

Third Quarter of FY2017

Financial Results

January 31, 2018

Kuroda Electric Co., LTD.

President CEO and COO

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Contents

1. 3rd Quarter of FY2017 Consolidated Results	...	3
2. 3rd Quarter 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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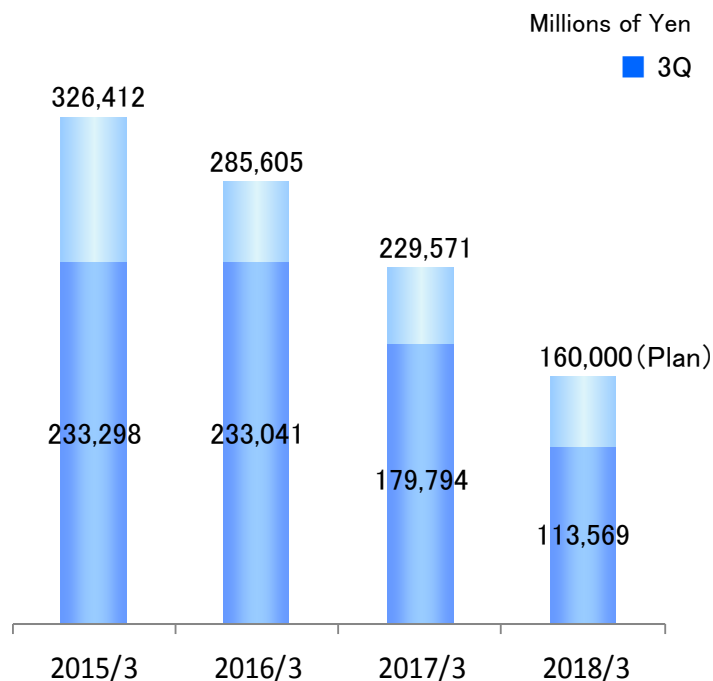
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1. 3rd Quarter of FY2017 Consolidated Results

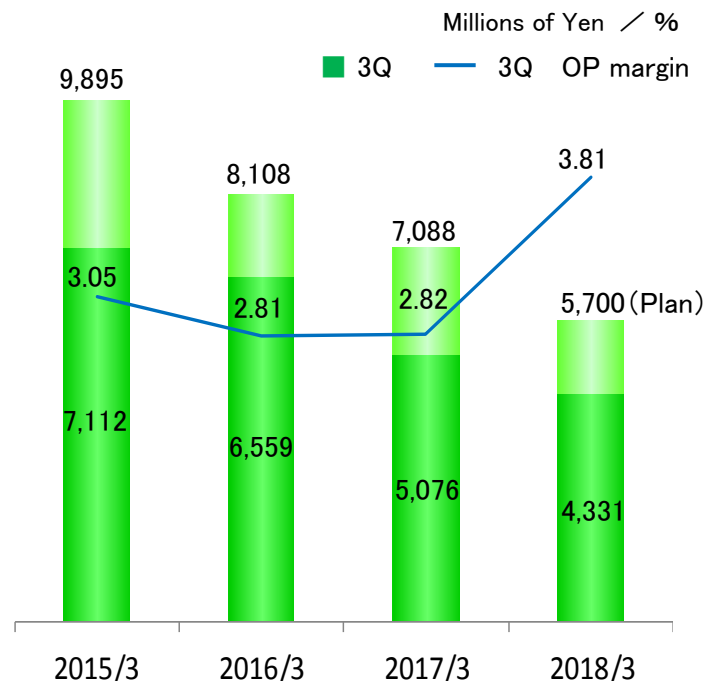
Millions of Yen

	Net sales	Operating Profit	Operating Profit margin	Ordinary Profit	Profit
Consolidated (Y o Y)	113,569 (63.2%)	4,331 (85.3%)	3.81% (+0.99)	4,410 (89.4%)	2,009 (57.5%)

Net sales



OP and OP margin



2. 3rd Quarter of FY2017 Overview

Millions of Yen

	2017/3	2018/3									Topics
	Full year Results	Full year Plan	3Q Accumulated Plan	1Q Results	2Q Results	3Q Results	3Q Accumulated Results	VS 3Q Accumulated Plan	Y o Y	VS Full year Plan	
Net sales	229,571	160,000	113,216	36,986	36,834	39,749	113,569	100.3%	63.2%	71.0%	【VS 3Q Accumulated Plan】 On budget 【Year-on-Year】 Domestic trading : Lost the large-scale LCD business
Operating Profit	7,088	5,700	3,998	1,226	1,395	1,710	4,331	108.3%	85.3%	76.0%	【VS 3Q Accumulated 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	3.53	3.31	3.79	4.30	3.81	+0.28	+0.99	+0.25	【VS 3Q Accumulated 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	1,787	4,410	—	89.4%	78.8%	
Profit	4,844	3,600	—	862	753	394	2,009	—	57.5%	55.8%	

3. Results by Segment

100millions of Yen

			2017/3	2018/3									Topics
			Full year Results	Full year Plan	3Q Accumulated Plan	1Q Results	2Q Results	3Q Results	3Q Accumulated Results	VS 3Q Accumulated Plan (%)	Y o Y (%)	VS Full year Plan (%)	
Development /Mfg.	Domestic	Sales	151	164	123	35	41	42	118	95.9	105.5	72.1	【VS 3Q Accumulated Plan/Year-on-Year】 Steady sales, cost reduction
		OP	<i>23.4</i>	<i>25.4</i>	<i>19.1</i>	<i>5.3</i>	<i>7.9</i>	<i>8.2</i>	<i>21.4</i>	112.1	124.9	84.1	
		%	15.52	15.50	15.46	14.95	19.06	19.73	18.07	+2.61	+2.81	+2.57	
Mfg. /proc.	Over Seas	Sales	227	228	170	52	51	57	160	94.2	104.8	70.1	【VS 3Q Accumulated 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>10.8</i>	<i>2.3</i>	<i>2.2</i>	<i>2.7</i>	<i>7.2</i>	66.9	80.4	48.5	
		%	6.06	6.54	6.38	4.44	4.19	4.92	4.53	△1.85	△1.37	△2.01	
Trading business	Domestic	Sales	1,481	772	522	190	185	202	577	110.3	45.8	74.7	【VS 3Q Accumulated 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>2.5</i>	<i>1.9</i>	<i>2.0</i>	<i>4.2</i>	<i>8.1</i>	318.9	47.2	149.7	
		%	1.42	0.70	0.49	1.01	1.08	2.08	1.41	+0.92	+0.04	+0.71	
	Over Seas	Sales	437	436	317	93	91	97	281	88.8	102.0	64.5	【VS 3Q Accumulated Plan/Year-on-Year】 Slow sales in smartphone components business.
		OP	<i>12.6</i>	<i>11.3</i>	<i>7.6</i>	<i>2.8</i>	<i>1.9</i>	<i>1.9</i>	<i>6.6</i>	87.3	88.7	58.5	
		%	2.89	2.59	2.39	2.96	2.09	2.00	2.35	△0.04	△0.35	△0.24	
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	1,132	370	368	398	1,136	100.3	63.2	71.0		
	OP	<i>70.9</i>	<i>57.0</i>	<i>40.0</i>	<i>12.3</i>	<i>14.0</i>	<i>17.0</i>	<i>43.3</i>	108.3	85.3	76.0		
	%	3.09	3.56	3.53	3.31	3.79	4.30	3.81	+0.28	+0.99	+0.25		

※ 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

100millions of Yen

		2017/3	2018/3									Topics
		Full year Results	Full year Plan	3Q Accumulated Plan	1Q Results	2Q Results	3Q Results	3Q Accumulated Results	VS 3Q Accumulated Plan (%)	Y o Y (%)	VS Full year Plan (%)	
Development/ Mfg.	Sales	77	86	66	18	23	23	64	97.5	110.8	74.5	【VS 3Q Accumulated Plan/Year-on-Year】 Steady sales in circuit board design. Steady sales in equipment and display related business.
	OP	<i>19.0</i>	<i>20.3</i>	<i>15.4</i>	<i>4.2</i>	<i>6.9</i>	<i>6.8</i>	<i>17.9</i>	116.2	127.8	88.3	
	%	24.58	23.69	23.55	24.11	29.33	29.79	28.06	+4.51	+3.72	+4.37	
Mfg./proc. (data storage)	Sales	79	80	59	20	16	15	51	85.5	93.0	64.2	【VS 3Q Accumulated Plan/Year-on-Year】 Sales declined due to production adjustment by clients.
	OP	<i>8.2</i>	<i>8.6</i>	<i>6.4</i>	<i>1.5</i>	<i>0.9</i>	<i>1.0</i>	<i>3.4</i>	53.3	61.6	39.4	
	%	10.38	10.88	10.71	7.48	5.70	6.68	6.68	△4.03	△3.40	△4.20	
Mfg./proc. (automotive)	Sales	133	133	99	30	31	37	98	99.8	112.0	74.0	【VS 3Q Accumulated Plan/Year-on-Year】 Sales increased in metal components business. Mold tool sales declined.
	OP	<i>4.8</i>	<i>5.4</i>	<i>3.8</i>	<i>0.8</i>	<i>1.2</i>	<i>2.1</i>	<i>4.1</i>	108.6	140.4	76.8	
	%	3.65	4.00	3.82	2.77	3.69	5.67	4.16	+0.34	+0.85	+0.16	
Mfg./proc. (other)	Sales	89	93	69	20	22	23	65	93.5	100.6	69.1	【VS 3Q Accumulated Plan/Year-on-Year】 Sales declined in mold products, delay in mass production.
	OP	<i>5.2</i>	<i>6.0</i>	<i>4.3</i>	<i>1.1</i>	<i>1.0</i>	<i>1.1</i>	<i>3.2</i>	73.5	87.2	52.4	
	%	5.79	6.43	6.21	5.16	5.03	4.49	4.88	△1.33	△0.76	△1.55	
Total	Sales	378	392	293	88	92	98	278	94.9	105.1	71.0	
	OP	<i>37.2</i>	<i>40.3</i>	<i>29.9</i>	<i>7.6</i>	<i>10.0</i>	<i>11.0</i>	<i>28.6</i>	95.7	109.6	70.9	
	%	9.84	10.29	10.20	8.68	10.83	11.21	10.29	+0.09	+0.43	±0	

※ 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**

100millions of Yen

Content	2018/3	
	3Q Results	Full year Plan
① Next core business (new business) ※	20	28
② Management infrastructure (Human resources/Efficiency)	1	2
③ Commercial rights acquisition investment business	2	5
④ Capital investment	13	15
Total	36	50

※ 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)