Dexerials

Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 〔Under Japanese GAAP〕

April 25, 2019

Company name: Dexerials Corporation Listing: Tokyo Stock Exchange
Security code: 4980 URL: https://www.dexerials.jp/en
Representative: Takashi Ichinose, Representative Director
Contact: Naoyuki Sanada, Senior Executive Officer, Corporate Planning & Control Division Head
Phone: +81-3-5435-3941
Date of ordinary general meeting of shareholders: June 21, 2019
Date of payment of year-end dividends: June 24, 2019
Annual securities report (*Yukashoken Hokokusho*) issuing date: June 21, 2019
Preparation of supplementary briefing material on financial results: Yes
Investors meeting presentation for financial results: Yes (for securities analysts and institutional investors)

(Note) Amounts less than one million yen have been omitted.

1. Consolidated financial results for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results (Percentage indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	60,580	(13.6)	3,724	(39.7)	3,903	(31.3)	2,284	(33.3)
March 31, 2018	70,079	12.0	6,178	77.0	5,682	96.4	3,426	260.9

Note: Comprehensive income
For the fiscal year ended March 31, 2019: ¥1,588 million [(22.1) %]
For the fiscal year ended March 31, 2018: ¥2,038 million [(12.9) %]

	Basic earnings per share	Diluted earnings per share	Return on capital	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	37.73	37.43	4.6	4.3	6.1
March 31, 2018	56.91	56.16	6.8	5.9	8.8

Reference: Share of profit or loss of entities accounted for using equity method
For the fiscal year ended March 31, 2019: －
For the fiscal year ended March 31, 2018: －

Note: For the purpose of calculating the amounts of earnings per share, the number of shares of the Company held by the Trust was included in the number of shares of treasury stock, which was to be deducted from the calculation of the average number of shares of common stock during the period.

(2) Consolidated financial position

	Total assets	Net assets	Capital to asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2019	87,586	49,055	56.0	809.40
March 31, 2018	94,958	49,921	52.6	825.82

Reference: Capital (Shareholders' equity + Accumulated other comprehensive income)
As of March 31, 2019: ¥49,055 million As of March 31, 2018: ¥49,921 million

Note: For the purpose of calculating the amounts of net assets per share, the number of shares of the Company held by the Trust was included in the number of shares of treasury stock, which was to be deducted from the number of shares issued at the end of the period.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	7,826	(6,554)	(4,564)	11,826
March 31, 2018	8,988	(8,454)	(1,734)	14,887

2. Dividends

	Cash dividends per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2018	—	20.00	—	20.00	40.00	2,542	70.4	4.8
March 31, 2019	—	20.00	—	14.00	34.00	2,168	90.1	4.2
Fiscal year ending March 31, 2020 (forecast)	—	17.00	—	17.00	34.00		89.5	

Reference: Dividend payout ratio (consolidated) before amortization of goodwill
Fiscal year ending March 31, 2020 (forecast): 48.5%

Notes: 1. The amounts of total dividends (annual) include the dividends (of ¥128 million for the fiscal year ended March 31, 2018 and ¥109 million for the fiscal year ended March 31, 2019) for the shares of the Company held by the Trust.
2. For the purpose of calculating the amounts of dividend on equity for the fiscal years ended March 31, 2018 and 2019, the number of shares of the Company held by the Trust was included in the number of shares of treasury stock.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Percentage indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	28,700	(5.5)	1,700	(12.9)	1,600	(29.0)	1,000	(31.7)	16.51
Fiscal year	58,000	(4.3)	4,100	10.1	3,750	(3.9)	2,450	7.2	40.46

Note: For the purpose of calculating the amounts of earnings per share for the first half and the fiscal year, the number of shares of the Company held by the Trust as at the end of the fiscal year ended March 31, 2019 was included in the number of shares of treasury stock, which was to be deducted from the calculation of the average number of shares of common stock during the period.

[Notes]

(1) Changes in significant subsidiaries during the current period (Changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements

(a)	Changes in accounting policies due to application of new or revised accounting standards:	None
(b)	Changes in accounting policies due to reasons other than above (a):	None
(c)	Changes in accounting estimates:	None
(d)	Restatements of prior period financial statements:	None

(3) Number of shares of common stock issued

(a) Number of shares issued (including treasury stock)

As of March 31, 2019:	63,817,100 shares
As of March 31, 2018:	63,668,000 shares

(b) Number of shares of treasury stock

As of March 31, 2019:	3,209,900 shares
As of March 31, 2018:	3,217,000 shares

(c) Average number of shares of common stock during the period

Fiscal year ended March 31, 2019:	60,540,304 shares
Fiscal year ended March 31, 2018:	60,198,945 shares

Notes: 1. As a result of the exercise of stock options during the fiscal year ended March 31, 2019, the number of shares issued as of March 31, 2019 has increased by 149,100 shares.

2. As the Company has introduced an Employee Stock Ownership Plan (“J-ESOP”) and a Board Benefit Trust (BBT), the number of shares of the Company held by the Trust (3,209,900 shares as of March 31, 2019 and 3,217,000 shares as of March 31, 2018) was included in the number of shares of treasury stock as of such dates. In addition, the number of shares of the Company held by the Trust (3,213,625 shares for the fiscal year ended March 31, 2019 and 3,218,133 shares for the fiscal year ended March 31, 2018) was included in the number of shares of treasury stock for such periods, which was to be deducted from the calculation of the average number of shares of common stock during the period.

* This financial results report is not subject to audit procedures to be performed by certified public accountants or an audit firm.

* [Proper use of earning forecasts, and other special notes]

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including earnings forecast contained in this document are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that such statements will prove to be correct. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors.

(Change in the presentation method of date)

From this report on the consolidated financial results for the fiscal year ended March 31, 2019, the Company started using the Gregorian calendar year instead of the Japanese imperial calendar year to present the date.