

FINANCIAL RELEASE

**FROM APRIL 1,2018
TO DECEMBER 31,2018**

HOSIDEN CORPORATION

1. Consolidated Results For The Nine Months Ended Dec.31,2018

(1)Consolidated Operating Resultss(Nine months ended Dec.31,2018)

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.31,2018	199,121	(15.0)	9,308	(12.5)	11,240	(1.4)	8,572	(13.9)
Nine months ended Dec.31,2017	234,299	149.6	10,643	-	11,395	584.2	9,961	469.6

	Net Income	Diluted Net
	Per Share	Income Per Share
	Yen	Yen
Nine months ended Dec.31,2018	144.17	134.69
Nine months ended Dec.31,2017	167.53	162.50

(2)Consolidated Financial Position(As of Dec.31,2018 and as of March.31,2018)

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
As of Dec.31,2018	136,042	92,738	68.2
As of Mar.31,2018	138,192	86,992	63.0

2.Dividends(Year ended March.31,2018 and the year ending March.31,2019)

	Dividends per Share(Yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
2018	-	5.00	-	15.00	20.00
2019	-	10.00	-		
2019(Projected)				15.00	25.00

3.Consolidated Forecasts for the year ending March.31,2019

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.31,2019	235,000	(21.5)	10,000	(23.3)	10,000	(5.2)	7,500	(26.7)	126.14

CONSOLIDATED BALANCE SHEET

Yen (millions)

ASSETS			
ACCOUNT ITEMS	As of March.31,2018	As of Dec.31,2018	
Current assets			
1. Cash and deposits	45,087	47,806	
2. Notes receivable and accounts receivable-trade	30,494	35,960	
3. Short-term investment securities	8,100	10,101	
4. Inventories	28,869	18,893	
5. Other current assets	4,751	3,407	
6. Allowance for doubtful receivables	(25)	(24)	
Total of current assets	117,279	116,145	
Fixed assets			
Property, plant and equipment	13,998	14,139	
Intangible assets	339	348	
Investments and other assets			
1. Investment securities	5,170	3,957	
2. Other investments	1,758	1,860	
Allowance for doubtful receivables	(353)	(410)	
Total of investments and other assets	6,575	5,408	
Total of fixed assets	20,913	19,896	
Total assets	138,192	136,042	

Yen (millions)

LIABILITIES		
ACCOUNT ITEMS	As of March.31,2018	As of Dec.31,2018
Current liabilities		
1. Notes payable and accounts payable-trade	24,390	18,572
2. Short-term debt	5,064	2,686
3. Income tax payable	1,320	1,499
4. Other current liabilities	4,607	3,794
Total of current liabilities	35,383	26,552
Long-term liabilities		
1. Convertible bond-type bonds with subscription rights to shares	10,137	10,121
2. Retirement allowance	4,481	4,566
3. Other long-term liabilities	1,197	2,062
Total of long-term liabilities	15,816	16,750
Total liabilities	51,199	43,303
SHAREHOLDERS' EQUITY		
Owner's equity		
1. Common stock	13,660	13,660
2. Additional paid-in capital	19,596	19,596
3. Retained earnings	60,658	67,744
4. Treasury stock	(7,750)	(7,750)
Total of owner's equity	86,165	93,250
Accumulated other comprehensive income		
1. Unrealized gains on other securities	2,298	1,649
2. Foreign currency translation adjustments	(1,703)	(2,336)
3. Remeasurements of defined benefit plans	233	175
Total of accumulated other comprehensive income	827	(512)
Total shareholders' equity	86,992	92,738
Total liabilities and shareholders' equity	138,192	136,042

CONSOLIDATED STATEMENT OF INCOME

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2017	Nine months ended Dec.31,2018
Net sales	234,299	199,121
Cost of sales	215,217	181,731
Gross profit	19,082	17,390
Selling, general and administrative expenses	8,438	8,082
Operating income	10,643	9,308
Non-operating income	895	2,039
1. Interest income	65	119
2. Dividends received	75	92
3. Exchange gain	663	1,731
4. Other	91	95
Non-operating expenses	(144)	(107)
1. Interest expenses	(101)	(94)
2. Bond issuance costs	(29)	-
3. Other	(13)	(12)
Ordinary income	11,395	11,240
Extraordinary income	4	249
1. Gains on sales of fixed assets	4	5
2. Gains on liquidation of subsidiaries	-	240
3. Other	0	4
Extraordinary loss	(2)	(2)
1. Loss on disposal and sales of fixed assets	(0)	(2)
2. Loss on sales of investment securities	(0)	-
3. Other	(0)	-
Income before income taxes	11,397	11,487
Income taxes	1,435	2,915
1. Current income taxes	1,441	1,802
2. Deferred income taxes	(6)	1,113
Net income	9,961	8,572
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	9,961	8,572

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2017	Nine months ended Dec.31,2018
Net income	9,961	8,572
Other comprehensive income		
Net unrealized holding gains on securities	382	(648)
Foreign currency translation adjustments	511	(632)
Remeasurements of defined benefit plans	(38)	(58)
Total other comprehensive income	856	(1,339)
Comprehensive income	10,817	7,232
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,817	7,232
Comprehensive income attributable to non-controlling interests	-	-

CONSOLIDATED STATEMENTS OF CASH FLOWS

Yen (millions)

ACCOUNT ITEMS	Nine months ended Dec.31,2017	Nine months ended Dec.31,2018
Operating Activities		
1. Profit before income taxes	11,397	11,487
2. Depreciation	2,511	2,336
3. Decrease(Increase) in notes and accounts receivables- trade	(23,881)	(5,218)
4. Decrease(Increase) in inventories	(10,966)	10,580
5. Decrease(Increase) in accounts receivables from sub-contractors	(661)	203
6. Increase(Decrease) in notes and accounts payable-trade	14,964	(6,966)
7. Other-net	162	687
Sub-total	(6,473)	13,110
8. Interest and dividends - received	135	186
9. Interest - paid	(99)	(96)
10. Income taxes - paid	(960)	(1,928)
11. Income taxes - refunded	89	34
Net cash provided by operating activities	(7,309)	11,307
Investing Activities		
1. Decrease(Increase) from deposits	(346)	(1,065)
2. Capital expenditures	(4,692)	(2,978)
3. Other-net	170	(2)
Net cash used in investing activities	(4,868)	(4,046)
Financing Activities		
1. Increase(Decrease) in short-term debt	(416)	(2,253)
2. Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	10,120	-
3. Purchases of treasury stock	(1)	(0)
4. Dividends paid	(594)	(1,486)
5. Other-net	-	(8)
Net cash used in financing activities	9,107	(3,748)
Effect of exchange rate changes on cash and cash equivalents	255	(132)
Net increase (Decrease) in cash and cash equivalents	(2,814)	3,380
Cash and cash equivalents at beginning of period	45,457	52,405
Cash and cash equivalents at end of period	42,643	55,786

NET SALES BY PRODUCTS

Yen (millions)

	Nine months ended Dec.31,2018	
	Amount	%
Electro-mechanical components	174,056	87.5
Acoustic components	13,637	6.8
Display components	6,753	3.4
Applied equipment and others	4,674	2.3
Total	199,121	100.0