Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

Company name: Scroll Corporation
Stock exchange listing: Tokyo
Stock code: 8005 URL https://www.scroll.jp/
Representative: Chairman, CEO&COO Mamoru Horita
Inquiries: Director, Corporate Officer, General Manager of Corporate Management Dept. Yasunori Sugimoto TEL 053-464-1114

Scheduled date to file Quarterly Securities Report: August 9, 2019
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	19,333	1.0	1,134	(0.3)	1,191	4.4	792	5.4
Three months ended June 30, 2018	19,140	23.2	1,138	68.7	1,140	58.7	751	70.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	23.11	–
Three months ended June 30, 2018	22.03	22.01

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	45,006	21,719	48.2
As of March 31, 2019	42,368	21,156	49.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	5.00	–	5.00	10.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		5.00	–	5.00	10.00

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

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	37,500	3.1	950	(33.5)	1,000	(29.8)	650	(26.9)	18.92
Full year	75,000	5.4	1,900	11.9	2,000	41.3	1,300	105.9	37.84

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2019 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2019	34,818,050 shares	As of March 31, 2019	34,818,050 shares

Number of treasury shares at the end of the period

As of June 30, 2019	458,780 shares	As of March 31, 2019	545,280 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	34,285,594 shares	Three months ended June 30, 2018	34,119,696 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	5,473	3,373
Accounts receivable - trade	10,259	12,777
Inventories	8,372	9,443
Other	3,464	3,599
Allowance for doubtful accounts	(241)	(242)
Total current assets	27,328	28,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,148	4,087
Land	5,520	5,520
Other, net	849	2,076
Total property, plant and equipment	10,518	11,684
Intangible assets		
Goodwill	938	882
Other	921	919
Total intangible assets	1,859	1,802
Investments and other assets		
Other	2,870	2,782
Allowance for doubtful accounts	(209)	(213)
Total investments and other assets	2,661	2,568
Total non-current assets	15,040	16,055
Total assets	42,368	45,006
Liabilities		
Current liabilities		
Accounts payable - trade	3,069	2,905
Short-term borrowings	100	100
Accounts payable - other	10,271	13,044
Income taxes payable	554	273
Provisions	269	159
Other	1,057	911
Total current liabilities	15,323	17,394
Non-current liabilities		
Long-term borrowings	4,544	4,519
Provisions	117	112
Retirement benefit liability	1,122	1,157
Other	103	102
Total non-current liabilities	5,888	5,892
Total liabilities	21,211	23,286

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	6,005	6,005
Capital surplus	6,657	6,657
Retained earnings	8,304	8,923
Treasury shares	(263)	(230)
Total shareholders' equity	20,702	21,355
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	404	367
Deferred gains or losses on hedges	27	(29)
Foreign currency translation adjustment	9	11
Total accumulated other comprehensive income	440	348
Share acquisition rights	13	15
Total net assets	21,156	21,719
Total liabilities and net assets	42,368	45,006

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	19,140	19,333
Cost of sales	11,885	12,020
Gross profit	7,255	7,312
Selling, general and administrative expenses	6,117	6,178
Operating profit	1,138	1,134
Non-operating income		
Interest income	3	3
Dividend income	23	20
Foreign exchange gains	–	16
Other	19	23
Total non-operating income	46	65
Non-operating expenses		
Interest expenses	4	5
Other	39	2
Total non-operating expenses	43	8
Ordinary profit	1,140	1,191
Extraordinary income		
Gain on sales of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	4	7
Total extraordinary losses	4	7
Profit before income taxes	1,135	1,184
Income taxes - current	294	316
Income taxes - deferred	89	75
Total income taxes	384	391
Profit	751	792
Profit attributable to owners of parent	751	792

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	751	792
Other comprehensive income		
Valuation difference on available-for-sale securities	(32)	(37)
Deferred gains or losses on hedges	48	(56)
Foreign currency translation adjustment	(2)	2
Total other comprehensive income	13	(92)
Comprehensive income	765	700
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	765	700
Comprehensive income attributable to non-controlling interests	–	–