

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

October 30, 2019

Company name: Scroll Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 8005 URL <https://www.scroll.jp/>  
 Representative: Chairman, CEO&COO Mamoru Horita  
 Director, Corporate Officer, General  
 Inquiries: Yasunori Sugimoto TEL 053-464-1114  
 Manager of Corporate Management Dept.  
 Scheduled date to file Quarterly Securities Report: November 12, 2019  
 Scheduled date to commence dividend payments: November 29, 2019  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 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	%
Six months ended September 30, 2019	37,904	4.2	1,631	14.2	1,721	20.9	446	(49.8)
Six months ended September 30, 2018	36,371	21.5	1,429	18.2	1,424	11.7	888	14.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	13.00	—
Six months ended September 30, 2018	26.03	25.97

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	44,269	21,424	48.4
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	—	5.00			
Year ending March 31, 2020 (Forecast)			—	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
Full year	75,000	5.4	1,900	11.9	2,000	41.3	500	(20.8)	14.54

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2019	34,818,050 shares	As of March 31, 2019	34,818,050 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	421,759 shares	As of March 31, 2019	545,280 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	34,329,573 shares	Six months ended September 30, 2018	34,143,485 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	5,473	5,326
Accounts receivable - trade	10,259	10,458
Inventories	8,372	8,919
Other	3,464	4,555
Allowance for doubtful accounts	(241)	(246)
Total current assets	27,328	29,014
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,148	4,012
Land	5,520	5,520
Other, net	849	2,071
Total property, plant and equipment	10,518	11,604
Intangible assets		
Goodwill	938	192
Other	921	775
Total intangible assets	1,859	967
Investments and other assets		
Other	2,870	2,888
Allowance for doubtful accounts	(209)	(205)
Total investments and other assets	2,661	2,682
Total non-current assets	15,040	15,255
Total assets	42,368	44,269
Liabilities		
Current liabilities		
Accounts payable - trade	3,069	2,564
Short-term borrowings	100	127
Accounts payable - other	10,271	12,673
Income taxes payable	554	565
Provisions	269	309
Other	1,057	818
Total current liabilities	15,323	17,059
Non-current liabilities		
Long-term borrowings	4,544	4,425
Provisions	117	108
Retirement benefit liability	1,122	1,157
Other	103	95
Total non-current liabilities	5,888	5,785
Total liabilities	21,211	22,845

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	6,005	6,005
Capital surplus	6,657	6,657
Retained earnings	8,304	8,577
Treasury shares	(263)	(216)
Total shareholders' equity	20,702	21,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	404	371
Deferred gains or losses on hedges	27	6
Foreign currency translation adjustment	9	4
Total accumulated other comprehensive income	440	382
Share acquisition rights	13	17
Total net assets	21,156	21,424
Total liabilities and net assets	42,368	44,269

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	36,371	37,904
Cost of sales	23,165	24,278
Gross profit	13,205	13,626
Selling, general and administrative expenses	11,776	11,994
Operating profit	1,429	1,631
Non-operating income		
Interest income	6	7
Dividend income	24	21
Foreign exchange gains	—	33
Other	42	45
Total non-operating income	74	108
Non-operating expenses		
Interest expenses	7	11
Other	71	7
Total non-operating expenses	78	18
Ordinary profit	1,424	1,721
Extraordinary income		
Gain on sales of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on retirement of non-current assets	22	7
Impairment loss	—	778
Total extraordinary losses	22	785
Profit before income taxes	1,402	936
Income taxes - current	467	572
Income taxes - deferred	46	(83)
Total income taxes	513	489
Profit	888	446
Profit attributable to owners of parent	888	446

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	888	446
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(33)
Deferred gains or losses on hedges	98	(20)
Foreign currency translation adjustment	(3)	(4)
Total other comprehensive income	80	(57)
Comprehensive income	969	388
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	969	388
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Cash flows from operating activities		
Profit before income taxes	1,402	936
Depreciation	406	397
Impairment loss	—	778
Amortization of goodwill	92	112
Increase (decrease) in allowance for doubtful accounts	(17)	1
Increase (decrease) in other provisions	24	31
Increase (decrease) in retirement benefit liability	34	34
Interest and dividend income	(31)	(28)
Interest expenses	7	11
Share of loss (profit) of entities accounted for using equity method	44	3
Loss (gain) on sales and retirement of non-current assets	22	7
Decrease (increase) in trade receivables	(237)	(235)
Decrease (increase) in inventories	(412)	(554)
Decrease (increase) in other current assets	113	(1,048)
Increase (decrease) in trade payables	(92)	(353)
Increase (decrease) in other current liabilities	(712)	755
Other, net	90	4
Subtotal	734	854
Interest and dividends received	31	28
Interest paid	(7)	(11)
Income taxes paid	(504)	(563)
Income taxes refund	9	12
Net cash provided by (used in) operating activities	262	321
Cash flows from investing activities		
Purchase of property, plant and equipment	(970)	(97)
Purchase of intangible assets	(97)	(159)
Purchase of investment securities	(395)	(0)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(710)	—
Payments of guarantee deposits	(89)	(4)
Proceeds from refund of guarantee deposits	39	34
Other, net	(1)	(11)
Net cash provided by (used in) investing activities	(2,226)	(239)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,200	—
Repayments of long-term borrowings	(2,222)	(92)
Proceeds from sales of treasury shares	39	42
Dividends paid	(172)	(172)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	1,842	(222)
Effect of exchange rate change on cash and cash equivalents	(4)	(4)
Net increase (decrease) in cash and cash equivalents	(124)	(146)
Cash and cash equivalents at beginning of period	5,766	5,473
Cash and cash equivalents at end of period	5,642	5,326