

FINANCIAL RELEASE

**FROM APRIL 1,2017
TO DECEMBER 31,2017**

HOSIDEN CORPORATION

1. Consolidated Results For The Nine Months Ended Dec.31,2017

(1)Consolidated Operating Resultss(Nine months ended Dec.31,2017)

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.31,2017	234,299	149.6	10,643	-	11,395	584.2	9,961	469.6
Nine months ended Dec.31,2016	93,866	(18.7)	538	-	1,665	-	1,748	-

	Net Income	Diluted Net
	Per Share	Income Per Share
	Yen	Yen
Nine months ended Dec.31,2017	167.53	162.50
Nine months ended Dec.31,2016	28.45	-

(2)Consolidated Financial Position(As of Dec.31,2017 and as of Mar.31,2017)

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of Dec.31,2017	155,453	86,882	55.9
As of Mar.31,2017	119,045	76,661	64.4

2.Dividends(Year ended Mar.31,2017 and the year ending Mar.31,2018)

	Dividends per Share(Yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
2017	-	3.00	-	5.00	8.00
2018	-	5.00	-		
2018(Projected)				15.00	20.00

3.Consolidated Forecasts for the year ending Mar.31,2018

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 Mar.31,2018	290,000	93.2	11,500	384.6	10,300	470.7	9,000	338.3	151.36

CONSOLIDATED BALANCE SHEET

Yen (millions)

ASSETS			
ACCOUNT ITEMS	As of Mar.31,2017	As of Dec.31,2017	
Current Assets			
1. Cash and Deposits	40,275	40,725	
2. Notes Receivable and Accounts Receivable-Trade	28,752	53,526	
3. Short-Term Investment Securities	5,500	2,600	
4. Inventories	20,495	31,738	
5. Other Current Assets	5,395	5,753	
6. Allowance for Doubtful Receivables	(33)	(31)	
Total of Current Assets	100,386	134,313	
Fixed Assets			
Property, Plant and Equipment	12,517	14,473	
Intangible Assets	243	244	
Investments and Other Assets			
1. Investment Securities	4,929	5,440	
2. Other Investments	1,374	1,386	
Allowance for Doubtful Receivables	(406)	(406)	
Total of Investments and Other Assets	5,898	6,421	
Total of Fixed Assets	18,658	21,139	
Total Assets	119,045	155,453	

Yen (millions)

LIABILITIES		
ACCOUNT ITEMS	As of Mar.31,2017	As of Dec.31,2017
Current liabilities		
1. Notes payable and accounts payable-trade	24,227	39,896
2. Short-term debt	5,769	5,537
3. Income tax payable	705	1,544
4. Other current liabilities	4,170	3,886
Total of current liabilities	34,872	50,864
Long-term liabilities		
1. Convertible bond-type bonds with subscription rights to shares	-	10,142
2. Retirement allowance	5,013	4,919
3. Other long-term liabilities	2,497	2,643
Total of long-term liabilities	7,511	17,705
Total liabilities	42,384	68,570
SHAREHOLDERS' EQUITY		
Owner's equity		
1. Common stock	13,660	13,660
2. Additional paid-in capital	19,596	19,596
3. Retained earnings	52,898	60,386
4. Treasury stock	(9,626)	(7,750)
Total of owner's equity	76,528	85,893
Accumulated other comprehensive income		
1. Unrealized gains on other securities	2,106	2,489
2. Foreign currency translation adjustments	(2,107)	(1,596)
3. Remeasurements of defined benefit plans	134	95
Total of accumulated other comprehensive income(loss)	132	989
Total shareholders' equity	76,661	86,882
Total liabilities and shareholders' equity	119,045	155,453

CONSOLIDATED STATEMENT OF INCOME

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2016	Nine months ended Dec.31,2017
Net sales	93,866	234,299
Cost of sales	85,713	215,217
Gross profit	8,153	19,082
Selling, general and administrative expenses	7,614	8,438
Operating income(loss)	538	10,643
Non-operating income	1,222	895
1. Interest income	39	65
2. Dividends received	64	75
3. Exchange gain	1,053	663
4. Other	65	91
Non-operating expenses	(95)	(144)
1. Interest expenses	(89)	(101)
2. Bond issuance costs	-	(29)
3. Other	(5)	(13)
Ordinary income(loss)	1,665	11,395
Extraordinary income	600	4
1. Gains on sales of fixed assets	594	4
2. Other	6	0
Extraordinary loss	(109)	(2)
1. Loss on disposal and sales of fixed assets	(22)	(0)
2. Loss on sales of investment securities	-	(0)
3. Loss on valuation of investment securities	(85)	-
4. Other	0	(0)
Income (loss) before income taxes	2,156	11,397
Income taxes	407	1,435
1. Current income taxes	349	1,441
2. Deferred income taxes	58	(6)
Net income(loss)	1,748	9,961
Profit (loss) attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	1,748	9,961

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2016	Nine months ended Dec.31,2017
Net income(loss)	1,748	9,961
Other comprehensive income		
Net unrealized holding gains(loss)on securities	602	382
Foreign currency translation adjustments	(640)	511
Remeasurements of defined benefit plans	21	(38)
Total other comprehensive income	(16)	856
Comprehensive income	1,732	10,817
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,732	10,817
Comprehensive income attributable to non-controlling interests	-	-

CONSOLIDATED STATEMENTS OF CASH FLOWS

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2016	Nine months ended Dec.31,2017
Operating Activities		
1. Profit(-loss) before income taxes	2,156	11,397
2. Depreciation	1,246	2,511
3. Decrease(-increase) in notes and accounts receivables- trade	(7,075)	(23,881)
4. Decrease(-increase) in inventories	(13,286)	(10,966)
5. Decrease(-increase) in accounts receivables from sub-contractors	(416)	(661)
6. Increase(-decrease) in notes and accounts payable-trade	18,382	14,964
7. Other-net	841	162
Sub-total	1,848	(6,473)
8. Interest and dividends - received	104	135
9. Interest - paid	(84)	(99)
10. Income taxes - paid	(1,065)	(960)
11. Income taxes - refunded	227	89
Net cash provided by operating activities	1,029	(7,309)
Investing Activities		
1. Decrease(-increase) from deposits	14	(346)
2. Capital expenditures	(3,357)	(4,692)
3. Other-net	558	170
Net cash used in investing activities	(2,784)	(4,868)
Financing Activities		
1. Increase(-decrease) in short-term debt	(618)	(416)
2. Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	-	10,120
3. Purchases of treasury stock	(0)	(1)
4. Dividends paid	(491)	(594)
Net cash used in financing activities	(1,110)	9,107
Effect of exchange rate changes on cash and cash equivalents	(493)	255
Net increase (-decrease) in cash and cash equivalents	(3,359)	(2,814)
Cash and cash equivalents at beginning of period	54,015	45,457
Cash and cash equivalents at end of period	50,655	42,643

NET SALES BY PRODUCTS

Yen (millions)

	Nine months ended Dec.31,2017	
	Amount	%
Electro-mechanical components	210,452	89.8
Acoustic components	13,411	5.7
Display components	7,636	3.3
Applied equipment and others	2,799	1.2
Total	234,299	100.0