

First Half of FY2017

Financial Results

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Kuroda Electric Co., LTD.

President CEO and COO

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Contents

1. 1st Half of FY2017 Consolidated Results	...	3
2. 1st Half of FY2017 Overview	...	4
3. Results by Segment	...	5
4. Results by Development/Mfg., Mfg./proc. group	...	6
5. Progress of the Growth investment plan	...	7

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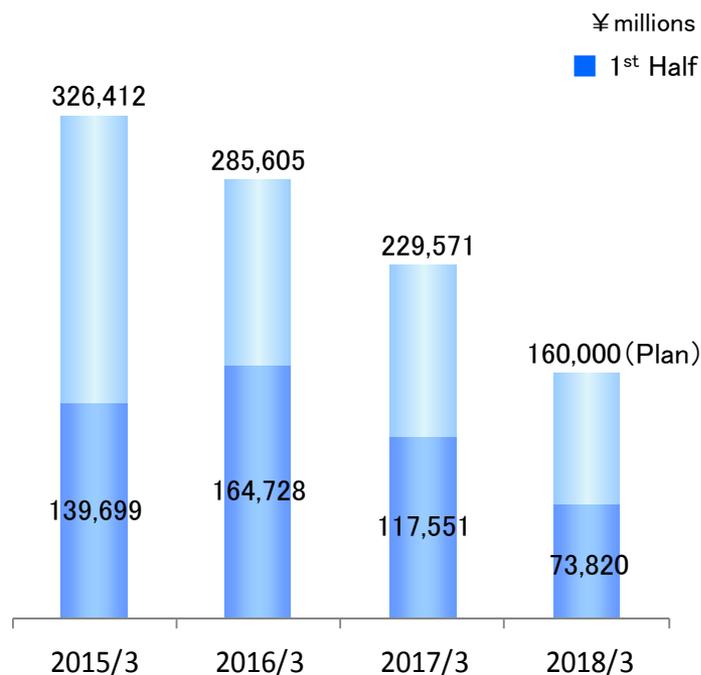
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1. 1st Half of FY2017 Consolidated Results

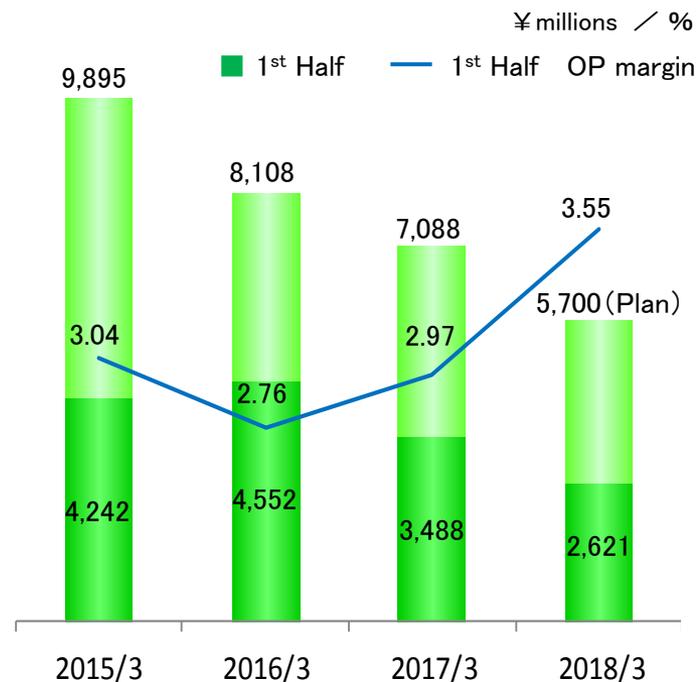
¥ millions

	Net sales	Operating profit	Operating profit margin	Ordinary profit	Profit
Consolidated (Y o Y)	73,820 (62.8%)	2,621 (75.2%)	3.55% (+0.58)	2,623 (77.2%)	1,615 (67.8%)

Net sales



OP and OP margin



2. 1st Half of FY2017 Overview

¥ millions

	2017/3	2018/3								Topics
	Full year Results	Full year Plan	1 st Half Plan	1Q Results	2Q Results	1 st Half Results	VS 1 st Half Plan	Y o Y	VS Full year Plan	
Net sales	229,571	160,000	71,680	36,986	36,834	73,820	103.0%	62.8%	46.1%	【VS 1st Half Plan】 Domestic trading : LCD related components sales increased. 【Year-on-Year】 Domestic trading : Lost the large-scale LCD business
Operating Profit	7,088	5,700	2,284	1,226	1,395	2,621	114.8%	75.2%	46.0%	【VS 1st Half Plan】 Domestic trading: LCD related components sales increased. Domestic manufacturing: Steady sales•Cost reduction Overseas manufacturing: Sales declined, delay in new business 【Year-on-Year】 Domestic trading : Lost the large-scale LCD business. Overseas manufacturing : Sales declined, delay in new business.
Operating profit margin	3.09	3.56	3.19	3.31	3.79	3.55	+0.36	+0.58	△0.01	【VS 1st Half Plan】 Domestic trading : LCD related components sales increased. Domestic manufacturing : Steady sales, cost reduction 【Year-on-Year】 Domestic trading : Lost the large-scale LCD business..
Ordinary profit	6,953	5,600	—	1,202	1,421	2,623	—	77.2%	46.8%	
Profit	4,844	3,600	—	862	753	1,615	—	67.8%	44.9%	

3. Results by Segment

¥ 100 millions

			2017/3	2018/3								Topics
			Full year Results	Full year Plan	1st Half Plan	1Q Results	2Q Results	1st Half Results	VS 1st Half Plan (%)	Y o Y (%)	VS Full year Plan (%)	
Development /Mfg.	Domestic	Sales	151	164	79	35	41	77	97.5	101.0	46.8	【VS 1st Half Plan/Year-on-Year】 Steady sales , cost reduction
		OP	<i>23.4</i>	<i>25.4</i>	<i>11.9</i>	<i>5.3</i>	<i>7.9</i>	<i>13.2</i>	110.9	116.6	51.9	
		%	15.52	15.50	15.03	14.95	19.06	17.17	+2.14	+2.30	+1.67	
Mfg. /proc.	Over Seas	Sales	227	228	109	52	51	104	95.0	104.4	45.5	【VS 1st Half Plan/Year-on-Year】 Sales declined in data storage business(parts) due to the production adjustment by clients, delay in new business.
		OP	<i>13.8</i>	<i>14.9</i>	<i>6.3</i>	<i>2.3</i>	<i>2.2</i>	<i>4.5</i>	71.2	73.3	30.0	
		%	6.06	6.54	5.76	4.44	4.19	4.32	△1.44	△1.83	△2.22	
Trading business	Domestic	Sales	1,481	772	325	190	185	373	115.3	45.8	48.4	【VS 1st Half Plan】 LCD-related components sales increased, automotive related business is steady. 【Year-on-Year】 Lost the large-scale LCD business.
		OP	<i>21.1</i>	<i>5.4</i>	<i>0.3</i>	<i>1.9</i>	<i>2.0</i>	<i>3.9</i>	1240.0	32.4	71.9	
		%	1.42	0.70	0.10	1.01	1.08	1.05	+0.95	△0.43	+0.35	
	Over Seas	Sales	437	436	204	93	91	184	90.2	99.6	42.2	【VS 1st Half Plan/Year-on-Year】 Slow sales in smartphone components business.
		OP	<i>12.6</i>	<i>11.3</i>	<i>4.3</i>	<i>2.8</i>	<i>1.9</i>	<i>4.6</i>	108.0	85.9	41.3	
		%	2.89	2.59	2.11	2.96	2.09	2.53	+0.42	△0.40	△0.06	
Next core business (new business)	Sales	0	0	0	0	0	0	0	—	—	Several projects in the pipeline. (Newly established an automotive related company in Vietnam and so on).	
	OP	0	0	0	0	0	0	0	—	—		
	%	—	—	—	—	—	—	—	—	—		
Total	Sales	2,296	1,600	717	370	368	738	103.0	62.8	46.1		
	OP	<i>70.9</i>	<i>57.0</i>	<i>22.8</i>	<i>12.3</i>	<i>14.0</i>	<i>26.2</i>	114.8	75.2	46.0		
	%	3.09	3.56	3.19	3.31	3.79	3.55	+0.36	+0.58	△0.01		

※ Numbers of sales and OP are rounded off (*Italic figures are rounded to the tenth place due to small amount*)

4. Results by Development/Mfg. , Mfg./proc. group

¥ 100 millions

		2017/3	2018/3								Topics
		Full year Results	Full year Plan	1st Half Plan	1Q Results	2Q Results	1st Half Results	VS 1st Half Plan (%)	Y o Y (%)	VS Full year Plan (%)	
Development/ Mfg.	Sales	77	86	42	18	23	41	98.1	102.1	47.8	【VS 1st Half Plan/Year-on-Year】 Recovery of display related sales. Steady sales in devices and circuit board design.
	OP	<i>19.0</i>	<i>20.3</i>	<i>9.7</i>	<i>4.2</i>	<i>6.9</i>	<i>11.1</i>	114.4	116.1	54.7	
	%	24.58	23.69	23.23	24.11	29.33	27.09	+3.86	+3.26	+3.40	
Mfg./proc. (data storage)	Sales	79	80	39	20	16	36	92.7	103.5	45.2	【VS 1st Half Plan/Year-on-Year】 Sales declined due to production adjustment by clients.
	OP	<i>8.2</i>	<i>8.6</i>	<i>4.1</i>	<i>1.5</i>	<i>0.9</i>	<i>2.4</i>	57.7	67.6	27.8	
	%	10.38	10.88	10.73	7.48	5.7	6.68	△4.05	△3.55	△4.20	
Mfg./proc. (automotive)	Sales	133	133	63	30	31	61	97.2	105.2	46.3	【VS 1st Half Plan】 Sales increased in metal components business. 【Year-on-Year】 Mold tool sales declined.
	OP	<i>4.8</i>	<i>5.4</i>	<i>1.8</i>	<i>0.8</i>	<i>1.2</i>	<i>2.0</i>	113.1	87.6	37.5	
	%	3.65	4.00	2.79	2.77	3.69	3.25	+0.46	△0.65	△0.75	
Mfg./proc. (other)	Sales	89	93	44	20	22	42	93.8	100.1	44.7	【VS 1st Half Plan】 Sales declined in mold products, delay in mass production. 【Year-on-Year】 Basically unchanged as previous year.
	OP	<i>5.2</i>	<i>6.0</i>	<i>2.6</i>	<i>1.1</i>	<i>1.0</i>	<i>2.1</i>	82.6	106.9	35.4	
	%	5.79	6.43	5.79	5.16	5.03	5.09	△0.70	+0.32	△1.34	
Total	Sales	378	392	188	88	92	180	95.7	102.9	46.0	
	OP	<i>37.2</i>	<i>40.3</i>	<i>18.2</i>	<i>7.6</i>	<i>10.0</i>	<i>17.6</i>	96.9	101.4	43.8	
	%	9.84	10.29	9.67	8.68	10.83	9.79	+0.12	△0.14	△0.50	

※ Numbers of sales and OP are rounded off (*Italic figures are rounded to the tenth place due to small amount*)

5. Progress of the Growth investment plan

New Mid-term Management Plan **Total: ¥20.0 billion**

¥ 100 millions

Content	2018/3	
	1 st Half Results	Full year Plan
① Next core business (new business) ※	0	27
② Management infrastructure (Human resources/Efficiency)	0	2
③ Commercial rights acquisition investment business	1	34
④ Capital investment	8	14
Total	9	77

※ Established the new company in Vietnam in September, 2017, capital of US\$18mil. was funded in October, 2017.
(Refer to our press releases of May 15 and September 21 in 2017)