

FINANCIAL RELEASE

FROM APRIL 1,2016
TO DECEMBER 31,2016

HOSIDEN CORPORATION

1. Consolidated Results For The Nine Months Ended December.31,2016

(1)Consolidated Operating Resultss(Nine months ended Dec.31,2016)

Percentages indicate year - on - year changes

| | 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 Dec.31,2016 | 93,866 | (18.7) | 538 | - | 1,665 | - | 1,748 | - |
| Nine months ended Dec.31,2015 | 115,504 | 4.0 | (1,370) | - | (1,616) | - | (6,334) | - |

| | Net Income | Diluted Net |
|-------------------------------|------------|------------------|
| | Per Share | Income Per Share |
| | Yen | Yen |
| Nine months ended Dec.31,2016 | 28.45 | - |
| Nine months ended Dec.31,2015 | (102.72) | - |

(2)Consolidated Financial Position(As of Dec.31,2016 and as of March.31,2016)

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|-------------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| As of Dec.31,2016 | 125,462 | 77,402 | 61.7 |
| As of Mar.31,2016 | 106,716 | 76,162 | 71.4 |

2.Dividends(Year ended March.31,2016 and the year ending March.31,2017)

| | Dividends per Share(Yen) | | | | |
|-----------------|--------------------------|-------------|-------------|----------|--------|
| | 1st quarter | 2nd quarter | 3rd quarter | Year-end | Annual |
| | Yen | Yen | Yen | Yen | Yen |
| 2016 | - | 5.00 | - | 5.00 | 10.00 |
| 2017 | - | 3.00 | - | | |
| 2017(Projected) | | | | 5.00 | 8.00 |

3.Consolidated Forecasts for the year ending March.31,2017

Percentages indicate year - on - year changes

| | 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.31,2017 | 152,000 | 8.6 | 2,200 | - | 2,200 | - | 2,000 | 32.54 |

CONSOLIDATED BALANCE SHEET

Yen (millions)

| ASSETS | | | |
|---|---------------------|-------------------|--|
| ACCOUNT ITEMS | As of March.31,2016 | As of Dec.31,2016 | |
| Current Assets | | | |
| 1. Cash and Deposits | 31,629 | 44,766 | |
| 2. Notes Receivable and Accounts Receivable-Trade | 17,318 | 23,175 | |
| 3. Short-Term Investment Securities | 22,701 | 6,200 | |
| 4. Inventories | 14,751 | 28,283 | |
| 5. Other Current Assets | 4,904 | 5,165 | |
| 6. Allowance for Doubtful Receivables | (25) | (29) | |
| Total of Current Assets | 91,280 | 107,562 | |
| Fixed Assets | | | |
| Property, Plant and Equipment | 10,457 | 12,036 | |
| Intangible Assets | 230 | 248 | |
| Investments and Other Assets | | | |
| 1. Investment Securities | 3,483 | 4,550 | |
| 2. Other Investments | 1,605 | 1,471 | |
| Allowance for Doubtful Receivables | (341) | (406) | |
| Total of Investments and Other Assets | 4,748 | 5,615 | |
| Total of Fixed Assets | 15,435 | 17,900 | |
| Total Assets | 106,716 | 125,462 | |

Yen (millions)

| LIABILITIES | | |
|---|---------------------|-------------------|
| ACCOUNT ITEMS | As of March.31,2016 | As of Dec.31,2016 |
| Current Liabilities | | |
| 1. Notes Payable and Accounts Payable-Trade | 11,741 | 29,602 |
| 2. Short-term Debt | 6,865 | 5,618 |
| 3. Income Tax Payable | 687 | 530 |
| 4. Other Current Liabilities | 3,599 | 4,636 |
| Total of Current Liabilities | 22,893 | 40,388 |
| Long-term Liabilities | | |
| 1. Retirement Allowance | 5,402 | 5,167 |
| 2. Other Long-term Liabilities | 2,257 | 2,503 |
| Total of Long-term Liabilities | 7,660 | 7,671 |
| Total Liabilities | 30,553 | 48,060 |
| SHAREHOLDERS' EQUITY | | |
| Owner's Equity | | |
| 1. Common Stock | 13,660 | 13,660 |
| 2. Additional Paid-in Capital | 19,596 | 19,596 |
| 3. Retained Earnings | 51,336 | 52,593 |
| 4. Treasury Stock | (7,599) | (7,599) |
| Total of Owner's Equity | 76,994 | 78,251 |
| Accumulated Other Comprehensive Income | | |
| 1. Unrealized Gains on other Securities | 1,241 | 1,843 |
| 2. Foreign Currency Translation Adjustments | (2,016) | (2,657) |
| 3. Remeasurements of Defined Benefit Plans | (56) | (35) |
| Total of Accumulated Other Comprehensive Income(Loss) | (832) | (848) |
| Total Shareholders' Equity | 76,162 | 77,402 |
| Total Liabilities and Shareholders' Equity | 106,716 | 125,462 |

CONSOLIDATED STATEMENT OF INCOME

Yen (millions)

| ACCOUNT ITEMS | Nine months ended Dec. 31,2015 | Nine months ended Dec. 31,2016 |
|---|-----------------------------------|-----------------------------------|
| Net Sales | 115,504 | 93,866 |
| Cost of Sales | 108,635 | 85,713 |
| Gross Profit | 6,868 | 8,153 |
| Selling, General and Administrative Expenses | 8,239 | 7,614 |
| Operating Income(Loss) | (1,370) | 538 |
| Non-Operating Income | 203 | 1,222 |
| 1. Interest Income | 39 | 39 |
| 2. Dividends Received | 59 | 64 |
| 3. Exchange Gain | - | 1,053 |
| 4. Other | 104 | 65 |
| Non-Operating Expenses | (449) | (95) |
| 1. Interest Expenses | (105) | (89) |
| 2. Exchange Loss | (322) | - |
| 3. Other | (21) | (5) |
| Ordinary Income(Loss) | (1,616) | 1,665 |
| Extraordinary Income | 3 | 600 |
| 1. Gains on Sales of Fixed Assets | 3 | 594 |
| 2. Other | - | 6 |
| Extraordinary Loss | (3,012) | (109) |
| 1. Loss on Disposal and sales of Fixed Assets | (4) | (22) |
| 2. Loss on Valuation of Investment Securities | (212) | (85) |
| 3. Impairment Losses on Fixed Assets | (2,793) | - |
| 4. Other | (2) | 0 |
| Income (Loss) before Income Taxes | (4,625) | 2,156 |
| Income Taxes | 1,708 | 407 |
| 1. Current Income Taxes | 563 | 349 |
| 2. Income Taxes Refunded | (572) | - |
| 3. Deferred Income Taxes | 1,718 | 58 |
| Net Income(Loss) | (6,334) | 1,748 |
| Profit (loss) attributable to non-controlling interests | - | - |
| Profit (loss) attributable to owners of parent | (6,334) | 1,748 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Yen (millions)

| ACCOUNT ITEMS | Nine months ended Dec. 31,2015 | Nine months ended Dec. 31,2016 |
|--|-----------------------------------|-----------------------------------|
| Net Income(Loss) | (6,334) | 1,748 |
| Other Comprehensive Income | | |
| Net unrealized Holding Gains(Loss)on Securities | (67) | 602 |
| Foreign Currency Translation Adjustments | (222) | (640) |
| Remeasurements of Defined Benefit Plans | 13 | 21 |
| Total Other Comprehensive Income | (276) | (16) |
| Comprehensive Income | (6,610) | 1,732 |
| Comprehensive Income attributable to | | |
| Comprehensive income attributable to owners of parent | (6,610) | 1,732 |
| Comprehensive income attributable to non-controlling interests | - | - |

CONSOLIDATED STATEMENTS OF CASH FLOWS

Yen (millions)

| ACCOUNT ITEMS | Nine months ended Dec. 31,2015 | Nine months ended Dec. 31,2016 |
|---|-----------------------------------|-----------------------------------|
| Operating Activities | | |
| 1. Profit(-loss) before income taxes | (4,625) | 2,156 |
| 2. Depreciation | 2,001 | 1,246 |
| 3. Impairment losses on fixed assets | 2,793 | - |
| 4. Decrease(-increase) in notes and accounts receivables –trade | (216) | (7,075) |
| 5. Decrease(-increase) in inventories | 3,903 | (13,286) |
| 6. Decrease(-increase) in accounts receivables from sub-contractors | 136 | (416) |
| 7. Increase(-decrease) in notes and accounts payable-trade | (2,340) | 18,382 |
| 8. Other –net | (1,187) | 841 |
| Sub-total | 464 | 1,848 |
| 9. Interest and dividends – received | 99 | 104 |
| 10. Interest – paid | (101) | (84) |
| 11. Income taxes– paid | (1,834) | (1,065) |
| 12. Income taxes– refunded | 610 | 227 |
| Net cash provided by operating activities | (759) | 1,029 |
| Investing Activities | | |
| 1. Decrease(-increase) from deposits | 49 | 14 |
| 2. Capital expenditures | (1,604) | (3,357) |
| 3. Other-net | 144 | 558 |
| Net cash used in investing activities | (1,410) | (2,784) |
| Financing Activities | | |
| 1. Increase(-decrease) in short-term debt | 775 | (618) |
| 2. Purchases of treasury stock | (1,600) | (0) |
| 3. Dividends paid | (623) | (491) |
| Net cash used in financing activities | (1,449) | (1,110) |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (438) | (493) |
| Net Increase (-Decrease) in Cash and Cash Equivalents | (4,058) | (3,359) |
| Cash and Cash Equivalents at Beginning of Period | 55,744 | 54,015 |
| Cash and Cash Equivalents at End of Period | 51,686 | 50,655 |

NET SALES BY PRODUCTS

Yen (millions)

| | Nine months ended Dec.31,2016 | |
|-------------------------------|-------------------------------|-------|
| | Amount | % |
| Electro-mechanical Components | 71,852 | 76.5 |
| Acoustic Components | 12,405 | 13.2 |
| Display Components | 7,005 | 7.5 |
| Applied Equipment and Others | 2,603 | 2.8 |
| Total | 93,866 | 100.0 |