

# DAISHINKU CORP.

## FINANCIAL RESULTS

Tokyo, May 17, 2018 - Daishinku Corp. today announced its Financial Results for the Year ended March 31, 2018.

### 1. Operating Results for the years ended March 31, 2017 and 2018

#### (1) Consolidated operating results

(Figures in % are a comparisons with the same period of the previous 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                         | %     |
| Year ended March 31, 2018 | 30,298          | (2.1) | 300              | (78.4) | 216             | (86.0) | (298)                                   | -     |
| Year ended March 31, 2017 | 30,959          | (3.8) | 1,395            | 101.3  | 1,551           | 122.6  | 691                                     | 394.7 |

Note: Comprehensive Income Year ended March 31, 2018 ; 95 Yen-million, Year ended March 31, 2017 ; 983 Yen-million

|                           | Net income per share | Net income per share after adjustment with potential shares | Return on equity | Ordinary income to total assets | Operating income to net sales |
|---------------------------|----------------------|---|------------------|---------------------------------|-------------------------------|
|                           | Yen                  | Yen   | %                | %                               | %                             |
| Year ended March 31, 2018 | (36.93)              | -   | (1.1)            | 0.4                             | 1.0                           |
| Year ended March 31, 2017 | 85.64                | -   | 2.6              | 2.6                             | 4.5                           |

ref. Investment Profit or Loss on Equity Method As of March 31, 2018 ; -Yen-million, As of March 31, 2017 ; -Yen-million

Note: DAISHINKU CORP. has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016.

Accordingly, net income per-share is calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

#### (2) Consolidated financial status

|                      | Total assets    | Net assets      | Stockholders' equity ratio | Stockholders' equity per share |
|----------------------|-----------------|-----------------|----------------------------|--------------------------------|
|                      | Millions of Yen | Millions of Yen | %                          | Yen                            |
| As of March 31, 2018 | 59,408          | 30,880          | 43.7                       | 3,216.10                       |
| As of March 31, 2017 | 60,819          | 31,237          | 43.6                       | 3,282.27                       |

ref. Stockholders' equity : As of March 31, 2018 ; 25,966 Yen-million, As of March 31, 2017 ; 26,506 Yen-million

#### (3) Consolidated statements of cash flows

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalent at end |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
|                           | Millions of Yen                      | Millions of Yen                      | Millions of Yen                      | Millions of Yen                 |
| Year ended March 31, 2018 | 849                                  | (2,925)                              | 501                                  | 15,559                          |
| Year ended March 31, 2017 | 2,584                                | (5,070)                              | (318)                                | 17,303                          |

### 2. Dividends

|                            | Dividends per share |                    |                    |          |        | Total amount of dividends (Full Year) | Dividend payout ratio (Consolidated) | Dividend on net assets (Consolidated) |
|----------------------------|---------------------|--------------------|--------------------|----------|--------|---------------------------------------|--------------------------------------|---------------------------------------|
|                            | End of 1st quarter  | End of 2nd quarter | End of 3rd quarter | Year-end | Annual |                                       |                                      |                                       |
| (Results)                  | Yen                 | Yen                | Yen                | Yen      | Yen    | Millions of Yen                       | %                                    | %                                     |
| Year ended March 31, 2017  | -                   | 1.00               | -                  | 25.00    | -      | 242                                   | 35.0                                 | 0.9                                   |
| Year ended March 31, 2018  | -                   | 15.00              | -                  | 5.00     | 20.00  | 161                                   | -                                    | 0.6                                   |
| (Forecast)                 |                     |                    |                    |          |        |                                       |                                      |                                       |
| Year ending March 31, 2019 | -                   | -                  | -                  | -        | -      |                                       | -                                    |                                       |

Note: Dividends per share for the fiscal year ending March 2019 are undetermined as of the present time.

DAISHINKU CORP. has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016.

Accordingly, dividend until the 2nd quarter of the fiscal year ended March 2017 are actual dividend amounts prior to the share consolidation and the annual dividend for the fiscal year ended March 2017 is shown as “-”.

### 3. Forecast for the fiscal year ending March 31, 2019(April 1, 2018 - March 31, 2019)

(Figures in % are a comparisons with the same period of the previous 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                  |
| Year ending March 31, 2019 | 33,000          | 8.9 | 1,020            | 238.9 | 1,020           | 370.2 | 620                                     | - | 76.79                |

※ Others

(1) Changes for important subsidiaries during this period : None

(2) Changes in accounting policies and changes or restatement of accounting estimates

|  |            |
|--|------------|
| 1. Changes in accounting policies related to accounting standard revisions | Applicable |
| 2. Other changes in accounting policies                                    | None       |
| 3. Changes in accounting estimates   | None       |
| 4. Modified restatements   | None       |

(3) Outstanding shares (Common shares)

1. Number of shares outstanding (including treasury stock)

As of March 31, 2018 : 9,049,242 shares As of March 31, 2017: 9,049,242 shares

2. Number of treasury stock

As of March 31, 2018: 975,251 shares As of March 31, 2017 : 973,573 shares

3. Average number of shares during the period

Year ended March 31, 2018 : 8,074,757 shares Year ended March 31, 2017 : 8,076,772 shares

Note: DAISHINKU CORP. has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016.

Accordingly, number of shares outstanding, number of treasury stock and average number of shares during the period are calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

ref. Summary of Non-consolidated Financial Results

Non-consolidated Results for the years ended March 31, 2017 and 2018

(1) Non-consolidated operating results

(Figures in % are a comparisons with the same period of the previous year.)

|                           | Net sales       |       | Operating income |      | Ordinary income |         | Net income      |        |
|---------------------------|-----------------|-------|------------------|------|-----------------|---------|-----------------|--------|
|                           | Millions of Yen | %     | Millions of Yen  | %    | Millions of Yen | %       | Millions of Yen | %      |
| Year ended March 31, 2018 | 23,892          | (9.1) | (168)            | -    | 0               | (100.0) | 11              | (99.0) |
| Year ended March 31, 2017 | 26,294          | 1.5   | 1,102            | 50.4 | 1,673           | 27.6    | 1,176           | 0.2    |

|                           | Net income per share | Net income per share after adjustment with potential shares |
|---------------------------|----------------------|---|
|                           | Yen                  | Yen   |
| Year ended March 31, 2018 | 1.47                 | -   |
| Year ended March 31, 2017 | 145.64               | -   |

Note: DAISHINKU CORP. has implemented the share consolidation of common stocks at a ratio of one share per five shares effective as of October 1, 2016.

Accordingly, net income per-share is calculated on the assumption that the share consolidation was implemented at the beginning of the previous fiscal year.

(2) Non-Consolidated financial status

|                      | Total assets    | Net assets      | Stockholders' equity ratio | Stockholders' equity per share |
|----------------------|-----------------|-----------------|----------------------------|--------------------------------|
|                      | Millions of Yen | Millions of Yen | %                          | Yen                            |
| As of March 31, 2018 | 49,898          | 26,842          | 53.8                       | 3,324.58                       |
| As of March 31, 2017 | 50,982          | 27,238          | 53.4                       | 3,372.88                       |

ref. Stockholders' equity : As of March 31, 2018 ; 26,842 Yen-million, As of March 31, 2017 ; 27,238 Yen-million

\* The forecasts are based on assumptions of the future economic environment using the data available at the time of disclosure. Actual earnings may differ from the forecasts, due to a range of factors.