



Consolidated Financial Results for the six months of Fiscal Year 2017

(Fiscal Year 2017: Year ending March 31, 2017)

November 8, 2016

Company Name	Noritake Co., Limited
Stock Exchange Listings	Tokyo, Nagoya
Code Number	5331
URL	http://www.noritake.co.jp/eng/
Representative	Tadashi Ogura, President
Contact Person	Yoshimasa Nakamura, General Manager of Finance and Accounting Dept. (Tel: +81-52-561-7116)

(Millions of Yen: Amounts less than 1 million yen are omitted.)

1. Consolidated Financial Results for the six months of Fiscal Year 2017 (April 1, 2016 - September 30, 2016)

(1) Operating Results

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
Six months of FY 2017	53,421	(1.1%)	1,103	(19.3%)	1,846	(6.7%)
Six months of FY 2016	54,004	20.8%	1,366	91.3%	1,979	58.0%

	Profit Attributable to Owners of Parent		Net Income per Share	Diluted Net Income per Share
	Millions of Yen	Change	Yen	Yen
Six months of FY 2017	965	(59.7%)	67.26	—
Six months of FY 2016	2,394	250.2%	166.76	—

*The Company conducted a reverse stock split at a ratio of one share for every ten shares on October 1, 2016. The figures for the net income per share are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Shareholders' Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
2nd quarter of FY 2017	132,700	77,959	56.6	5,231.82
FY 2016	135,931	79,765	56.5	5,345.27

(Reference) Shareholders' Equity: 2nd quarter of FY 2017 75,117 million yen
FY 2016 76,749 million yen

*The Company conducted a reverse stock split at a ratio of one share for every ten shares on October 1, 2016. The figures for the shareholders' equity per share are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Total (Yen)
FY 2016	3.00	3.00	6.00
FY 2017 (Actual)	3.00	—	—
FY 2017 (Forecast)	—	30.00	—

(Note) Revisions to forecast of dividends per share for FY 2017 : None

*As the Company conducted a reverse stock split at a ratio of one share for every ten shares on October 1, 2016, figures for the dividends per share for FY 2017 (forecast) are amounts that take into account the reverse stock split, and total annual dividends are shown as “—.” For details, please see “Cautionary Statement.”

3. Forecast of Consolidated Financial Results for Fiscal Year 2017 *

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
FY 2017	108,000	(1.5%)	2,100	(39.1%)	3,600	(24.7%)

	Profit Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	Change	Yen
FY 2017	2,200	(50.1%)	153.23

(Note) Revisions to forecast of consolidated financial results : Yes

*The figures for the net income per share of the Consolidated Financial Forecasts (Full year) for FY 2017 are amounts the taken into account the reverse stock split. For details, please see “Cautionary Statement.”

4. Other Information

- (1) Status changes of specified subsidiaries involving changes in the scope of consolidation : None
- (2) Adoption of accounting methods used specifically for quarterly consolidated financial statements : None
- (3) Change in accounting policies, accounting estimates or restatement
 - ① Changes in accordance with revision of accounting standards : None
 - ② Other changes in accounting policies : None
 - ③ Changes in accounting estimates : None
 - ④ Restatement : None

(4) Number of shares outstanding (Common Shares)

	Outstanding shares at end of period (including treasury shares)	Treasury shares at end of period	Average number of shares outstanding over period
2nd quarter of FY 2017	15,842,849	1,484,931	14,358,302
FY 2016	15,842,849	1,484,397	14,360,047

*The Company conducted a reverse stock split at a ratio of one share for every ten shares on October 1, 2016. The figures for the outstanding shares at end of period, the treasury shares at end of period and the average number of shares outstanding over period are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

* Cautionary Statement:

1. This quarterly brief note is exempt from the quarterly review procedures based on Japan's Financial Instruments and Exchange Law. The quarterly review procedures based on the Financial Instruments and Exchange Law had not been completed when this quarterly note was disclosed.
2. Forecast of consolidated financial results for FY 2017 is based on management's assumptions and beliefs in the light of information currently available. A number of important risks and uncertainties could cause actual results to differ materially from it, therefore Noritake suggests that you should not place undue reliance on it for investment purpose and so forth.
3. The Company conducted a reverse stock split at a ratio of one share for every ten shares on October 1, 2016, as the shareholders resolved to approve a reverse stock split at the 135th Ordinary General Meeting of Shareholders held on June 29, 2016. Additionally, Dividend forecasts and Consolidated Financial Forecasts for FY 2017 without taking into account the reverse stock split are as follows.

(1) Dividend for FY 2017

Dividends per share

Interim 3 yen

Year-end (forecast) 3 yen

(2) Consolidated Financial Forecasts for FY 2017

Net income per share

Full year 15.32 yen

CONSOLIDATED BALANCE SHEETS

	FY 2016	FY 2017 2Q
	As of March 31, 2016	As of September 30, 2016
	Millions of Yen	Millions of Yen
Assets		
Current assets		
Cash and deposits	10,720	11,840
Notes and accounts receivable - trade	28,556	25,880
Electronically recorded monetary claims - operating	2,262	2,557
Merchandise and finished goods	8,427	7,847
Work in process	3,778	4,129
Raw materials and supplies	4,387	4,107
Other	2,298	2,364
Allowance for doubtful accounts	(30)	(22)
Total current assets	60,402	58,705
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,656	17,170
Other, net	26,289	25,288
Total property, plant and equipment	43,946	42,458
Intangible assets	1,200	1,096
Investments and other assets		
Investment securities	29,184	29,294
Net defined benefit asset	122	173
Other	1,207	1,098
Allowance for doubtful accounts	(132)	(125)
Total investments and other assets	30,382	30,440
Total non-current assets	75,529	73,994
Total assets	135,931	132,700

	FY 2016 As of March 31, 2016 Millions of Yen	FY 2017 2Q As of September 30, 2016 Millions of Yen
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,307	8,830
Electronically recorded obligations - operating	4,239	5,174
Short-term loans payable	12,730	11,505
Current portion of long-term loans payable	2,011	1,966
Income taxes payable	700	571
Provision for bonuses	1,463	1,491
Notes payable - facilities	236	85
Electronically recorded obligations - non-operating	229	403
Other	3,735	3,715
Total current liabilities	34,655	33,745
Non-current liabilities		
Long-term loans payable	13,474	13,207
Provision	276	191
Net defined benefit liability	2,064	2,006
Other	5,696	5,590
Total non-current liabilities	21,511	20,995
Total liabilities	56,166	54,740
Net assets		
Shareholders' equity		
Capital stock	15,632	15,632
Capital surplus	18,783	18,783
Retained earnings	39,286	39,714
Treasury shares	(3,991)	(3,885)
Total shareholders' equity	69,711	70,244
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,106	9,985
Foreign currency translation adjustment	(1,660)	(4,142)
Remeasurements of defined benefit plans	(1,407)	(969)
Total accumulated other comprehensive income	7,038	4,873
Non-controlling interests	3,015	2,841
Total net assets	79,765	77,959
Total liabilities and net assets	135,931	132,700

CONSOLIDATED STATEMENTS OF INCOME

	FY 2016 2Q	FY 2017 2Q
	(April 1, 2015 through September 30, 2015)	(April 1, 2016 through September 30, 2016)
	Millions of Yen	Millions of Yen
Net sales	54,004	53,421
Cost of sales	39,688	39,320
Gross profit	14,316	14,101
Selling, general and administrative expenses		
Selling expenses	8,823	8,806
General and administrative expenses	4,126	4,191
Total selling, general and administrative expenses	12,949	12,998
Operating income	1,366	1,103
Non-operating income		
Interest income	33	43
Dividend income	288	305
Rent income	160	210
Foreign exchange gains	35	—
Share of profit of entities accounted for using equity method	224	362
Other	79	76
Total non-operating income	822	999
Non-operating expenses		
Interest expenses	86	40
Foreign exchange losses	—	82
Rent expenses on non-current assets	92	87
Other	30	45
Total non-operating expenses	209	256
Ordinary income	1,979	1,846
Extraordinary income		
Gain on sales of non-current assets	1,441	10
Gain on sales of investment securities	22	—
Total extraordinary income	1,464	10
Extraordinary losses		
Loss on disposal of non-current assets	122	202
Impairment loss	301	—
Loss on liquidation of subsidiaries and associates	—	69
Other	0	15
Total extraordinary losses	423	286
Profit before income taxes	3,020	1,570
Income taxes - current	789	499
Income taxes - deferred	(300)	(29)
Total income taxes	488	469
Profit	2,531	1,100
Profit attributable to non-controlling interests	137	135
Profit attributable to owners of parent	2,394	965

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	FY 2016 2Q (April 1, 2015 through September 30, 2015)	FY 2017 2Q (April 1, 2016 through September 30, 2016)
	Millions of Yen	Millions of Yen
Profit	2,531	1,100
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,394)	(118)
Foreign currency translation adjustment	16	(2,710)
Remeasurements of defined benefit plans, net of tax	67	441
Share of other comprehensive income of entities accounted for using equity method	(3)	(33)
Total other comprehensive income	(1,314)	(2,420)
Comprehensive income	1,217	(1,319)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,092	(1,199)
Comprehensive income attributable to non-controlling interests	124	(119)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FY 2016 2Q (April 1, 2015 through September 30, 2015)	FY 2017 2Q (April 1, 2016 through September 30, 2016)
	Millions of Yen	Millions of Yen
Cash flows from operating activities		
Profit before income taxes	3,020	1,570
Depreciation	2,040	1,991
Impairment loss	301	—
Increase (decrease) in allowance for doubtful accounts	15	(11)
Increase (decrease) in net defined benefit liability and asset	272	555
Increase (decrease) in provision	(577)	(84)
Interest and dividend income	(321)	(349)
Interest expenses	86	40
Share of (profit) loss of entities accounted for using equity method	(224)	(362)
Loss (gain) on sales of short-term and long-term investment securities	(22)	13
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	(1,319)	191
Decrease (increase) in notes and accounts receivable - trade	45	1,877
Decrease (increase) in inventories	(511)	(183)
Increase (decrease) in notes and accounts payable - trade	(9)	681
Other, net	127	(65)
Subtotal	<u>2,922</u>	<u>5,863</u>
Interest and dividend income received	321	350
Interest expenses paid	(89)	(40)
Income taxes paid	(533)	(584)
Net cash provided by (used in) operating activities	<u>2,622</u>	<u>5,588</u>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,857)	(1,855)
Proceeds from sales of property, plant and equipment and intangible assets	1,492	121
Purchase of investment securities	(10)	(10)
Proceeds from sales of investment securities	27	43
Payments of loans receivable	(8)	(9)
Collection of loans receivable	44	40
Payments into time deposits	(707)	(786)
Proceeds from withdrawal of time deposits	975	783
Other, net	(634)	(53)
Net cash provided by (used in) investing activities	<u>(1,676)</u>	<u>(1,727)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	91	(1,154)
Repayments of long-term loans payable	(1,330)	(253)
Proceeds from sales of treasury shares	—	599
Purchase of treasury shares	(3)	(601)
Cash dividends paid	(430)	(430)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,340)	—
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	334	—
Other, net	—	(54)
Net cash provided by (used in) financing activities	<u>(2,678)</u>	<u>(1,894)</u>
Effect of exchange rate change on cash and cash equivalents	90	(528)
Net increase (decrease) in cash and cash equivalents	<u>(1,642)</u>	<u>1,438</u>
Cash and cash equivalents at beginning of period	<u>10,586</u>	<u>8,583</u>
Cash and cash equivalents at end of period	<u>8,943</u>	<u>10,021</u>

SEGMENT INFORMATION

FY 2016 2Q (April 1, 2015 through September 30, 2015) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
Net sales:					
External customers	28,663	14,696	5,770	4,874	54,004
Operating Income (loss)	717	760	140	(250)	1,366

FY 2017 2Q (April 1, 2016 through September 30, 2016) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total
Net sales:					
External customers	28,070	13,555	7,231	4,563	53,421
Operating Income (loss)	277	779	409	(362)	1,103