

First Half Financial Results and Full Year Forecasts
of the Fiscal Year Ending March 31, 2018
Supplementary Documents

November 8, 2017



ORGANO CORPORATION

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-- Business forecasts --

Forecasts or plans in this document are based on information currently available, and contain potential risks and uncertain factors. Actual performance may differ materially from the above forecasts or plans due to a variety of factors.



ORGANO CORPORATION

1 First Half Financial Results and Full Year Forecasts of the Fiscal Year Ending March 31, 2018

(1) Consolidated Results and Forecasts

(Unit: millions of yen)

	03/2017				03/2018					
	1st Half		Full Year		1st Half			Full Year (Forecasts)		
	Result	Change from previous FY	Result	Change from previous FY	Plan	Result	Change from previous FY	Plan	Forecast	Change from previous FY
Orders received	38,332	Δ 6.1 %	74,041	Δ 3.2 %	36,500	39,588	3.3 %	78,500	83,500	12.8 %
Net sales	34,364	2.6 %	81,114	3.0 %	33,500	32,003	Δ 6.9 %	81,000	78,000	Δ 3.8 %
Overseas Net Sales	8,279	Δ 7.0 %	19,244	4.6 %	8,900	7,790	Δ 5.9 %	20,300	17,650	Δ 8.3 %
(Overseas net sales ratio)	24.1%		23.7%		26.6%	24.3%		25.1%	22.6%	
Gross profit	7,744	16.3 %	18,644	5.0 %	7,400	7,212	Δ 6.9 %	17,650	17,850	Δ 4.3 %
(Gross profit margin)	22.5%		23.0%		22.1%	22.5%		21.8%	22.9%	
Selling, general and administrative expenses	7,057	3.1 %	14,529	5.3 %	7,100	7,448	5.5 %	14,600	14,800	1.9 %
Operating income	687	— %	4,114	4.2 %	300	Δ 235	— %	3,050	3,050	Δ 25.9 %
(Operating income margin)	2.0%		5.1%		0.9%	—%		3.8%	3.9%	
Ordinary income	533	— %	4,162	7.5 %	250	Δ 182	— %	2,950	2,950	Δ 29.1 %
(Ordinary income margin)	1.6%		5.1%		0.7%	—%		3.6%	3.8%	
Net income attributable to owners of the parent	89	— %	2,731	9.9 %	55	Δ 253	— %	2,000	2,000	Δ 26.8 %
(Net income margin)	0.3%		3.4%		0.2%	—%		2.5%	2.6%	

(2) Consolidated Information by Segments

(Unit: millions of yen)

	03/2017				03/2018					
	1st Half		Full Year		1st Half			Full Year (Forecast)		
	Result	Change from previous FY	Result	Change from previous FY	Plan	Result	Change from previous FY	Plan	Forecast	Change from previous FY
Orders Received	38,332	Δ 6.1 %	74,041	Δ 3.2 %	36,500	39,588	3.3 %	78,500	83,500	12.8 %
Water treatment engineering	30,211	Δ 8.1 %	57,611	Δ 4.8 %	28,000	31,020	2.7 %	61,500	66,500	15.4 %
Functional product	8,120	2.3 %	16,429	3.0 %	8,500	8,567	5.5 %	17,000	17,000	3.5 %
Net Sales	34,364	2.6 %	81,114	3.0 %	33,500	32,003	Δ 6.9 %	81,000	78,000	Δ 3.8 %
Water treatment engineering	26,288	2.4 %	64,700	2.9 %	25,000	23,581	Δ 10.3 %	64,000	61,000	Δ 5.7 %
Functional product	8,076	3.5 %	16,413	3.8 %	8,500	8,422	4.3 %	17,000	17,000	3.6 %
Operating Income	687	— %	4,114	4.2 %	300	Δ 235	— %	3,050	3,050	Δ 25.9 %
(Operating income margin)	2.0%	— %	5.1%	4.2 %	0.9%	— %	— %	3.8%	3.9%	Δ 25.9 %
Water treatment engineering	Δ 133	— %	2,504	Δ 1.9 %	Δ 500	Δ 1,037	— %	1,400	1,400	Δ 44.1 %
(margin)	— %	— %	3.9%	Δ 1.9 %	— %	— %	— %	2.2%	2.3%	Δ 44.1 %
Functional product	820	24.1 %	1,609	15.5 %	800	802	Δ 2.2 %	1,650	1,650	2.5 %
(margin)	10.2%	24.1 %	9.8%	15.5 %	9.4%	9.5%	Δ 2.2 %	9.7%	9.7%	2.5 %

(3) Orders Received and Net Sales for Electronics Industry (Consolidated)

(Unit: millions of yen)

	03/2017				03/2018					
	1st Half		Full Year		1st Half			Full Year (Forecasts)		
	Result	Change from previous FY	Result	Change from previous FY	Plan	Result	Change from previous FY	Plan	Forecast	Change from previous FY
Orders Received	11,217	Δ 11.6 %	21,758	Δ 9.8 %	14,500	11,513	2.6 %	25,040	30,550	40.4 %
Domestic	5,354	Δ 32.5 %	9,902	8.8 %	6,000	7,578	41.5 %	12,100	16,610	67.7 %
Overseas	5,863	23.3 %	11,856	Δ 21.1 %	8,500	3,935	Δ 32.9 %	12,940	13,940	17.6 %
Net Sales	11,875	Δ 11.7 %	25,555	Δ 15.8 %	11,500	11,483	Δ 3.3 %	26,685	25,435	Δ 0.5 %
Domestic	5,996	Δ 17.7 %	12,234	Δ 28.9 %	5,000	5,796	Δ 3.3 %	12,200	12,800	4.6 %
Overseas	5,879	Δ 4.7 %	13,321	1.2 %	6,500	5,687	Δ 3.3 %	14,485	12,635	Δ 5.1 %

2 Major Financial Indicators

(Unit: millions of yen)

	03/2017				03/2018			
	1st Half		Full Year		1st Half		Full Year (Forecasts)	
	Result	Change from previous FY	Result	Change from previous FY	Result	Change from previous FY	Forecast	Change from previous FY
Consolidated								
CAPEX	231	Δ 8.5 %	903	49.7 %	425	83.8 %	1,000	10.7 %
R&D Expenses	720	Δ 0.2 %	1,495	6.2 %	901	25.1 %	1,790	19.7 %
Depreciation	449	Δ 3.4 %	950	Δ 0.0 %	454	1.1 %	950	Δ 0.1 %
Debt with Interest	16,646	20.4 %	16,910	Δ 2.9 %	14,831	Δ 10.9 %	15,600	Δ 7.8 %
Interest, net	Δ 22	—	Δ 41	—	Δ 12	—	Δ 50	—
Number of Employees	2,120	+ 59	2,100	+ 12	2,172	+ 52	2,150	+ 50
EPS (yen)	7.77		237.18		Δ 22.02		173.71	
Dividend per Share (yen/year)	—		11.0		—		10.0	
ROE (%)	0.2		5.7		Δ 0.5		4.0	
ROA (%)	0.6		4.4		Δ 0.2		—	