



## Consolidated Financial Results for the six months of Fiscal Year 2019

(Fiscal Year 2019: Year ending March 31, 2019)

November 8, 2018

|                         |  |
|-------------------------|--|
| Company Name            | <b>NORITAKE CO., LIMITED</b>   |
| Stock Exchange Listings | Tokyo, Nagoya  |
| Code Number             | 5331   |
| URL                     | <a href="https://www.noritake.co.jp/eng/">https://www.noritake.co.jp/eng/</a>                    |
| Representative          | Hiroshi Kato, President  |
| Contact Person          | Yoshimasa Nakamura,<br>General Manager of Finance and Accounting Dept.<br>(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 2019 (April 1, 2018 - September 30, 2018)

#### (1) Operating Results

|                       | Net Sales       |        | Operating Profit |        | Ordinary Profit |        |
|-----------------------|-----------------|--------|------------------|--------|-----------------|--------|
|                       | Millions of Yen | Change | Millions of Yen  | Change | Millions of Yen | Change |
| Six months of FY 2019 | 61,961          | 8.9%   | 3,800            | 71.0%  | 4,957           | 56.9%  |
| Six months of FY 2018 | 56,911          | 6.5%   | 2,223            | 101.5% | 3,158           | 71.1%  |

|                       | Profit Attributable to Owners of Parent |        | Basic Earnings per Share | Diluted Earnings per Share |
|-----------------------|---|--------|--------------------------|----------------------------|
|                       | Millions of Yen                         | Change | Yen                      | Yen                        |
| Six months of FY 2019 | 4,077                                   | 64.5%  | 283.92                   | —                          |
| Six months of FY 2018 | 2,478                                   | 156.7% | 172.64                   | —                          |

#### (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 2019 | 154,212         | 106,095         | 66.6                          | 7,147.09                       |
| FY 2018                | 156,283         | 103,026         | 63.7                          | 6,941.38                       |

(Reference) Shareholders' Equity : 2nd quarter of FY 2019 102,705 million yen  
FY 2018 99,608 million yen

### 2. Dividends

|                    | Dividends per Share |                |             |
|--------------------|---------------------|----------------|-------------|
|                    | Interim (Yen)       | Year-End (Yen) | Total (Yen) |
| FY 2018            | 30.00               | 40.00          | 70.00       |
| FY 2019 (Actual)   | 40.00               | —              | —           |
| FY 2019 (Forecast) | —                   | 40.00          | 80.00       |

(Note) Revisions to forecast of dividends per share for FY 2019 : None

**3. Forecast of Consolidated Financial Results for Fiscal Year 2019 \***

|         | Net Sales       |        | Operating Profit |        | Ordinary Profit |        |
|---------|-----------------|--------|------------------|--------|-----------------|--------|
|         | Millions of Yen | Change | Millions of Yen  | Change | Millions of Yen | Change |
| FY 2019 | 123,000         | 4.3%   | 6,600            | 29.5%  | 8,700           | 24.4%  |

  

|         | Profit Attributable to Owners of Parent |         | Basic Earnings per Share |
|---------|---|---------|--------------------------|
|         | Millions of Yen                         | Change  | Yen                      |
| FY 2019 | 9,000                                   | (33.0%) | 626.30                   |

(Note) Revisions to forecast of consolidated financial results : None

**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 2019 | 14,842,849  | 472,648                          | 2nd quarter of FY 2019                           | 14,361,110 |
| FY 2018                | 14,842,849  | 492,950                          | 2nd quarter of FY 2018                           | 14,357,796 |

**\* Cautionary Statement:**

1. This report is not subject to quarterly review procedures by certified public accountants or auditing firms.
2. Forecast of consolidated financial results for FY 2019 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.

**CONSOLIDATED BALANCE SHEETS**

|   | FY 2018              | FY 2019 2Q               |
|---|----------------------|--------------------------|
|   | As of March 31, 2018 | As of September 30, 2018 |
|   | Millions of Yen      | Millions of Yen          |
| <b>Assets</b>                                       |                      |                          |
| Current assets                                      |                      |                          |
| Cash and deposits                                   | 18,485               | 12,698                   |
| Notes and accounts receivable - trade               | 30,382               | 32,282                   |
| Electronically recorded monetary claims - operating | 4,377                | 4,295                    |
| Merchandise and finished goods                      | 8,542                | 8,922                    |
| Work in process                                     | 5,109                | 4,794                    |
| Raw materials and supplies                          | 4,712                | 5,147                    |
| Other   | 1,395                | 1,688                    |
| Allowance for doubtful accounts                     | (18)                 | (24)                     |
| Total current assets                                | <u>72,987</u>        | <u>69,805</u>            |
| Non-current assets                                  |                      |                          |
| Property, plant and equipment                       |                      |                          |
| Buildings and structures, net                       | 16,777               | 16,925                   |
| Other, net  | 24,392               | 24,646                   |
| Total property, plant and equipment                 | <u>41,170</u>        | <u>41,572</u>            |
| Intangible assets                                   | 1,105                | 1,154                    |
| Investments and other assets                        |                      |                          |
| Investment securities                               | 36,974               | 37,597                   |
| Net defined benefit asset                           | 2,798                | 2,809                    |
| Other   | 1,370                | 1,394                    |
| Allowance for doubtful accounts                     | (123)                | (121)                    |
| Total investments and other assets                  | <u>41,019</u>        | <u>41,680</u>            |
| Total non-current assets                            | <u>83,295</u>        | <u>84,406</u>            |
| Total assets  | <u>156,283</u>       | <u>154,212</u>           |

|   | FY 2018<br>As of March 31, 2018<br>Millions of Yen | FY 2019 2Q<br>As of September 30, 2018<br>Millions of Yen |
|---|--|---|
| <b>Liabilities</b>                                    |  |   |
| <b>Current liabilities</b>                            |  |   |
| Notes and accounts payable - trade                    | 11,775   | 11,545  |
| Electronically recorded obligations - operating       | 7,622  | 7,641   |
| Short-term loans payable                              | 3,597  | 4,066   |
| Current portion of long-term loans payable            | 9,196  | 6,133   |
| Income taxes payable                                  | 2,597  | 926   |
| Provision for bonuses                                 | 1,540  | 1,572   |
| Notes payable - facilities                            | 390  | 689   |
| Electronically recorded obligations - non-operating   | 340  | 659   |
| Other   | 5,780  | 4,516   |
| <b>Total current liabilities</b>                      | <b>42,842</b>                                      | <b>37,752</b>   |
| <b>Non-current liabilities</b>                        |  |   |
| Long-term loans payable                               | 320  | 395   |
| Provision   | 372  | 400   |
| Net defined benefit liability                         | 1,835  | 1,778   |
| Other   | 7,885  | 7,788   |
| <b>Total non-current liabilities</b>                  | <b>10,414</b>                                      | <b>10,364</b>   |
| <b>Total liabilities</b>                              | <b>53,256</b>                                      | <b>48,116</b>   |
| <b>Net assets</b>                                     |  |   |
| <b>Shareholders' equity</b>                           |  |   |
| Capital stock   | 15,632   | 15,632  |
| Capital surplus                                       | 18,783   | 18,783  |
| Retained earnings                                     | 52,261   | 55,754  |
| Treasury shares                                       | (1,228)  | (1,188)   |
| <b>Total shareholders' equity</b>                     | <b>85,448</b>                                      | <b>88,982</b>   |
| <b>Accumulated other comprehensive income</b>         |  |   |
| Valuation difference on available-for-sale securities | 15,012   | 15,088  |
| Foreign currency translation adjustment               | (2,437)  | (2,995)   |
| Remeasurements of defined benefit plans               | 1,584  | 1,629   |
| <b>Total accumulated other comprehensive income</b>   | <b>14,159</b>                                      | <b>13,722</b>   |
| <b>Non-controlling interests</b>                      | <b>3,418</b>                                       | <b>3,390</b>  |
| <b>Total net assets</b>                               | <b>103,026</b>                                     | <b>106,095</b>  |
| <b>Total liabilities and net assets</b>               | <b>156,283</b>                                     | <b>154,212</b>  |

**CONSOLIDATED STATEMENTS OF INCOME**

|   | FY 2018 2Q<br>(April 1, 2017 through<br>September 30, 2017) | FY 2019 2Q<br>(April 1, 2018 through<br>September 30, 2018) |
|---|---|---|
|   | Millions of Yen   | Millions of Yen   |
| Net sales   | 56,911  | 61,961  |
| Cost of sales   | 41,698  | 45,052  |
| Gross profit  | 15,212  | 16,908  |
| Selling, general and administrative expenses                  |   |   |
| Selling expenses  | 8,750   | 8,981   |
| General and administrative expenses                           | 4,238   | 4,126   |
| Total selling, general and administrative expenses            | 12,989  | 13,108  |
| Operating profit  | 2,223   | 3,800   |
| Non-operating income  |   |   |
| Interest income   | 50  | 58  |
| Dividend income   | 328   | 366   |
| Rent income   | 215   | 213   |
| Foreign exchange gains  | 18  | 84  |
| Share of profit of entities accounted for using equity method | 373   | 458   |
| Other   | 72  | 113   |
| Total non-operating income                                    | 1,058   | 1,294   |
| Non-operating expenses  |   |   |
| Interest expenses   | 30  | 19  |
| Rent expenses on non-current assets                           | 71  | 74  |
| Other   | 21  | 43  |
| Total non-operating expenses                                  | 122   | 137   |
| Ordinary profit   | 3,158   | 4,957   |
| Extraordinary income  |   |   |
| Gain on sales of non-current assets                           | 283   | 152   |
| Gain on step acquisitions                                     | —   | 49  |
| Other   | 0   | 4   |
| Total extraordinary income                                    | 284   | 206   |
| Extraordinary losses  |   |   |
| Loss on disposal of non-current assets                        | 85  | 70  |
| Impairment loss   | 117   | —   |
| Other   | 2   | 12  |
| Total extraordinary losses                                    | 206   | 83  |
| Profit before income taxes                                    | 3,236   | 5,080   |
| Income taxes - current  | 681   | 936   |
| Income taxes - deferred                                       | (129)   | (38)  |
| Total income taxes  | 552   | 898   |
| Profit  | 2,684   | 4,181   |
| Profit attributable to non-controlling interests              | 205   | 103   |
| Profit attributable to owners of parent                       | 2,478   | 4,077   |

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|   | FY 2018 2Q<br>(April 1, 2017 through<br>September 30, 2017) | FY 2019 2Q<br>(April 1, 2018 through<br>September 30, 2018) |
|---|---|---|
|   | Millions of Yen   | Millions of Yen   |
| Profit  | 2,684   | 4,181   |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities                             | 1,210   | 75  |
| Foreign currency translation adjustment   | (271)   | (622)   |
| Remeasurements of defined benefit plans, net of tax                               | 244   | 48  |
| Share of other comprehensive income of entities accounted for using equity method | 4   | (9)   |
| Total other comprehensive income  | 1,187   | (507)   |
| Comprehensive income  | 3,871   | 3,673   |
| Comprehensive income attributable to  |   |   |
| Comprehensive income attributable to owners of parent                             | 3,641   | 3,640   |
| Comprehensive income attributable to non-controlling interests                    | 230   | 33  |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  | FY 2018 2Q<br>(April 1, 2017 through<br>September 30, 2017)<br>Millions of Yen | FY 2019 2Q<br>(April 1, 2018 through<br>September 30, 2018)<br>Millions of Yen |
|--|--|--|
| <b>Cash flows from operating activities</b>  |  |  |
| Profit before income taxes   | 3,236  | 5,080  |
| Depreciation   | 2,003  | 1,978  |
| Impairment loss  | 117  | —  |
| Loss (gain) on step acquisitions   | —  | (49)   |
| Increase (decrease) in allowance for doubtful accounts                                     | (5)  | 5  |
| Increase (decrease) in net defined benefit liability and asset                             | 279  | 2  |
| Increase (decrease) in provision   | (15)   | (35)   |
| Interest and dividend income   | (379)  | (424)  |
| Interest expenses  | 30   | 19   |
| Share of loss (profit) of entities accounted for using equity method                       | (373)  | (458)  |
| Loss (gain) on sales of short-term and long-term investment securities                     | (0)  | 1  |
| Loss (gain) on sales and retirement of property, plant and equipment and intangible assets | (197)  | (81)   |
| Decrease (increase) in notes and accounts receivable - trade                               | (2,599)  | (1,267)  |
| Decrease (increase) in inventories   | (1,099)  | (364)  |
| Increase (decrease) in notes and accounts payable - trade                                  | 2,543  | (903)  |
| Other, net   | 380  | (59)   |
| Subtotal   | <u>3,921</u>   | <u>3,443</u>   |
| Interest and dividend income received  | 398  | 424  |
| Interest expenses paid   | (29)   | (19)   |
| Income taxes paid  | <u>(660)</u>   | <u>(2,832)</u>   |
| Net cash provided by (used in) operating activities  | <u>3,630</u>   | <u>1,016</u>   |
| <b>Cash flows from investing activities</b>  |  |  |
| Purchase of property, plant and equipment and intangible assets                            | (2,537)  | (2,668)  |
| Proceeds from sales of property, plant and equipment and intangible assets                 | 635  | 190  |
| Purchase of investment securities  | (11)   | (12)   |
| Proceeds from sales of investment securities   | 2  | 27   |
| Payments of loans receivable   | (228)  | (102)  |
| Collection of loans receivable   | 72   | 45   |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation           | —  | (17)   |
| Payments into time deposits  | (659)  | (1,451)  |
| Proceeds from withdrawal of time deposits  | 984  | 1,490  |
| Other, net   | 1,135  | (436)  |
| Net cash provided by (used in) investing activities  | <u>(606)</u>   | <u>(2,935)</u>   |
| <b>Cash flows from financing activities</b>  |  |  |
| Net increase (decrease) in short-term loans payable  | (1,184)  | (134)  |
| Repayments of long-term loans payable  | (237)  | (3,146)  |
| Proceeds from sales of treasury shares   | —  | 0  |
| Purchase of treasury shares  | (3)  | (9)  |
| Cash dividends paid  | (438)  | (584)  |
| Other, net   | (70)   | (61)   |
| Net cash provided by (used in) financing activities  | <u>(1,935)</u>   | <u>(3,935)</u>   |
| Effect of exchange rate change on cash and cash equivalents                                | <u>(12)</u>  | <u>(120)</u>   |
| Net increase (decrease) in cash and cash equivalents                                       | <u>1,076</u>   | <u>(5,974)</u>   |
| Cash and cash equivalents at beginning of period   | <u>8,910</u>   | <u>16,087</u>  |
| Cash and cash equivalents at end of period   | <u>9,987</u>   | <u>10,112</u>  |

**SEGMENT INFORMATION**

FY 2018 2Q (April 1, 2017 through September 30, 2017) (Millions of Yen)

|                         | Industrial<br>Products | Ceramics &<br>Materials | Engineering | Tabletop | Total  |
|-------------------------|------------------------|-------------------------|-------------|----------|--------|
| Net sales:              |                        |                         |             |          |        |
| External customers      | 29,497                 | 15,403                  | 7,947       | 4,062    | 56,911 |
| Operating profit (loss) | 805                    | 1,364                   | 604         | (551)    | 2,223  |

FY 2019 2Q (April 1, 2018 through September 30, 2018) (Millions of Yen)

|                         | Industrial<br>Products | Ceramics &<br>Materials | Engineering | Tabletop | Total  |
|-------------------------|------------------------|-------------------------|-------------|----------|--------|
| Net sales:              |                        |                         |             |          |        |
| External customers      | 31,080                 | 17,323                  | 9,659       | 3,897    | 61,961 |
| Operating profit (loss) | 1,038                  | 2,076                   | 1,191       | (505)    | 3,800  |