stock exchange listing: Tokyo  
 Stock code: 5122 URL <http://www.okamoto-inc.jp/>  
 Representative: Toshio Tamura, President  
 Inquiries: Hiroshi Takashima, Managing Director Accounting Dept.  
 Scheduled date to file Securities Report: February 14, 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 nine months ended December 31, 2018  
 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	70,999	5.5	7,497	△ 9.2	8,684	△ 4.9	6,234	△ 10.7
Nine months ended December 31, 2017	67,303	2.4	8,260	△ 6.0	9,133	0.3	6,984	5.2

(Note) Comprehensive income: Nine months ended December 31, 2018 : 4,416 million yen △ 54.3 %  
 Nine months ended December 31, 2017 : 9,662 million yen 40.8 %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2018	324.72	-
Nine months ended December 31, 2017	356.30	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	108,696	66,528	58.4
As of March 31, 2018	107,464	65,216	57.6

(Reference) Own capital: As of December 31, 2018 : 63,446 million yen  
 As of March 31, 2018 : 61,892 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, 2018	-	9.00	-	10.00	19.00
FY Ended March 31, 2019	-	10.00	-	-	-
FY Ended March 31, 2019 (forecast)	-	-	-	*50.00	-

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

\*Reflects five to one reverse share split.

3. Forecasts of consolidated financial results for the year ending March 31, 2019  
 (from April 1, 2018 to March 31, 2019)

(% 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
Full year	95,000	5.5	9,200	△ 9.4	9,900	△ 9.4	6,000	△ 12.0	312.06

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

\*Notes

(1) Changes in status of significant subsidiaries during the nine months ended December 31, 2018

(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	Nine months ended December 31, 2018	20,399,367	FY Ended March 31, 2018	20,399,367
②	Nine months ended December 31, 2018	1,283,828	FY Ended March 31, 2018	1,171,944
③	Nine months ended December 31, 2018	19,200,822	Nine months ended December 31, 2017	19,601,907

\*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, 2018	As of December 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	23,676	21,561
Notes and accounts receivable-trade	21,729	22,357
Electronically recorded monetary claims-operating	5,946	7,668
Merchandise and finished goods	7,601	8,940
Work in process	1,976	2,099
Raw materials and supplies	2,405	2,791
Other	1,645	1,460
Allowance for doubtful accounts	△ 45	△ 47
Total current assets	64,936	66,833
Non-current assets		
Property, plant and equipment	21,569	23,694
Intangible assets	224	248
Investments and other assets		
Investment securities	20,025	17,250
Deferred tax assets	112	104
Other	633	597
Allowance for doubtful accounts	△ 37	△ 32
Total investments and other assets	20,733	17,920
Total non-current assets	42,528	41,863
Total assets	107,464	108,696

(millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	20,310	22,728
Short-term loans payable	2,615	2,734
Income taxes payable	1,601	844
Provision for bonuses	982	557
Other	6,298	4,854
Total current liabilities	31,807	31,719
Non-current liabilities		
Long-term loans payable	1,222	1,020
Deferred tax liabilities	1,763	1,889
Net defined benefit liability	6,375	6,590
Other	1,078	948
Total non-current liabilities	10,440	10,448
Total liabilities	42,248	42,168
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	511	511
Retained earnings	42,781	47,089
Treasury stock	△ 3,690	△ 4,514
Total shareholders' equity	52,650	56,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,309	7,156
Deferred gains or losses on hedges	△ 7	11
Foreign currency translation adjustment	310	419
Remeasurements of defined benefit plans	△ 370	△ 275
Total accumulated other comprehensive income	9,241	7,311
Non-controlling interests	3,323	3,081
Total net assets	65,216	66,528
Total liabilities and net assets	107,464	108,696

**Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income**  
**Nine months ended December 31, 2018**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	67,303	70,999
Cost of sales	48,453	52,092
Gross profit	18,907	18,907
Selling, general and administrative expenses		
Freightage and packing expenses	2,649	2,912
Other selling expenses	2,234	2,252
Salaries and bonuses	2,716	2,965
Provision for bonuses	179	210
Retirement benefit expenses	142	138
Other general and administrative expenses	2,667	2,930
Total selling, general and administrative expenses	10,589	11,409
Operating profit	8,260	7,497
Non-operating income		
Interest income	13	17
Dividends income	423	495
Real estate rent	299	495
Foreign exchange gains	96	107
Equity in earnings of affiliates	71	133
Other income	128	106
Total non-operating income	1,033	1,356
Non-operating expenses		
Interest expenses	16	16
Rent expenses on real estates	69	88
Other expenses	74	64
Total non-operating expenses	160	169
Ordinary income	9,133	8,684
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Gain on sales of investment securities	15	-
Gain on negative goodwill	2,131	-
Gain on sales of subsidiaries and affiliates' stocks	-	39
Other income	-	1
Total extraordinary gain	2,147	41
Extraordinary loss		
Loss on retirement of noncurrent assets	52	11
Loss on step acquisitions	1,526	-
Other loss	41	-
Total extraordinary loss	1,620	11
Profit before income taxes	9,660	8,714
Income taxes-current	2,282	2,145
Income taxes-deferred	393	210
Total income taxes	2,675	2,356
Net income	6,984	6,358
Profit attributable to non-controlling interests	0	123
Profit attributable to owners of parent	6,984	6,234

**Consolidated Quarterly Statements of Comprehensive Income**  
**Nine months ended December 31, 2018**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income	6,984	6,358
Other comprehensive income		
Valuation difference on available-for-sale securities	2,516	△ 2,117
Deferred gains or losses on hedges	33	19
Foreign currency translation adjustment	△ 47	74
Remeasurements of defined benefit plans, net of tax	68	95
Share of other comprehensive income of associates accounted for using equity method	107	△ 13
Total accumulated other comprehensive income	2,678	△ 1,941
Comprehensive income	9,662	4,416
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,665	4,305
Comprehensive income attributable to non-controlling interests	△ 3	111