

# Summary of Consolidated Financial Statements for Fiscal 2017

(From January 1, 2017 to December 31, 2017)

February 8, 2018

**Toagosei Co., Ltd.**

(URL <http://www.toagosei.co.jp/>)

Stock exchange listings: Tokyo

Code number: 4045

Representative: Mikishi Takamura

President and Representative Director

Contact: Hiroshi Nemoto

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Scheduled date for the Ordinary General Meeting of Shareholders: March 29, 2018

Scheduled date of year-end dividends payout: March 30, 2018

Scheduled date for the filing of the consolidated financial statements: March 29, 2018

## 1. Consolidated results for fiscal year ended December 31, 2017(Jan. 1, 2017 – Dec. 31, 2017)

Note: All amounts are rounded down to the nearest million yen.

### (1) Performance

% indicates year-on-year changes.

|             | Net Sales         |       | Operating income  |      | Ordinary income   |      | Net income attributable to owners of parent |       |
|-------------|-------------------|-------|-------------------|------|-------------------|------|---|-------|
|             | (millions of yen) | (%)   | (millions of yen) | (%)  | (millions of yen) | (%)  | (millions of yen)                           | (%)   |
| Fiscal 2017 | 144,708           | 6.9   | 17,453            | 8.1  | 18,492            | 9.2  | 12,911                                      | (6.4) |
| Fiscal 2016 | 135,382           | (3.2) | 16,147            | 30.8 | 16,935            | 28.3 | 13,801                                      | 106.1 |

(Additional Notes) Comprehensive income: Fiscal 2017: 18,744 million yen Fiscal 2016: 13,476 million yen

|             | Net income per share | Diluted net income per share | Net income to Shareholders' equity | Ordinary income to total assets | Operating income to net sales |
|-------------|----------------------|------------------------------|------------------------------------|---------------------------------|-------------------------------|
|             | (yen)                | (yen)                        | (%)                                | (%)                             | (%)                           |
| Fiscal 2017 | 98.08                | –                            | 7.4                                | 8.1                             | 12.1                          |
| Fiscal 2016 | 104.83               | –                            | 8.5                                | 7.9                             | 11.9                          |

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates: Fiscal 2017: 338 million yen Fiscal 2016: 337 million yen

### (2) Financial position

|               | Total assets      | Net assets        | Shareholders' equity ratio | Net assets per share |
|---------------|-------------------|-------------------|----------------------------|----------------------|
|               | (millions of yen) | (millions of yen) | (%)                        | (%)                  |
| Dec. 31, 2017 | 239,338           | 187,487           | 76.3                       | 1,387.36             |
| Dec. 31, 2016 | 219,520           | 173,003           | 76.5                       | 1,276.10             |

(Reference) Shareholders' equity: End of 2017: 182,624 million yen End of 2016: 167,990 million yen

### (3) Cash flows

|             | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash & cash equivalents at the end of the year |
|-------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|             | (millions of yen)                    | (millions of yen)                    | (millions of yen)                    | (millions of yen)                              |
| Fiscal 2017 | 15,166                               | (23,186)                             | (4,047)                              | 42,136   |
| Fiscal 2016 | 21,989                               | (17,673)                             | (3,939)                              | 54,231   |

## 2. Dividends

| (Period)               | Dividends per share |             |             |          |        | Total dividends paid (Annual) | Dividends payout ratio (Consolidated) | Dividends on net assets ratio (Consolidated) |
|------------------------|---------------------|-------------|-------------|----------|--------|-------------------------------|---------------------------------------|--|
|                        | 1st quarter         | 2nd quarter | 3rd quarter | Year-end | Annual |                               |                                       |  |
|                        | (yen)               | (yen)       | (yen)       | (yen)    | (yen)  | (millions of yen)             | (%)                                   | (%)  |
| Fiscal 2016            | –                   | 13.00       | –           | 13.00    | 26.00  | 3,422                         | 24.8                                  | 2.1  |
| Fiscal 2017            | –                   | 13.00       | –           | 13.00    | 26.00  | 3,422                         | 26.5                                  | 2.0  |
| Fiscal 2018 (Forecast) | –                   | 14.00       | –           | 14.00    | 28.00  |                               | 28.4                                  |  |

### 3. Consolidated performance forecast for Fiscal 2018 (Jan. 1, 2018– Dec. 31, 2018)

Note: % indicates the rate of change over the corresponding previous period.

|                  | Net Sales         |     | Operating income  |       | Ordinary income   |       | Net income attributable to owners of the parent |       | Net income per share |
|------------------|-------------------|-----|-------------------|-------|-------------------|-------|---|-------|----------------------|
|                  | (millions of yen) | (%) | (millions of yen) | (%)   | (millions of yen) | (%)   | (millions of yen)                               | (%)   | (yen)                |
| First half, 2018 | 72,000            | 1.8 | 8,300             | (5.6) | 8,800             | (6.2) | 6,200   | (5.8) | 47.10                |
| Fiscal 2018      | 149,000           | 3.0 | 17,500            | 0.3   | 18,200            | (1.6) | 13,000  | 0.7   | 98.76                |

\* Cautions pertaining to the appropriate use of performance forecasts and other particular items

The performance forecast and other forward-looking statements contained in this material have been prepared on the basis of information available at this point and certain assumptions which are judged to be rational, and may be substantially different from the actual performance etc. because of various factors that may arise from now on.

### 4. Other information

#### (1) Changes of significant subsidiaries in the scope of consolidation during this period: No

Addition to the scope of consolidation: –

Reduction from the scope of consolidation: –

#### (2) Changes of accounting principles, procedures and presentation methods, etc. related to preparation of the consolidated financial statements

i. Changes by revision of accounting standard : No

ii. Changes other than the above : No

iii. Changes in accounting estimates : No

iv. Retrospective restatements : No

#### (3) Number of shares issued (in common stock)

i. Number of shares issued at the end of period (including treasury stock):

FY2017: 131,996,299      FY2016: 131,996,299

ii. Number of treasury stock at the end of period:      FY2017: 361,663      FY2016: 353,240

iii. Average number of issued shares:      FY2017: 131,639,288      FY2016: 131,647,589

### (Reference) Summary of Non-Consolidated Operating results

#### 1. Non- Consolidated results for fiscal year ended December 31, 2017(Jan. 1, 2017 – Dec. 31, 2017)

Note: All amounts are rounded down to the nearest million yen.

##### (1) Performance

% indicates year-on-year changes.

|             | Net Sales         |       | Operating income  |      | Ordinary income   |      | Net income        |      |
|-------------|-------------------|-------|-------------------|------|-------------------|------|-------------------|------|
|             | (millions of yen) | (%)   | (millions of yen) | (%)  | (millions of yen) | (%)  | (millions of yen) | (%)  |
| Fiscal 2017 | 94,403            | 9.1   | 12,965            | 13.4 | 15,910            | 15.8 | 12,032            | 11.6 |
| Fiscal 2016 | 86,523            | (3.4) | 11,430            | 28.7 | 13,741            | 14.1 | 10,783            | 15.8 |

|             | Net income per share | Diluted net income per share |
|-------------|----------------------|------------------------------|
|             | (yen)                | (yen)                        |
| Fiscal 2017 | 91.41                | –                            |
| Fiscal 2016 | 81.91                | –                            |

##### (2) Financial position

|               | Total assets      | Net assets        | Shareholders' equity ratio | Net assets per share |
|---------------|-------------------|-------------------|----------------------------|----------------------|
|               | (millions of yen) | (millions of yen) | (%)                        | (%)                  |
| Dec. 31, 2017 | 215,301           | 146,717           | 68.1                       | 1,114.58             |
| Dec. 31, 2016 | 197,869           | 133,076           | 67.3                       | 1,010.89             |

(Reference) Shareholders' equity: End of 2017: 146,717 million yen      End of 2016: 133,076 million yen