

FY2017 First Quarter Consolidated Financial Results

(Advantest's consolidated financial statements are prepared in accordance with IFRS)
(Period ended June 30, 2017)

July 26, 2017

Company Name : **Advantest Corporation**
(URL <https://www.advantest.com/investors>)
Stock Exchange on which shares are listed : First section of the Tokyo Stock Exchange
Stock Code Number : 6857
Company Representative : Yoshiaki Yoshida, Representative Director, President and CEO
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Quarterly Results Supplemental Materials : Yes
Quarterly Results Presentation Meeting : Yes

(Rounded to the nearest million yen)

1. Consolidated Results of FY2017 Q1 (April 1, 2017 through June 30, 2017)

(1) Consolidated Financial Results (Accumulated)

(% changes as compared to the corresponding period of the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to owners of the parent		Total comprehensive income for the period
	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen	% increase (decrease)	Million yen
FY2017 Q1	40,697	0.1	2,226	(61.2)	1,567	(74.6)	991	(80.1)	991	(80.1)	1,117
FY2016 Q1	40,669	1.3	5,738	131.8	6,179	144.2	4,975	183.5	4,975	183.5	(4,039)

	Basic earnings per share	Diluted earnings per share
FY2017 Q1	5.60	5.21
FY2016 Q1	28.50	25.97

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
FY2017 Q1	217,504	109,317	109,317	50.3
FY2016	231,603	109,517	109,517	47.3

2. Dividends

	Dividend per share				
	First quarter end	Second quarter end	Third quarter end	Year end	Annual total
	Yen	Yen	Yen	Yen	Yen
FY2016	—	13.00	—	12.00	25.00
FY2017	—	N/A	N/A	N/A	N/A
FY2017 (forecast)	N/A	—	—	—	—

(Note) Revision of dividends forecast for this period: **No**

3. Projected Results for FY2017 (April 1, 2017 through March 31, 2018)

(% changes as compared to the previous fiscal year)

	Net sales		Operating income		Income before income taxes		Net income		Net income attributable to Owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	172,000	10.3	18,000	29.4	18,180	21.0	15,000	5.6	15,000	5.6

(Note) Revision of projected results for this period: **No**

4. Others

(1) Material changes in subsidiaries during this period (changes in scope of consolidation resulting from changes in subsidiaries): None

(2) Changes in accounting policies and accounting estimates
 1) Changes in accounting policies required by IFRS: None
 2) Changes arising from factors other than 1: None
 3) Changes in accounting estimates: None

(3) Number of issued and outstanding share (ordinary share):
 1) Number of issued and outstanding share at the end of each fiscal period (including treasury share):
 FY2017 Q1 199,566,770 shares; FY2016 199,566,770 shares.
 2) Number of treasury share at the end of each fiscal period:
 FY2017 Q1 22,199,564 shares; FY2016 22,736,166 shares.
 3) Average number of outstanding share for each period (cumulative term):
 FY2017 Q1 177,012,805 shares; FY2016 Q1 174,572,523 shares.

Status of Quarterly Review Procedures

This quarterly financial results report is not subject to quarterly review procedures by independent auditors.

Explanation on the Appropriate Use of Future Earnings Projections and Other Special Instructions

This document contains “forward-looking statements” that are based on Advantest’s current expectations, estimates and projections. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause Advantest’s actual results, levels of activities, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These factors include: (i) changes in demand for the products and services produced and offered by Advantest’s customers, including semiconductors, communications services and electronic goods; (ii) circumstances relating to Advantest’s investment in technology, including its ability to timely develop products that meet the changing needs of semiconductor manufacturers, communications network equipment and components makers and service providers; (iii) significant changes in the competitive environment in the major markets where Advantest purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold; and (iv) changes in economic conditions, currency exchange rates or political stability in the major markets where Advantest procures materials, components and supplies for the production of its principal products or where its products are produced, distributed or sold.

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1. Overview of Business Results

(1) Overview of Business Results

Consolidated Financial Results of FY2017 Q1 (April 1, 2017 through June 30, 2017)

(in billion yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	43.8	49.4	12.8%
Net sales	40.7	40.7	0.1%
Operating income	5.7	2.2	(61.2%)
Income before income taxes	6.2	1.6	(74.6%)
Net income	5.0	1.0	(80.1%)

In Advantest's first quarter, the global economy continued its overall recovery trend, supported by strength in the US and other countries.

In semiconductor-related markets, the market for automotive semiconductors and sensors was vibrant due to developments such as advances in automotive electronics. Moreover, memory semiconductor demand continued to expand amid growth in data center demand. Active capital investment was carried out in areas such as 3D NAND flash memory. However, in smartphone-related markets, semiconductor makers were reluctant to investment more to expand production capacity due to the inventory adjustments for Chinese smartphones, and new demand for semiconductor test devices was sluggish.

Average currency exchange rates for this first quarter were 1 USD to 112 JPY (111 JPY in the corresponding period of the previous fiscal year) and 1 Euro to 121 JPY (124 JPY, same as above).

In this business environment Advantest sought to expand our business.

As a result, orders received were (Y) 49.4 billion (12.8 % increase in comparison to the corresponding period in the previous fiscal year) and net sales were (Y) 40.7 billion (0.1 % increase in comparison to the corresponding period in the previous fiscal year). Operating income fell to (Y) 2.2 billion (61.2 % decrease in comparison to the corresponding period in the previous fiscal year) due to fewer highly profitable smartphone related products in our product mix in comparison to the corresponding period in the previous fiscal year. Foreign exchange losses in dollar-denominated assets of Europe subsidiaries increased due to the appreciation of the Euro versus USD. Income before income taxes was (Y) 1.6 billion (74.6 % decrease in comparison to the corresponding period in the previous fiscal year), and net income was (Y) 1.0 billion (80.1 % decrease in comparison to the corresponding period in the previous fiscal year). The percentage of net sales to overseas customers was 91.1% (93.4% in comparison to the corresponding period in the previous fiscal year).

Conditions of business segments are described below.

<Semiconductor and Component Test System Segment>

(in billion yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	29.8	31.6	5.9%
Net sales	28.7	26.7	(7.1%)
Segment income	8.0	2.6	(68.2%)

Advantest's non-memory semiconductor test system business saw decreased demand for semiconductors used in smartphones in comparison to the corresponding period in the previous fiscal year due to the impact of Chinese smartphone inventory adjustments. Demand for automotive semiconductor test systems continued to be strong. In the memory sector, due to the vigorous interest of semiconductor manufacturers in capital investment, demand for memory semiconductor test systems expanded significantly in comparison to the corresponding period in the previous fiscal year.

As a result of the above, orders received were (Y) 31.6 billion (5.9 % increase in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 26.7 billion (7.1% decrease in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 2.6 billion (68.2% decrease in comparison to the corresponding period in the previous fiscal year).

< Mechatronics System Segment >

(in billion yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	6.2	10.8	73.4%
Net sales	5.2	7.2	39.4%
Segment income	(1.0)	(0.1)	—

The Mechatronics System Segment saw sales of device interfaces and test handlers, which correlate with memory semiconductor test system demand, increase as memory semiconductor manufacturers actively invested in capacity expansions.

As a result of the above, orders received were (Y) 10.8 billion (73.4% increase in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 7.2 billion (39.4% increase in comparison to the corresponding period in the previous fiscal year), and segment loss was (Y) 0.1 billion ((Y) 0.9 billion improvement in comparison to the corresponding period of the previous fiscal year).

<Services, Support and Others Segment>

(in billion yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017	As compared to the corresponding period of the previous fiscal year increase (decrease)
Orders received	7.7	7.0	(9.9%)
Net sales	6.9	6.9	(0.2%)
Segment income	0.6	0.7	11.0%

In the Services, Support and Others Segment, our field services business, the mainstay of this segment, posted solid sales figures in an environment of increased demand in the semiconductor market overall, with the exception of part of the smartphone-related business.

As a result of the above, orders received were (Y) 7.0 billion (9.9% decrease in comparison to the corresponding period in the previous fiscal year), net sales were (Y) 6.9 billion (0.2% decrease in comparison to the corresponding period in the previous fiscal year), and segment income was (Y) 0.7 billion (11.0% increase in comparison to the corresponding period in the previous fiscal year).

(2) Overview of Financial Condition

Total assets at June 30, 2017 amounted to (Y) 217.5 billion, a decrease of (Y) 14.1 billion compared to March 31, 2017, primarily due to a decrease of (Y) 12.5 billion in cash and cash equivalents. The amount of total liabilities was (Y) 108.2 billion, a decrease of (Y) 13.9 billion compared to March 31, 2017, primarily due to a decrease of (Y) 15.0 billion in redemption of corporate bonds. Total Equity was (Y) 109.3 billion. Ratio of equity attributable to owners of the parent was 50.3%, an increase of 3.0 percentage points from March 31, 2017.

(3) Overview of Cash Flows

Cash and cash equivalents held at June 30, 2017 were (Y) 82.8 billion, a decrease of (Y) 12.5 billion from March 31, 2017. Significant cash flows during the three-month period of this fiscal year and their causes are described below.

Net cash provided by operating activities was (Y) 3.1 billion (net cash inflow of (Y) 7.7 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to a decrease of (Y) 2.3 billion in trade and other receivables, a decrease of (Y) 2.1 billion in trade and other payables and adjustments of non cash items such as depreciation and amortization in addition to the income before income taxes of (Y) 1.6 billion.

Net cash provided by investing activities was (Y) 0.2 billion (net cash outflow of (Y) 1.2 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to proceeds from sale of available-for-sale financial assets in the amount of (Y) 0.9 billion and payments for acquisition of property, plant and equipment in the amount of (Y) 0.6 billion.

Net cash used in financing activities was (Y) 16.2 billion (net cash outflow of (Y) 1.6 billion in the corresponding period of the previous fiscal year). This amount was primarily attributable to redemption of corporate bonds of (Y) 15.0 billion and dividends paid of (Y) 2.0 billion.

(4) Near-term Prospects

The increased adoption of AI and the IoT, as well as data center growth to support these technologies, Advanced Driver Assistance Systems (ADAS) in the automotive industry, advanced smartphones, and fifth-generation mobile telecommunications systems (5G) argue that a growing social emphasis on safety and comfort will drive continued growth in the semiconductor industry and related markets.

The outlook for the semiconductor test equipment market, which is Advantest's primary profit base, is that despite a temporary slowdown in demand from non-memory test system customers, the business environment is expected to improve from the second half of the fiscal year, driven by factors such as the recovery in demand for high-performance logic IC. Moreover, the increasing adoption of higher-speed, higher-capacity DRAM and NAND flash memory devices supports expectations that steady demand for our memory test systems will continue throughout the fiscal year.

Based on this outlook, Advantest will endeavor to expand our share of the semiconductor test equipment market, to reinforce our semiconductor test equipment peripherals business, and to cut costs, with the goal of continuing to boost profits.

As a result, Advantest's consolidated results forecast for FY2017, based on our near-term outlook for each business segment and foreign exchange trends, is unchanged from our forecast published in April 2017. Our forecast calls for net sales of (Y) 172.0 billion, operating income of (Y) 18.0 billion, income before income taxes of (Y) 18.2 billion, and net income of (Y) 15.0 billion. These forecasts are based on foreign exchange rates of 1 USD to 110 JPY and 1 Euro to 120 JPY.

2. Condensed Consolidated Financial Statements
 (1) Condensed Consolidated Statements of Financial Position

	Millions of Yen	
	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and cash equivalents	95,324	82,847
Trade and other receivables	32,451	30,255
Inventories	39,093	39,397
Other current assets	2,976	4,010
Subtotal	169,844	156,509
Assets held for sale	1,295	1,295
Total current assets	171,139	157,804
Non-current assets		
Property, plant and equipment, net	29,915	29,544
Goodwill and intangible assets	16,479	16,473
Other financial assets	3,625	2,310
Deferred tax assets	10,282	10,841
Other non-current assets	163	532
Total non-current assets	60,464	59,700
Total assets	231,603	217,504

	Millions of Yen	
	As of March 31, 2017	As of June 30, 2017
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	28,489	26,472
Bonds	15,000	—
Income tax payables	1,927	1,480
Provisions	1,643	1,624
Other financial liabilities	626	1,722
Other current liabilities	3,749	4,602
Total current liabilities	<u>51,434</u>	<u>35,900</u>
Non-current liabilities		
Bonds	29,745	29,777
Other financial liabilities	39	—
Retirement benefit liabilities	38,865	40,355
Deferred tax liabilities	420	540
Other non-current liabilities	1,583	1,615
Total non-current liabilities	<u>70,652</u>	<u>72,287</u>
Total liabilities	<u>122,086</u>	<u>108,187</u>
Equity		
Share capital	32,363	32,363
Share premium	44,319	44,103
Treasury shares	(86,039)	(84,007)
Retained earnings	113,676	111,534
Other components of equity	5,198	5,324
Total equity attributable to owners of the parent	<u>109,517</u>	<u>109,317</u>
Total equity	<u>109,517</u>	<u>109,317</u>
Total liabilities and equity	<u>231,603</u>	<u>217,504</u>

(2) Condensed Consolidated Statements of Profit or Loss and Condensed Consolidated Statements of Comprehensive Income

Condensed Consolidated Statements of Profit or Loss

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	40,669	40,697
Cost of sales	(15,391)	(20,117)
Gross profit	25,278	20,580
Selling, general and administrative expenses	(19,597)	(18,415)
Other income	138	81
Other expenses	(81)	(20)
Operating income	5,738	2,226
Financial income	497	454
Financial expenses	(56)	(1,113)
Income before income taxes	6,179	1,567
Income taxes	(1,204)	(576)
Net income	4,975	991
Net income attributable to:		
Owners of the parent	4,975	991
Earnings per share:		Yen
Basic	28.50	5.60
Diluted	25.97	5.21

Condensed Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	4,975	991
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	(8,902)	698
Net change in fair values of available-for-sale financial assets	(112)	(572)
Total other comprehensive income	(9,014)	126
Total comprehensive income for the period	<u>(4,039)</u>	<u>1,117</u>
Comprehensive income attributable to:		
Owners of the parent	(4,039)	1,117

(3) Condensed Consolidated Statements of Changes in Equity

Three months ended June 30, 2016

	Millions of Yen						
	Equity attributable to owners of the parent					Total	Total Equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance at April 1, 2016	32,363	44,478	(94,585)	105,190	6,173	93,619	93,619
Net income				4,975		4,975	4,975
Other comprehensive income					(9,014)	(9,014)	(9,014)
Total comprehensive income for the period	—	—	—	4,975	(9,014)	(4,039)	(4,039)
Purchase of treasury shares			0			0	0
Disposal of treasury shares							
Dividends				(1,746)		(1,746)	(1,746)
Total transactions with the owners	—	—	0	(1,746)	—	(1,746)	(1,746)
Balance at June 30, 2016	<u>32,363</u>	<u>44,478</u>	<u>(94,585)</u>	<u>108,419</u>	<u>(2,841)</u>	<u>87,834</u>	<u>87,834</u>

Three months ended June 30, 2017

	Millions of Yen						
	Equity attributable to owners of the parent					Total	Total Equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other components of equity		
Balance at April 1, 2017	32,363	44,319	(86,039)	113,676	5,198	109,517	109,517
Net income				991		991	991
Other comprehensive income					126	126	126
Total comprehensive income for the period	—	—	—	991	126	1,117	1,117
Purchase of treasury shares			(1)			(1)	(1)
Disposal of treasury shares		(216)	2,033	(1,011)		806	806
Dividends				(2,122)		(2,122)	(2,122)
Total transactions with the owners	—	(216)	2,032	(3,133)	—	(1,317)	(1,317)
Balance at June 30, 2017	<u>32,363</u>	<u>44,103</u>	<u>(84,007)</u>	<u>111,534</u>	<u>5,324</u>	<u>109,317</u>	<u>109,317</u>

(4) Condensed Consolidated Statements of Cash Flows

	Millions of Yen	
	Three months ended Jun 30, 2016	Three months ended Jun 30, 2017
Cash flows from operating activities:		
Income before income taxes	6,179	1,567
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,036	1,166
Gain on sales of available-for-sale financial assets	—	(349)
Changes in assets and liabilities:		
Trade and other receivables	1,837	2,314
Inventories	(1,761)	(192)
Trade and other payables	321	(2,145)
Warranty provisions	44	(18)
Retirement benefit liabilities	835	581
Other	343	876
Subtotal	8,834	3,800
Interest and dividends received	97	110
Interest paid	(80)	(48)
Income taxes paid	(1,120)	(800)
Net cash provided by (used in) operating activities	7,731	3,062
Cash flows from investing activities:		
Proceeds from sale of available-for-sale financial assets	—	851
Purchases of property, plant and equipment	(1,214)	(556)
Purchases of intangible assets	(30)	(106)
Other	33	53
Net cash provided by (used in) investing activities	(1,211)	242
Cash flows from financing activities:		
Proceeds from disposal of treasury shares	—	811
Redemption of bonds	—	(15,000)
Dividends paid	(1,601)	(1,977)
Other	(18)	(4)
Net cash provided by (used in) financing activities	(1,619)	(16,170)
Net effect of exchange rate changes on cash and cash equivalents	(5,187)	389
Net change in cash and cash equivalents	(286)	(12,477)
Cash and cash equivalents at beginning of period	85,430	95,324
Cash and cash equivalents at end of period	85,144	82,847

(5) Notes to the Condensed Consolidated Financial Statements

(Notes on Going Concern): None

(Segment Information)

Three months ended June 30, 2016

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	28,683	5,123	6,863	—	40,669
Inter-segment sales	4	34	—	(38)	—
Total	28,687	5,157	6,863	(38)	40,669
Segment income (loss) (operating income (loss) before share option compensation expense)	8,039	(985)	634	(1,950)	5,738
Adjustment:					
Share option compensation expense	—	—	—	—	—
Operating income	—	—	—	—	5,738
Financial income	—	—	—	—	497
Financial expenses	—	—	—	—	(56)
Income before income taxes	—	—	—	—	6,179

Three months ended June 30, 2017

Millions of Yen

	Semiconductor and Component Test System Business	Mechatronics System Business	Services, Support and Others	Elimination and Corporate	Consolidated
Net sales					
Net sales to unaffiliated customers	26,657	7,188	6,852	—	40,697
Inter-segment sales	—	—	—	—	—
Total	26,657	7,188	6,852	—	40,697
Segment income (loss) (operating income (loss) before share option compensation expense)	2,558	(80)	704	(956)	2,226
Adjustment:					
Share option compensation expense	—	—	—	—	—
Operating income	—	—	—	—	2,226
Financial income	—	—	—	—	454
Financial expenses	—	—	—	—	(1,113)
Income before income taxes	—	—	—	—	1,567

(Notes)

1. Advantest uses the operating income (loss) before share option compensation expense for management's analysis of business segment results.
2. Segment income (loss) is presented on the basis of operating income (loss) before share option compensation expense.
3. Inter-segment sales are based on market prices.
4. Adjustments to segment income in Corporate principally represent corporate general and administrative expenses and research and development expenses related to fundamental research activities that are not allocated to operating segments.

FY2017 First Quarter Consolidated Financial Results Overview

1. Orders received • Backlog

(in billion yen)

	FY2016				FY2017			FY2017 Forecast	
	1Q	2Q	3Q	4Q	1Q	vs. FY2016 1Q increase (decrease)	vs. FY2016 4Q increase (decrease)	Annual total	vs. FY2016 increase (decrease)
Orders received	43.8	28.5	44.0	48.4	49.4	12.8%	2.0%	^{175.0} 175.0	6.3%
Backlog	36.5	29.5	42.2	42.2	50.9	39.2%	20.6%	^{45.2} 45.2	7.1%

Upper data is the forecast amount released on April 27, 2017 and there will be no changes made this time.

2. Profit or Loss

(in billion yen)

	FY2016				FY2017			FY2017 Forecast	
	1Q	2Q	3Q	4Q	1Q	vs. FY2016 1Q increase (decrease)	vs. FY2016 4Q increase (decrease)	Annual total	vs. FY2016 increase (decrease)
Net sales	40.7	35.5	31.4	48.3	40.7	0.1%	(15.8%)	^{172.0} 172.0	10.3%
Cost of sales	(15.4)	(14.5)	(13.3)	(23.0)	(20.1)	30.7%	(12.6%)	-	-
Selling, general and administrative expenses	(19.6)	(18.5)	(17.2)	(20.8)	(18.5)	(6.0%)	(11.9%)	-	-
Other income	0.1	0.1	0.1	0.2	0.1	(41.3%)	(58.5%)	-	-
Other expenses	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)	(75.3%)	11.1%	-	-
Operating income	5.7	2.6	1.0	4.6	2.2	(61.2%)	(51.8%)	^{18.0} 18.0	29.4%
Sales ratio	14.1%	7.3%	3.1%	9.5%	5.5%			10.5%	
Financial income • expenses	0.5	0.3	(0.4)	0.7	(0.6)	-	-	-	-
Income before income taxes	6.2	2.9	0.6	5.3	1.6	(74.6%)	(70.3%)	^{18.2} 18.2	21.0%
Sales ratio	15.2%	8.3%	2.0%	10.9%	3.9%			10.6%	
Income taxes	(1.2)	(0.6)	(0.5)	1.5	(0.6)	(52.2%)	-	-	-
Net income	5.0	2.3	0.1	6.8	1.0	(80.1%)	(85.5%)	^{15.0} 15.0	5.6%
Sales ratio	12.2%	6.4%	0.4%	14.1%	2.4%			8.7%	

Upper data is the forecast amount released on April 27, 2017 and there will be no changes made this time.

3. Financial Condition

(in billion yen)

	FY2016				FY2017	
	1Q End	2Q End	3Q End	4Q End	1Q End	vs. FY2016 4Q increase (decrease)
Total assets	205.7	207.0	220.6	231.6	217.5	(6.1%)
Equity attributable to owners of the parent	87.8	89.8	100.6	109.5	109.3	(0.2%)
Ratio of equity attributable to owners of the parent	42.7%	43.4%	45.6%	47.3%	50.3%	-

4. Dividends

(in yen)

(Record Date)	FY2016			FY2017 Forecast		
	Interim	Year end	Annual total	Interim	Year end	Annual total
Dividend per share	13.00	12.00	25.00	N/A	N/A	N/A

The dividends forecast for FY2017 hasn't been decided. We will disclose promptly after considering the results based on the business performance.