

**Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019**  
**[Japanese Standards] (Consolidated)**

May 9, 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 of ordinary general meeting of shareholders: June 27, 2019  
 Scheduled date to commence dividend payments: June 28, 2019  
 Scheduled date to file Securities Report: June 27, 2019  
 Supplemental material on quarterly results: No  
 Presentation on quarterly results: Yes (For institutional investors and Analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2018

(from April 1, 2018 to March 31, 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	%
FY Ended March 31, 2019	93,744	4.1	8,678	△ 14.5	10,004	△ 8.4	6,420	△ 5.9
FY Ended March 31, 2018	90,089	4.0	10,155	△ 2.6	10,926	1.7	6,820	△ 14.2

(Note) Comprehensive income: FY Ended March 31, 2019 : 4,402 million yen △ 49.2 %  
 FY Ended March 31, 2018 : 8,670 million yen △ 4.7 %

	Net income per share	Diluted net income per share	Return on equity	ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY Ended March 31, 2019	334.94	-	10.3	9.3	9.3
FY Ended March 31, 2018	349.45	-	11.5	10.8	11.3

(Reference) Equity in net income of affiliates: FY Ended March 31, 2019 : 132 million yen  
 FY Ended March 31, 2018 : 83 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	108,262	66,095	58.4	3,319.51
As of March 31, 2018	107,464	65,216	57.6	3,218.96

(Reference) Own capital: As of March 31, 2019 : 63,203 million yen  
 As of March 31, 2018 : 61,892 million yen

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY Ended March 31, 2019	10,024	△ 7,209	△ 3,287	21,465
FY Ended March 31, 2018	9,090	△ 4,521	△ 4,180	22,071

2. Dividends

	Cash dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY Ended March 31, 2018	-	9.00	-	10.00	19.00	1,852	27.2	5.0
FY Ended March 31, 2019	-	10.00	-	**75.00	-	2,398	37.3	3.8
FY ended March 31, 2020 (forecast)	-	* 50.00	-	*50.00	*100.00		34.0	

\*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, 2018	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

\*Notes

(1) Changes in status of significant subsidiaries during the year

(changes in status of specified subsidiaries accompanying changes in consolidated) No

Newly consolidated subsidiaries: - Subsidiaries excluded: -

(2) 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

(3) 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

①	FY Ended March 31, 2019	20,399,367	FY Ended March 31, 2018	20,399,367
②	FY Ended March 31, 2019	1,359,218	FY Ended March 31, 2018	1,171,944
③	FY Ended March 31, 2019	19,169,538	FY Ended March 31, 2018	19,517,452

(Reference) Summary of Nonconsolidated Financial Statement

Nonconsolidated financial results for the fiscal year ended March 31, 2019

(from April 1, 2018 to March 31, 2019)

(1) Nonconsolidated 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	%
FY Ended March 31, 2019	73,724	4.3	5,711	△ 22.5	7,206	△ 13.2	4,513	△ 3.2
FY Ended March 31, 2018	70,657	0.6	7,371	△ 8.0	8,304	△ 3.1	4,663	△ 24.6

	Net income per share	Diluted net income per share
	yen	yen
FY Ended March 31, 2019	234.44	-
FY Ended March 31, 2018	238.05	-

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	92,249	54,847	59.5	2,868.50
As of March 31, 2018	93,209	55,029	59.0	2,850.09

(Reference) Own capital: As of March 31, 2019 : 54,847 million yen

As of March 31, 2018 : 55,029 million yen

\*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 current available information and certain assumptions that we believe reasonable.

Actual results, etc. may differ from projections due to a variety of reasons.

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

(millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	23,676	23,070
Notes and accounts receivable-trade	21,729	20,043
Electronically recorded monetary claims-operating	5,946	7,814
Merchandise and finished goods	7,601	9,176
Work in process	1,976	2,091
Raw materials and supplies	2,405	2,770
Other	1,645	1,596
Allowance for doubtful accounts	△ 45	△ 40
Total current assets	64,936	66,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,895	5,403
Machinery, equipment and vehicles, net	7,207	8,210
Land	6,272	7,205
Construction in progress	1,790	1,453
Other, net	403	328
Total Property, plant and equipment	21,569	22,601
Intangible assets	224	209
Investments and other assets		
Investment securities	20,025	18,338
Deferred tax assets	112	56
Other	633	558
Allowance for doubtful accounts	△ 37	△ 25
Total investments and other assets	20,733	18,928
Total non-current assets	42,528	41,739
Total assets	107,464	108,262

(millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	20,310	22,012
Short-term loans payable	2,615	2,718
Income taxes payable	1,601	1,189
Provision for bonuses	982	1,016
Other	6,298	5,062
<b>Total current liabilities</b>	<b>31,807</b>	<b>31,999</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,222	1,014
Deferred tax liabilities	1,763	1,435
Net defined benefit liability	6,375	6,858
Other	1,078	858
<b>Total non-current liabilities</b>	<b>10,440</b>	<b>10,166</b>
<b>Total liabilities</b>	<b>42,248</b>	<b>42,166</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	13,047	13,047
Capital surplus	511	511
Retained earnings	42,781	47,306
Treasury stock	△ 3,690	△ 4,950
<b>Total shareholders' equity</b>	<b>52,650</b>	<b>55,915</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	9,309	7,533
Deferred gains or losses on hedges	△ 7	6
Foreign currency translation adjustment	310	115
Remeasurements of defined benefit plans	△ 370	△ 367
<b>Total accumulated other comprehensive income</b>	<b>9,241</b>	<b>7,288</b>
<b>Non-controlling interests</b>	<b>3,323</b>	<b>2,891</b>
<b>Total net assets</b>	<b>65,216</b>	<b>66,095</b>
<b>Total liabilities and net assets</b>	<b>107,464</b>	<b>108,262</b>

**Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	90,089	93,744
Cost of sales	65,318	69,491
Gross profit	24,770	24,253
Selling, general and administrative expenses		
Freightage and packing expenses	3,542	3,819
Other selling expenses	3,226	3,406
Provision of allowance for doubtful accounts	12	-
Salaries and bonuses	3,588	3,849
Provision for bonuses	346	376
Retirement benefit expenses	184	205
Other general and administrative expenses	3,715	3,917
Total selling, general and administrative expenses	14,615	15,574
Operating profit	10,155	8,678
Non-operating income		
Interest income	16	25
Dividends income	450	524
Real estate rent	395	660
Equity in earnings of affiliates	83	132
Foreign exchange gains	-	83
Other income	170	154
Total non-operating income	1,116	1,580
Non-operating expenses		
Interest expenses	20	23
Rent expenses on real estates	94	121
Foreign exchange losses	134	-
Other expenses	95	109
Total non-operating expenses	345	254
Ordinary income	10,926	10,004
Extraordinary income		
Gain on sales of noncurrent assets	0	-
Gain on sales of investment securities	136	17
Gain on negative goodwill	2,131	-
Gain on liquidation of subsidiaries	-	67
Gain on sales of subsidiaries and affiliates' stocks	-	29
Other income	-	0
Total extraordinary gain	2,268	114
Extraordinary loss		
Loss on retirement of noncurrent assets	79	18
Impairment loss	1,795	1,516
Loss on step acquisitions	1,526	-
Loss on sales of investment securities	-	6
Other loss	41	21
Total extraordinary loss	3,443	1,561
Profit before income taxes	9,751	8,557
Income taxes-current	2,912	2,418
Income taxes for prior periods	135	-
Income taxes-deferred	△ 132	△ 292
Total income taxes	2,915	2,126
Net income	6,836	6,430
Profit attributable to non-controlling interests	15	10
Profit attributable to owners of parent	6,820	6,420

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income	6,836	6,430
Other comprehensive income		
Valuation difference on available-for-sale securities	1,676	△ 1,782
Deferred gains or losses on hedges	△ 30	13
Foreign currency translation adjustment	△ 14	△ 244
Remeasurements of defined benefit plans, net of tax	93	3
Share of other comprehensive income of associates accounted for using equity method	109	△ 18
Total accumulated other comprehensive income	1,834	△ 2,027
Comprehensive income	8,670	4,402
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	8,338	4,364
Comprehensive income attributable to non-controlling interests	331	38

## Consolidated statement of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	13,047	359	37,521	△ 1,340	49,588
Changes of items during period					
Dividends of surplus			△ 1,671		△ 1,671
Profit attributable to owners of parent			6,820		6,820
Purchase of treasury shares				△ 2,088	△ 2,088
Disposal of treasury shares		0		0	0
Change of scope of equity method		152		59	211
Change of scope of consolidation			111	△ 321	△ 210
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	152	5,259	△ 2,349	3,062
Balance at end of current period	13,047	511	42,781	△ 3,690	52,650

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	7,646	24	221	△ 464	7,427	-	57,016
Changes of items during period							
Dividends of surplus							△ 1,671
Profit attributable to owners of parent							6,820
Purchase of treasury shares							△ 2,088
Disposal of treasury shares							0
Change of scope of equity method							211
Change of scope of consolidation							△ 210
Net changes of items other than shareholders' equity	1,662	△ 31	89	93	1,813	3,323	5,137
Total changes of items during period	1,662	△ 31	89	93	1,813	3,323	8,200
Balance at end of current period	9,309	△ 7	310	△ 370	9,241	3,323	65,216

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	13,047	511	42,781	△ 3,690	52,650
Changes of items during period					
Dividends of surplus			△ 1,895		△ 1,895
Profit attributable to owners of parent			6,420		6,420
Purchase of treasury shares				△ 1,260	△ 1,260
Disposal of treasury shares					-
Change of scope of equity method					-
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	4,525	△ 1,260	3,264
Balance at end of current period	13,047	511	47,306	△ 4,950	55,915

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	9,309	△ 7	310	△ 370	9,241	3,323	65,216
Changes of items during period							
Dividends of surplus							△ 1,895
Profit attributable to owners of parent							6,420
Purchase of treasury shares							△ 1,260
Disposal of treasury shares							-
Change of scope of equity method							-
Change of scope of consolidation							-
Net changes of items other than shareholders' equity	△ 1,775	14	△ 195	3	△ 1,953	△ 432	△ 2,385
Total changes of items during period	△ 1,775	14	△ 195	3	△ 1,953	△ 432	879
Balance at end of current period	7,533	6	115	△ 367	7,288	2,891	66,095



## Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,751	8,557
Depreciation	2,495	2,798
Impairment loss	1,795	1,516
Gain on negative goodwill	△ 2,131	-
Share of loss (profit) of entities accounted for using equity method	△ 83	△ 132
Increase (decrease) in provision for bonuses	35	33
Increase (decrease) in allowance for doubtful accounts	3	△ 16
Increase (decrease) in other provision	△ 1	1
Increase (decrease) in net defined benefit liability	362	523
Interest and dividend income	△ 467	△ 549
Interest expenses	20	23
Foreign exchange losses (gains)	47	△ 28
Loss (gain) on step acquisitions	1,526	-
Loss (gain) on sales of investment securities	△ 136	△ 17
Loss (gain) on valuation of investment securities	-	6
Loss (gain) on sales of shares of subsidiaries and associates	-	△ 29
Loss (gain) on sales of non-current assets	△ 0	-
Loss on retirement of non-current assets	79	18
Loss (gain) on liquidation of subsidiaries	-	△ 67
Decrease (increase) in notes and accounts receivable – trade	△ 474	△ 322
Decrease (increase) in inventories	△ 101	△ 2,117
Decrease (increase) in other assets	△ 624	454
Increase (decrease) in notes and accounts payable – trade	259	1,880
Increase (decrease) in other liabilities	△ 722	△ 231
Other, net	△ 26	10
Subtotal	11,608	12,310
Interest and dividend income received	467	549
Interest expenses paid	△ 20	△ 23
Income taxes paid	△ 2,964	△ 2,812
Cash flows from operating activities	9,090	10,024
<b>Cash flows from investing activities</b>		
Payments into time deposits	△ 1,725	△ 3,205
Proceeds from withdrawal of time deposits	855	3,205
Purchase of property, plant and equipment and intangible assets	△ 3,857	△ 5,935
Proceeds from sales of property, plant and equipment and intangible assets	0	0
Purchase of investment securities	△ 58	△ 1,321
Proceeds from sales of investment securities	270	138
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	26	-
Other, net	△ 32	△ 92
Cash flows from investing activities	△ 4,521	△ 7,209

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	123	145
Proceeds from long-term loans payable	1,050	-
Repayments of long-term loans payable	△ 1,291	△ 229
Cash dividends paid	△ 1,671	△ 1,874
Dividends paid to non-controlling interests	△ 14	△ 29
Purchase of treasury shares	△ 2,349	△ 1,260
Other, net	△ 26	△ 38
Cash flows from financing activities	△ 4,180	△ 3,287
Effect of exchange rate change on cash and cash equivalents	△ 120	△ 133
Net increase (decrease) in cash and cash equivalents	268	△ 605
Cash and cash equivalents at beginning of period	21,531	22,071
Increase in cash and cash equivalents from newly consolidated subsidiary	270	-
Cash and cash equivalents at end of period	22,071	21,465