



YAMASHIN-FILTER CORP.

Financial Results for the Fiscal Year Ended March 2018

Aiming to become a comprehensive filter maker
by developing new materials



Stock Code: 6240
YAMASHIN-FILTER CORP.
May 22, 2018

I

FY2017 Actual Results/FY2018 Full-year Forecasts

The market environment is strong as expected. There have been no weak signs in our main hydraulic filter business.

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II

Efforts to increase sales

Strengthen proactive, proposal-based sales promotions, in an effort to promote adoption of our filter products into new models

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III

Our medium-term policy

Expand our business portfolio and evolve into a more robust corporate structure

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FY2017 Actual Results/ FY2018 Full-year Forecasts

The market environment is strong as expected. There have been no weak signs in our main hydraulic filter business.



1. Financial Highlights for FY2017 (Fiscal Year Ended March 2018)



Overview of Results for FY2017

Sales & Profit and Loss

Net Sales	13,168 million yen: Up 31.6% YoY
Gross Profit	6,074 million yen: Up 36.1% YoY, gross margin rate: 46.1%, up 1.5% YoY (due to the 1.3% growth of sales and the cost reduction of 136 million yen as a result of PAC17)
Operating Income	1,910 million yen: Up 99.5% YoY, operating income margin: Up 4.9% YoY (due to the 3.6% growth of sales and the reduction of SG&A by 44 million yen as a result of PAC17)
Net Income	1,249 million yen: Up 95.2% YoY

Segment Conditions

Segment Conditions by Line Parts/Service Parts

Line Parts	Sales rose 39.6% YoY, due to the demand growth in the markets of China, Japan, other Asian countries and North America.
Service Parts	Sales rose 31.7% YoY, due to an increase in the operation hours in the markets of China, Japan, other Asian countries and North America.
Other Sales	
Process Parts	Sales rose 5.6% YoY, due to an increase in newly adopted products for Japan, etc.
Industrial Parts	Sales rose 10.8% YoY, due to increased sales from major customers in the domestic market, etc.

Overview of Results for FY2017

Market Conditions by Region

Market Conditions by Region

Japan	Corporate revenue and capital investment are strong. Demand grew from the previous year.
North America	Demand increased due to infrastructure development and energy-related investment.
Europe	Demand was strong centered on Germany.
Southeast Asia	Demand increased from infrastructure investment due to economic growth in each country.
China	The demand for construction machinery kept growing considerably due to the expansion of infrastructure investment.

SG&A

- SG&A ratio improved by 3.4% YoY to 31.6%, mainly due to sales growth and cost reduction through PAC17.

Exchange Rate Fluctuation's Impact

- The exchange risk is very low, due to the operational hedge, “marry and netting” within the consolidated group.

FY2017 Financial Summary (YTD)

- YoY Comparison

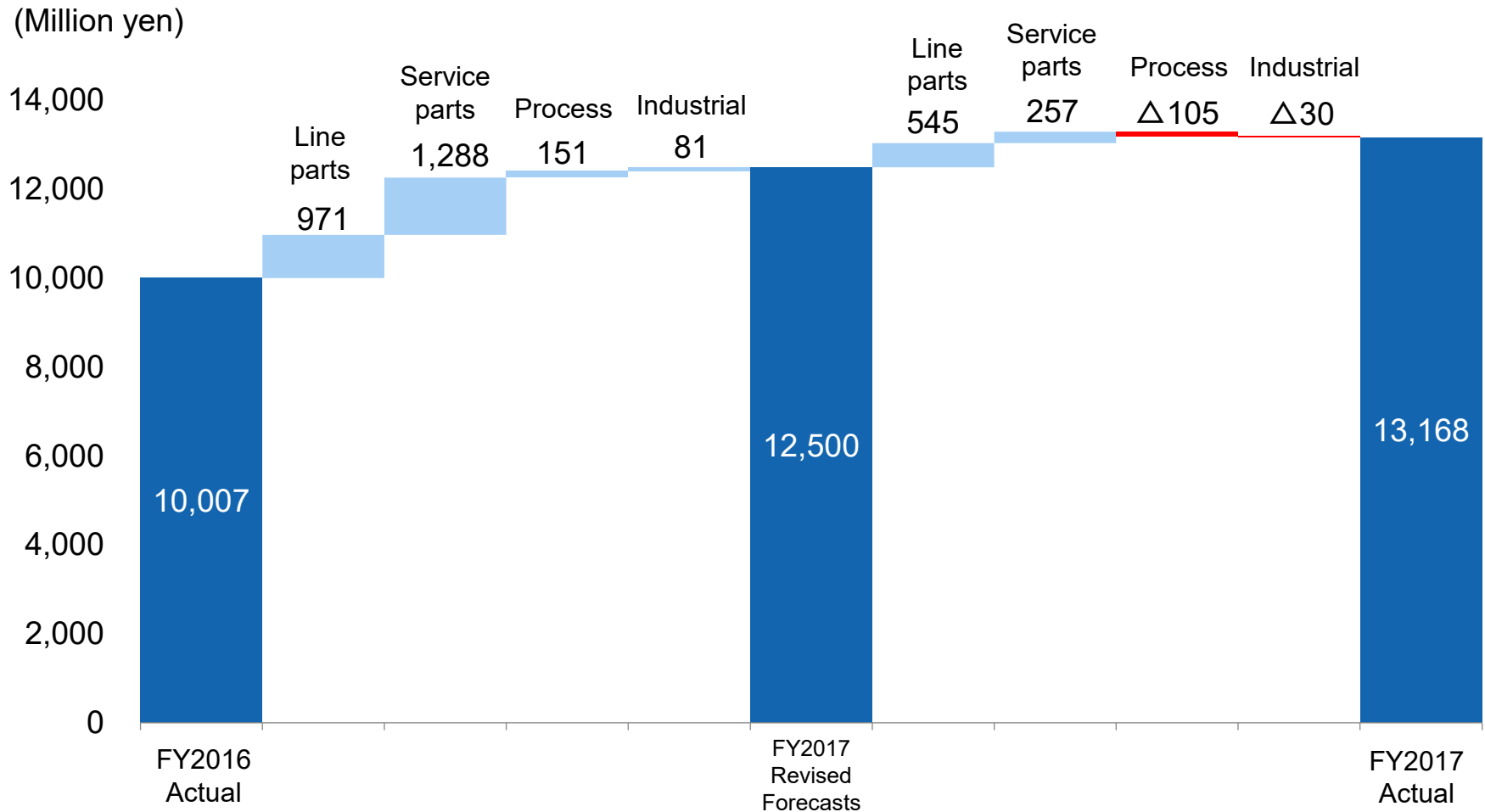
- Sales grew YoY due to strong infrastructure investment in each country, etc.
- Profit increased as a result of cost reduction through implementation of PAC 17.

(Million yen)	FY2016 Actual	FY2017 Actual	YoY change	
			Amount	%
Net sales	10,007	13,168	3,160	31.6%
Operating income	957	1,910	952	99.5%
Operating income margin	9.6%	14.5%	4.9P	
Ordinary income	934	1,824	890	95.3%
Ordinary income margin	9.3%	13.9%	4.5P	
Net income	640	1,249	609	95.2%
Net income margin	6.4%	9.5%	3.1P	
Exchange rates AR USD	108.4	110.9	2.5	2.3%
EUR	118.8	129.7	10.9	9.2%

Changes in Sales (YTD)

- from FY2016 to FY2017

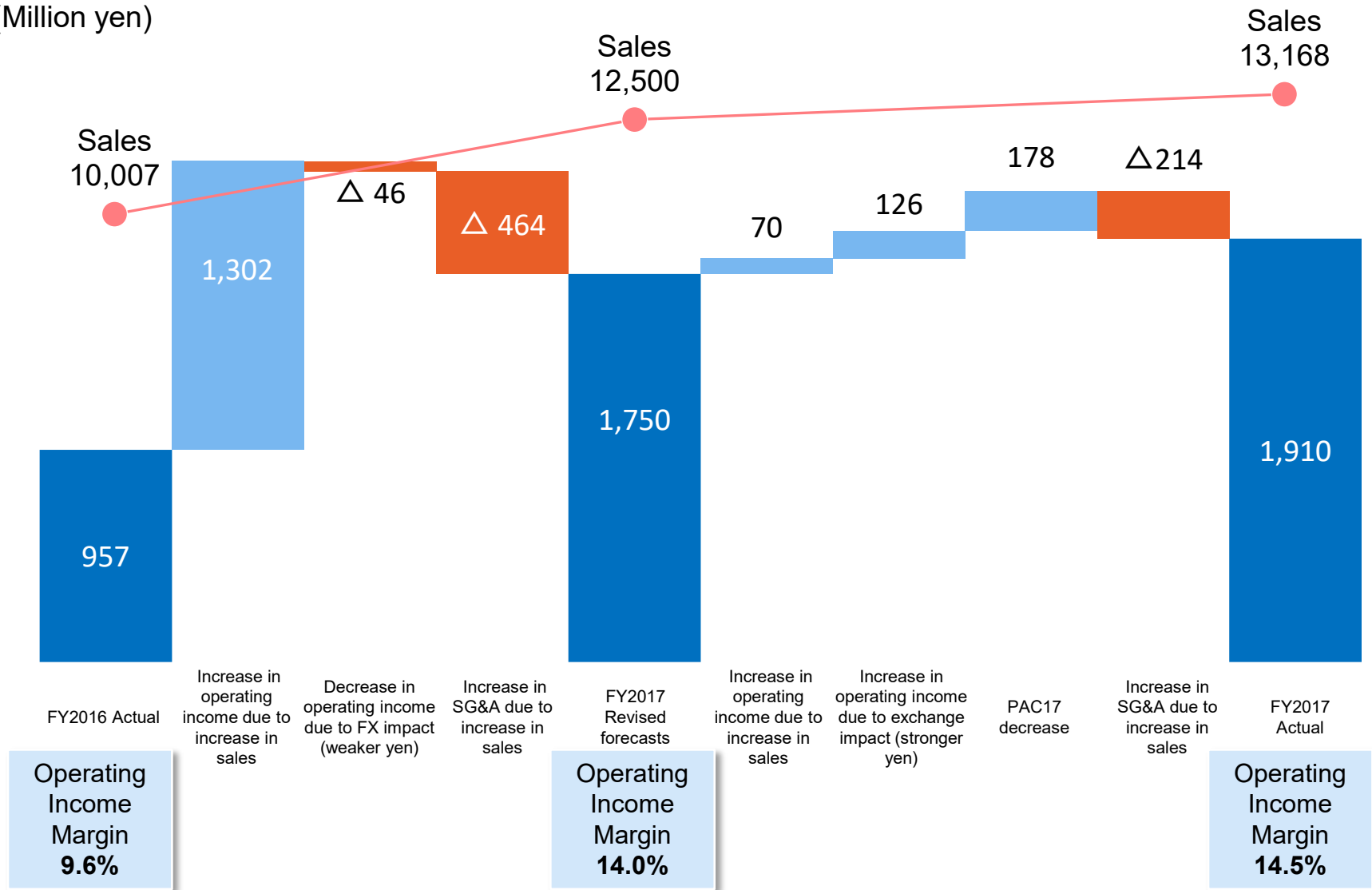
Changes in Sales



*The amount of consolidated adjustments is included in construction machinery filters. (As per the standards for disclosing securities reports)

Changes in Operating Income (YTD) - from FY2016 to FY2017

(Million yen)



Sales by Product Type (YTD)

- YoY Comparison

- Line parts: Demand for new construction machinery grew due to favorable market environment in each country and strong infrastructure investment.
- Service parts: Operation hours of construction machinery increased due to an increased number of operating construction machines.

	FY2016 Actual			FY2017 Actual			Change		
	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%
Construction machinery filters	4,187	8,705	87.0%	5,885	11,768	89.4%	1,698	3,063	35.2%
Line parts	1,727	3,825	38.2%	2,545	5,342	40.6%	818	1,516	39.6%
Service parts	2,459	4,879	48.8%	3,339	6,425	48.8%	880	1,546	31.7%
Industrial filters	167	475	4.8%	214	526	4.0%	47	51	10.8%
Process filters	249	826	8.2%	271	873	6.6%	22	46	5.6%
Total sales	4,604	10,007	100.0%	6,372	13,168	100.0%	1,768	3,160	31.6%

Sales by Region (YTD)

- YoY Comparison

	FY2016 Actual			FY2017 Actual			Change		
	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%
Japan	2,651	5,198	51.9%	3,306	6,443	48.9%	654	1,245	24.0%
North America	645	1,712	17.1%	1,016	2,201	16.7%	371	488	28.6%
China	289	948	9.5%	807	1,753	13.3%	518	804	84.9%
Other Asian countries	573	1,174	11.7%	713	1,522	11.6%	140	348	29.6%
Europe	415	978	9.8%	502	1,204	9.2%	86	225	23.1%
Others (Middle East, etc.)	29	△ 5	△0.0%	26	42	0.3%	△ 3	47	-
Total sales	4,604	10,007	100.0%	6,372	13,168	100.0%	1,768	3,160	31.6%

Note: The amounts of sales by region here are calculated based on the locations of corporations to which invoices are sent. So actual regional market trends may be different from the numbers shown.

Profitability Improvement / PAC17 Review

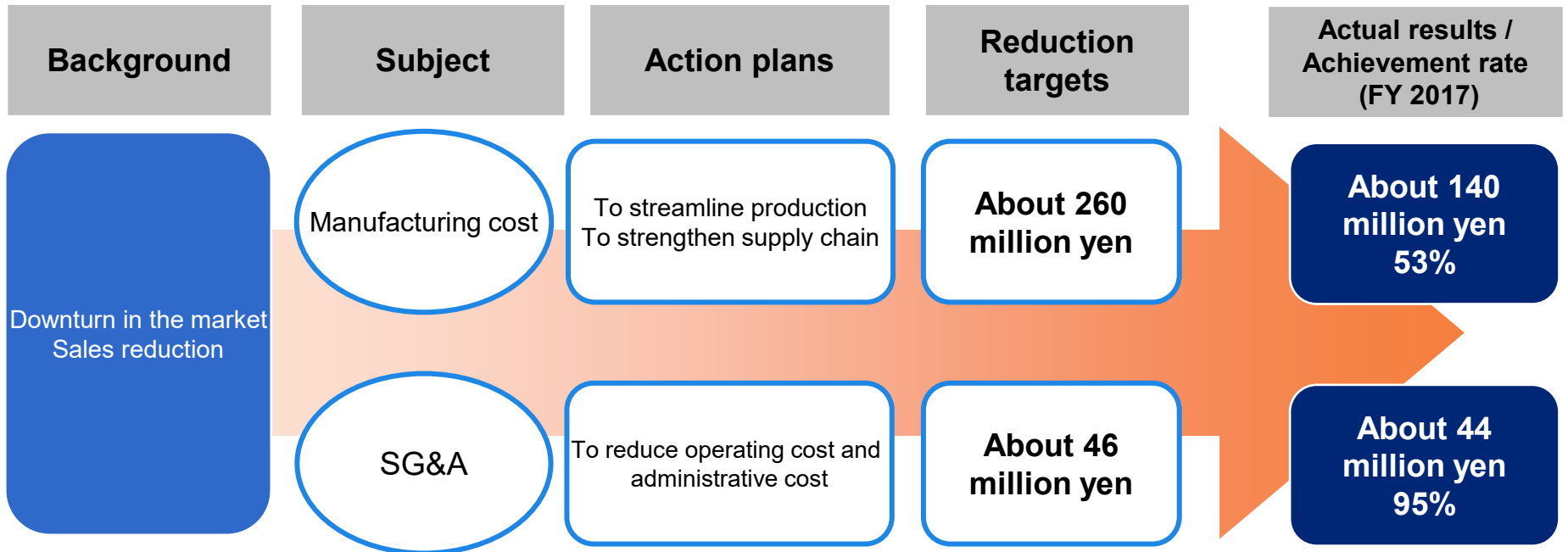
- ❑ We could not achieve the raw material cost reduction target due to delays in customers' approval, which is associated with the change of suppliers. The target is being carried over to FY2018.

PAC17

Promptly

Activated

Cost reduction 20**17**



FY2017 Balance Sheet

- Capital financing for medium-term growth investment was implemented (raised 9.2 billion yen).

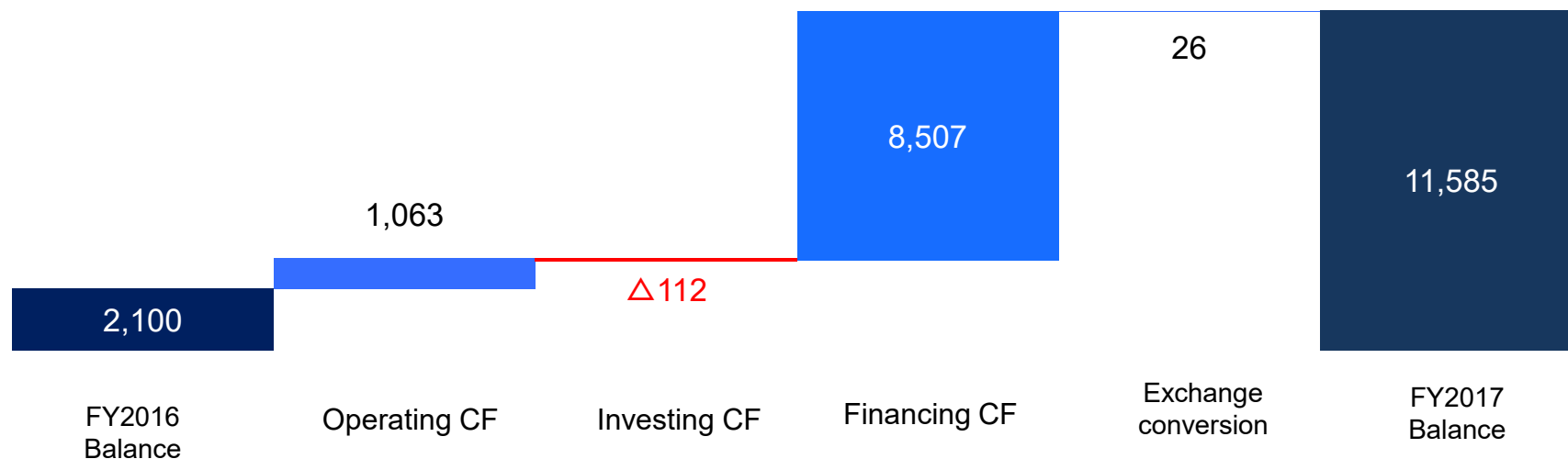
(Million yen)	End-FY2016	End-FY2017	Change in ratio
Current assets	6,695	17,197	156.9%
Cash and deposits	2,263	11,619	413.4%
Notes and accounts receivable-trade	2,480	3,365	35.7%
Merchandise and finished goods, Raw materials and supplies*	1,457	1,799	23.5%
Others	493	413	△16.3%
Fixed assets	3,462	3,567	3.0%
Tangible fixed assets	1,272	1,653	30.0%
Intangible fixed assets	292	412	40.9%
Investments and other assets	1,897	1,501	△20.9%
Total assets	10,158	20,765	104.4%

(Million yen)	End-FY2016	End-FY2017	Change in ratio
Current liabilities	2,374	2,969	25.1%
Notes and accounts payable-trade	1,085	1,517	39.8%
Short-term loans payable, Current portion of long-term loans payable and corporate bonds	500	350	△30.0%
Others	788	1,101	39.7%
Fixed liabilities	1,131	797	△29.5%
Corporate bonds	600	400	△33.3%
Long-term loans payable	150	-	-
Net defined benefits liability	173	175	0.7%
Others	207	222	7.0%
Total net assets	6,652	16,999	155.5%
Total of liabilities and net assets	10,158	20,765	104.4%

*Shareholders' equity ratio	65.5%	81.9%
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Changes in Cash Flow Balance

- from Mar 2017 to Mar 2018

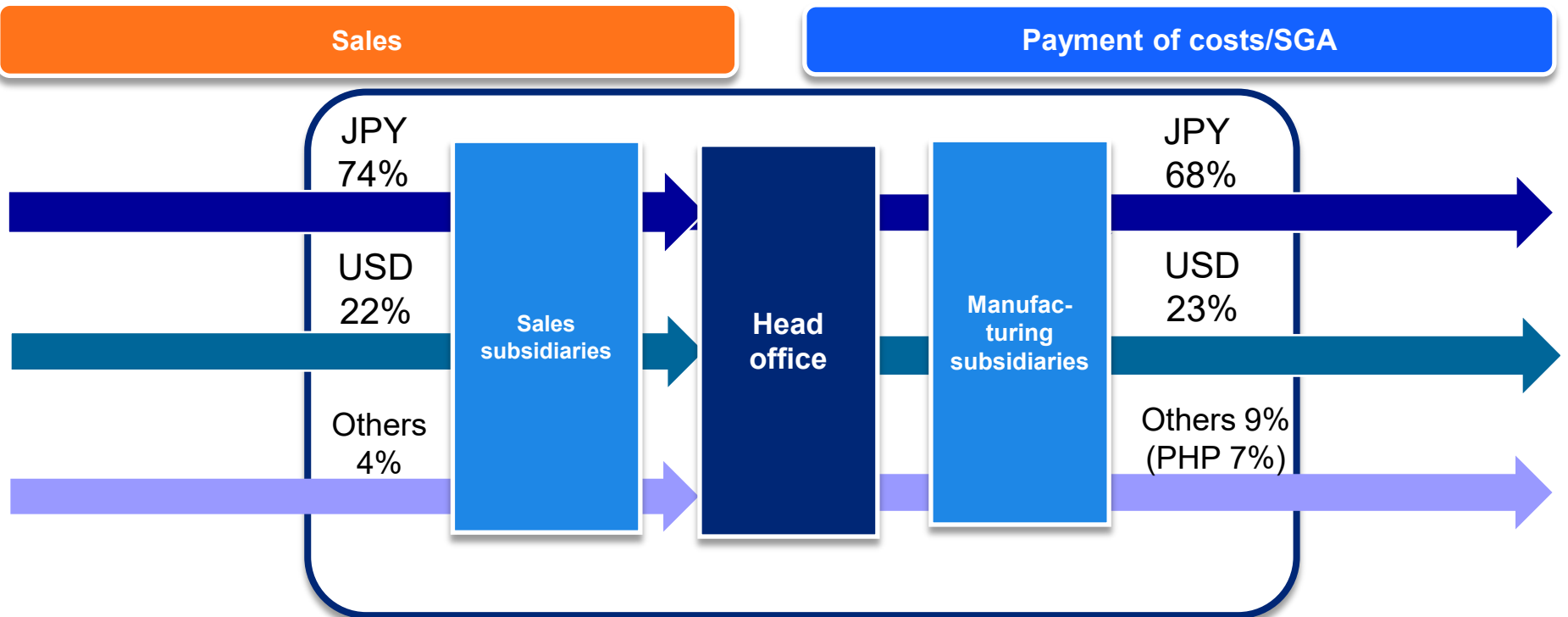


(Million yen)	FY2016	FY2017
	Total amount	Total amount
Cash flows from operating activities	952	1,063
Cash flows from investing activities	△ 1,889	△ 112
Free cash flows	△ 936	951
Cash flows from financing activities	△ 634	8,507
Changes in cash flows	△ 1,605	9,493
Year-end balance of cash and cash equivalents	2,100	11,585

Note: Long-term deposits that will mature in less than one year (¥163 million in the previous fiscal year and ¥34 million in the current fiscal year) are not included in the above cash flow amount.

Conditions of Operational Hedge-Marry and Netting -YTD

- 1-yen appreciation of the yen would increase operating income about 3.6 million yen.
- Foreign exchange sensitivity is about 0.2%.

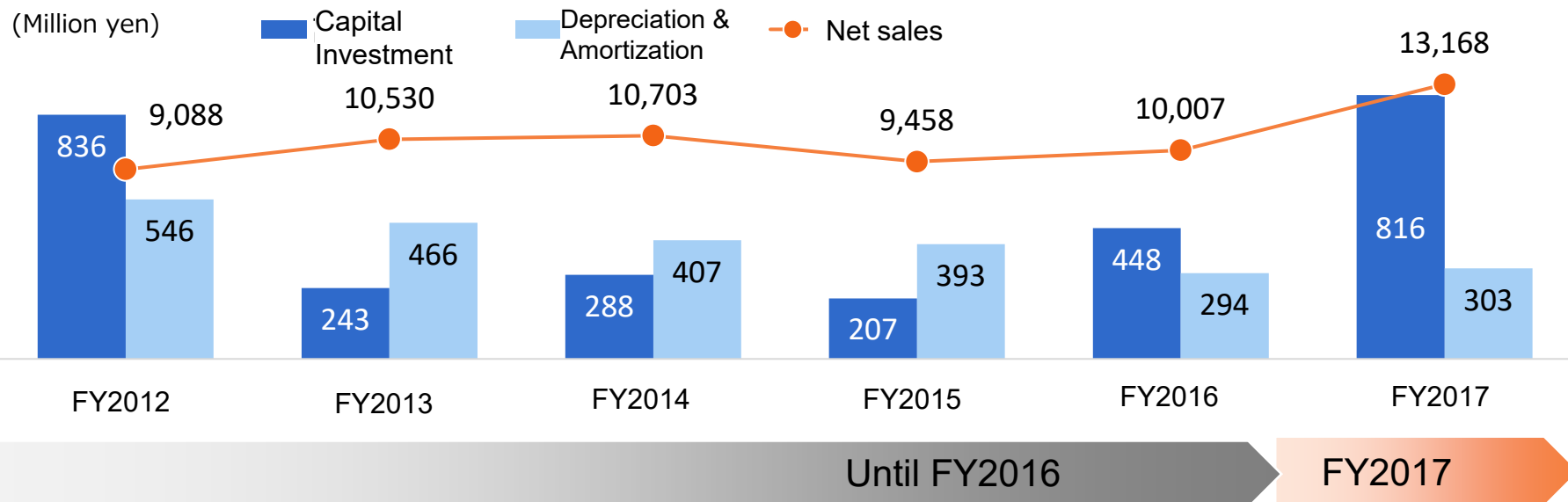


- 70% of transaction currency is JPY.
- Operational hedge “marry and netting” was conducted for USD.

YoY Changes in Capital Investment and Depreciation & Amortization

(Million yen)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
Net sales	9,088	10,530	10,703	9,458	10,007	13,168
Capital investment	836	243	288	207	448	816
% of Net Sales	9.2%	2.3%	2.7%	2.2%	4.5%	6.2%
Depreciation and amortization	546	466	407	393	294	303
% of Net Sales	6.0%	4.4%	3.8%	4.2%	2.9%	2.3%

Changes in Net sales, capital investment, and depreciation & amortization



MAVY's - Measures to Improve Corporate Value-

- To share target figures on improving our corporate value, not only in the management department, but also in other operating departments.

What is MAVY's? (ROIC – WACC)

Maximizing **A**dded **V**alue of **Y**amashin Filter **S**pread

A key goal indicator (KGI) used by each relevant department to set a KPI and KSF and work on actions required with the aim of maximizing return on invested capital

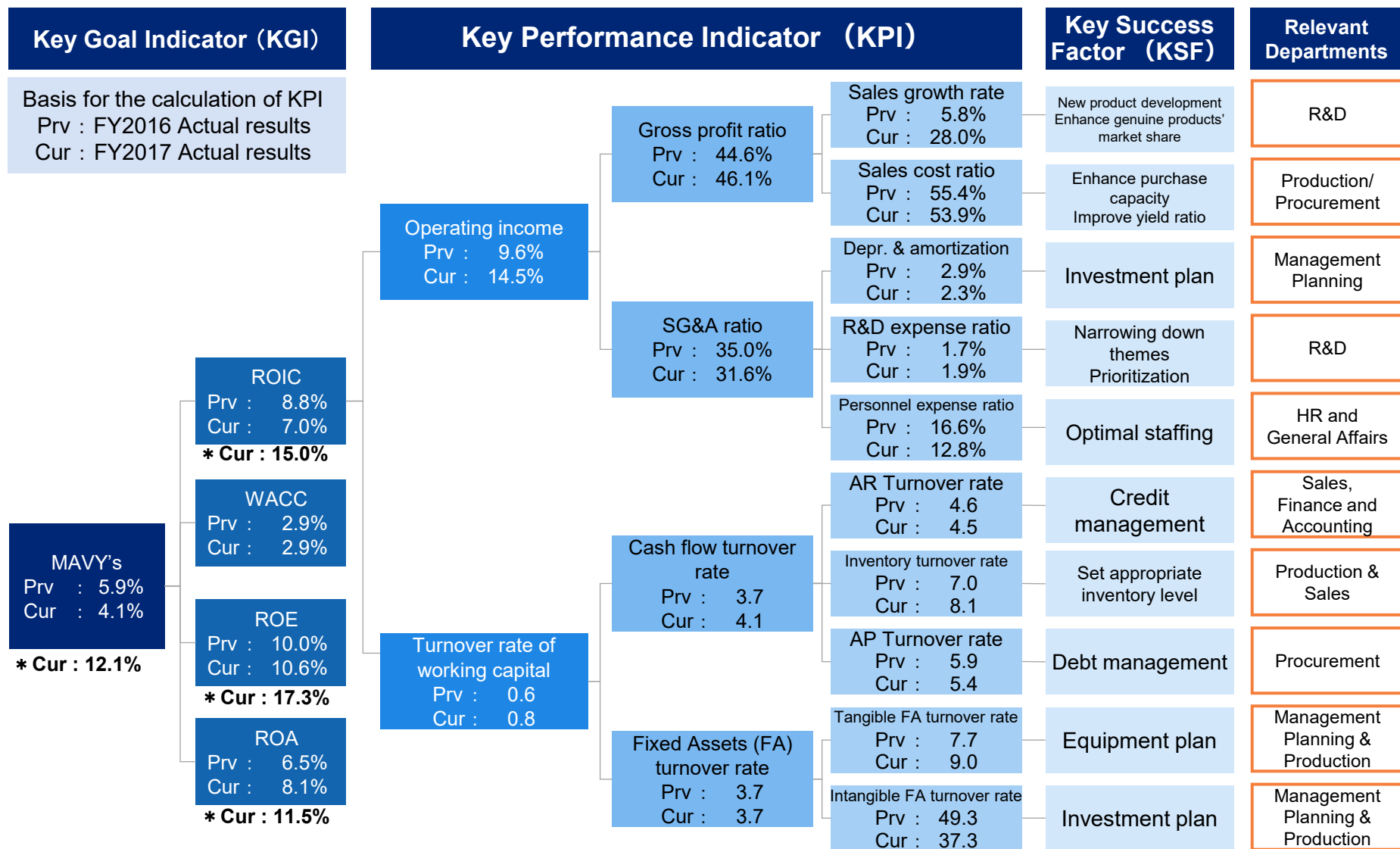


Meet the expectations from stakeholders by expanding MAVY's spread



Assign KPI indicators to relevant departments who are responsible for target setting, implementing company-wide business operation and achieving target

MAVY's Whole Picture and Relevant Departments



* The figures with an asterisk mark* are calculated based on the assumption that there were no third party capital increase.



2. FY2018 Full-year Business Forecasts



Precondition

Market forecasts

**The market will be strong.
It is expected to exceed the demand for
new machinery in FY2017.**

Exchange rates

**1 USD = 111 yen (FY2017 actual)
1 USD = 110 yen (FY2018 forecast)
Risk will be hedged by operational hedge-
marry and netting.**

Trends in service parts

**Healthy service parts sales in Japan, China,
North America and other Asian countries.
Sales are expected to increase with
increased machine operation hours.**

FY2018 Full-year Business Forecasts

- Sales are expected to grow as a result of continued strong infrastructure investment in each country.
- Profit is expected to increase by implementing cost reduction through the company-wide project “PAC 18”.

	FY2016 Actual	FY2017 Actual	FY2018 Forecasts	FY2018 Forecasts vs. FY2017 Actual
	Amount	Amount	Amount	%
(Million yen)				
Net sales	10,007	13,168	14,000	6.3%
Gross profit	4,463	6,074	6,740	11.0%
Gross profit ratio	44.6%	46.1%	48.1%	2.0P
SG&A	3,505	4,163	4,390	5.4%
SG&A ratio	35.0%	31.6%	31.4%	△0.3P
Operating income	957	1,910	2,350	23.0%
Operating income margin	9.6%	14.5%	16.8%	2.3P
Ordinary income	934	1,824	2,340	28.3%
Ordinary income margin	9.3%	13.9%	16.7%	2.9P
Net income	640	1,249	1,600	28.0%
Net income margin	6.4%	9.5%	11.4%	1.9P
Exchange rates AR				
USD	108.4	110.9	110.0	△0.8%
EUR	118.8	129.7	135.0	4.1%

Forecasts for Segment Information (by product)

	FY2017 Actual			FY2018 Forecasts			Change		
	Quantity (Thousand)	Amount (Million yen)	Composition ratio (%)	Quantity (Thousand)	Amount (Million yen)	Composition ratio (%)	Quantity (Thousand)	Amount (Million yen)	Change in ratio (%)
Construction machinery filters	5,885	11,768	89.4%	6,187	12,564	89.7%	301	795	6.8%
Line parts	2,545	5,342	40.6%	2,646	5,567	39.8%	100	224	4.2%
Service parts	3,339	6,425	48.8%	3,541	6,996	50.0%	201	571	8.9%
Industrial filters	214	526	4.0%	256	537	3.8%	41	10	2.0%
Process filters	271	873	6.6%	284	898	6.5%	12	25	2.9%
Total sales	6,372	13,168	100.0%	6,728	14,000	100.0%	355	831	6.3%

Forecasts for Quarterly Business Results (by region)

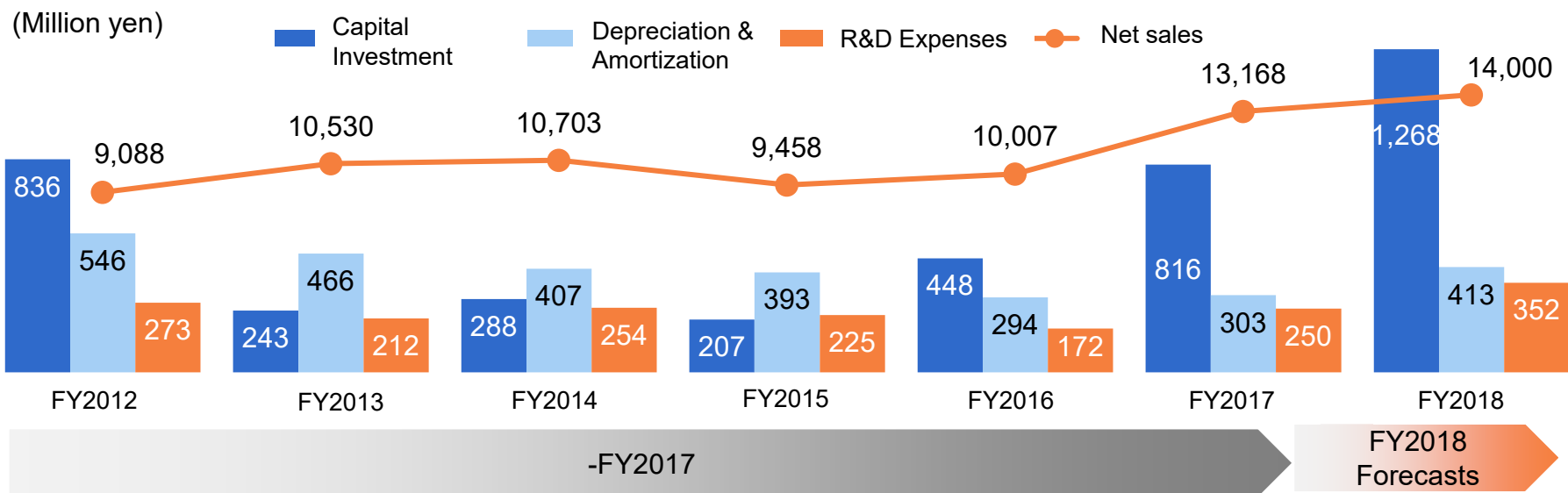
	FY2017 Actual			FY2018 Forecasts			Change		
	Quantity (Thousand)	Amount (Million yen)	Composition ratio (%)	Quantity (Thousand)	Amount (Million yen)	Composition ratio (%)	Quantity (Thousand)	Amount (Million yen)	Change in ratio (%)
Japan	3,306	6,443	48.9%	3,427	6,545	46.8%	120	101	1.6%
North America	1,016	2,201	16.7%	1,117	2,468	17.6%	101	267	12.1%
China	807	1,753	13.3%	861	2,149	15.4%	54	396	22.6%
Other Asian Countries	713	1,522	11.6%	818	1,771	12.7%	104	248	16.3%
Europe	502	1,204	9.2%	501	1,064	7.5%	△ 0	△ 139	△ 11.6%
Others (Middle East, etc)	26	42	0.3%	1	0	0.0%	△ 24	△ 42	△ 100.0%
Total sales	6,372	13,168	100.0%	6,728	14,000	100.0%	355	831	6.3%

Note: The amounts of sales by region here are calculated based on the locations of corporations to which invoices are sent. So actual regional market trends may be different from the numbers shown.

Changes in Capital Investment, Depreciation & Amortization, and R&D Expenses

(Million yen)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
	Actual	Actual	Actual	Actual	Actual	Actual	Full-year forecasts
Net sales	9,088	10,530	10,703	9,458	10,007	13,168	14,000
Capital investment	836	243	288	207	448	816	1,268
Composition ratio (%)	9.2%	2.3%	2.7%	2.2%	4.5%	6.2%	9.1%
Depreciation and amortization	546	466	407	393	294	303	413
Composition ratio (%)	6.0%	4.4%	3.8%	4.2%	2.9%	2.3%	3.0%
R&D expenses	273	212	254	225	172	250	352
Composition ratio (%)	3.0%	2.0%	2.4%	2.4%	1.7%	1.9%	2.5%

Changes in net sales, capital investment and depreciation & amortization





Efforts to Increase Sales

Strengthen proactive, proposal-based sales promotions, in an effort to promote adoption of our filter products into new models



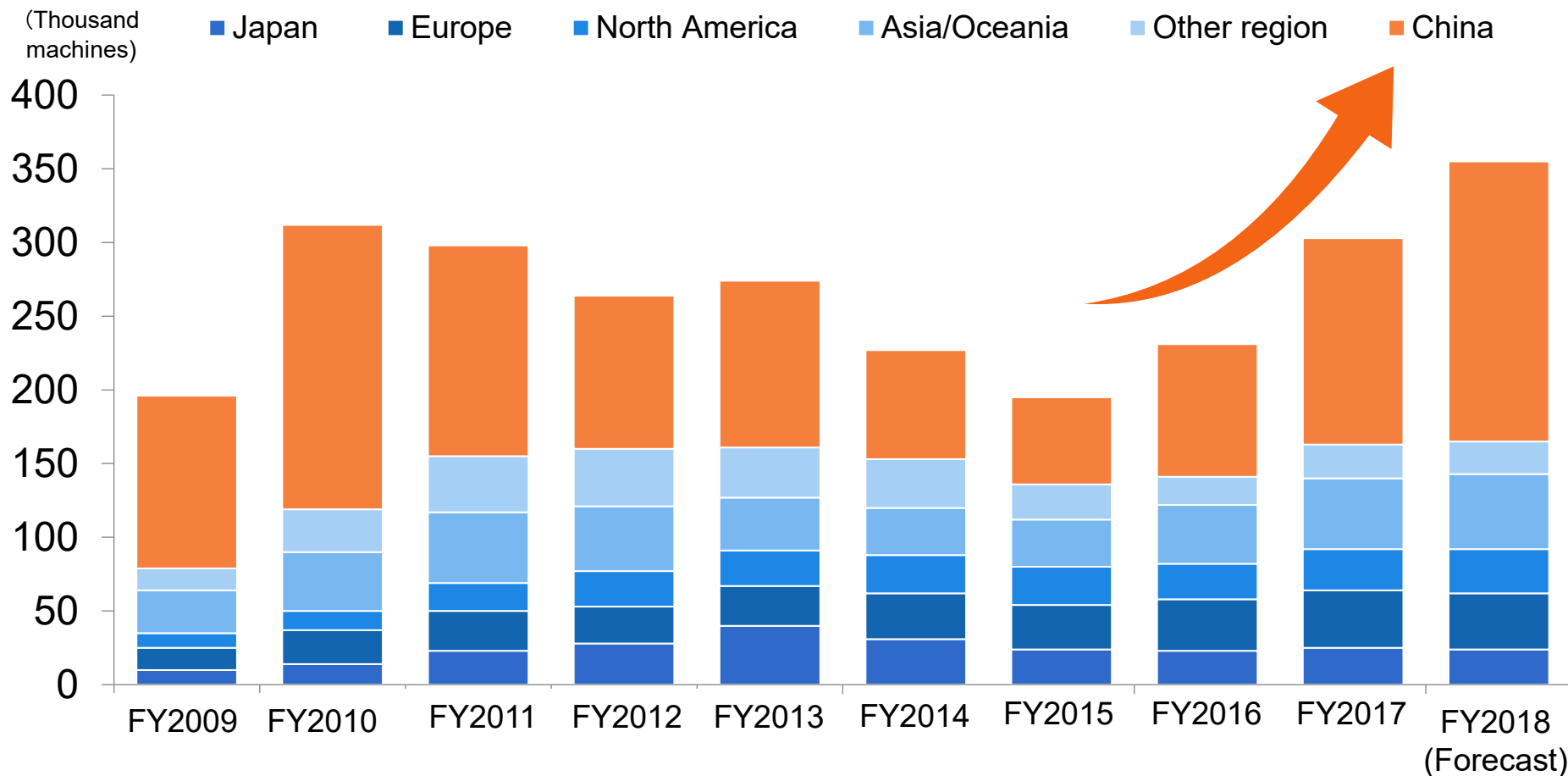
Summary of the Construction Machinery Market's Environment

	One year ago	Current	Future forecast
China	<ul style="list-style-type: none">● Significant production cutback due to slowdown of real estate investment	<ul style="list-style-type: none">● A drastic increase in demand due to sustained economy by public investment	<ul style="list-style-type: none">● Under the “One Belt, One Road” initiative, a continuous demand increase is expected.
North America	<ul style="list-style-type: none">● Production cutback due to sluggish energy-related investment	<ul style="list-style-type: none">● Demand recovery due to infrastructure investment	<ul style="list-style-type: none">● Demand is expected to increase further as resource energy development and infrastructure investment progress.
Japan	<ul style="list-style-type: none">● Reaction to the rush demand before the enforcement of exhaust gas regulations	<ul style="list-style-type: none">● Demand increase due to strong domestic infrastructure investment	<ul style="list-style-type: none">● An increase in demand due to strong domestic infrastructure investment is expected.
Europe	<ul style="list-style-type: none">● Sluggish market	<ul style="list-style-type: none">● Demand increase in major countries centered on Germany	<ul style="list-style-type: none">● Strong demand is expected to remain.

Business Environment ①

Demand for New Excavators

■ The construction machinery market is expected to continue to grow due to expansion of infrastructure development investment.

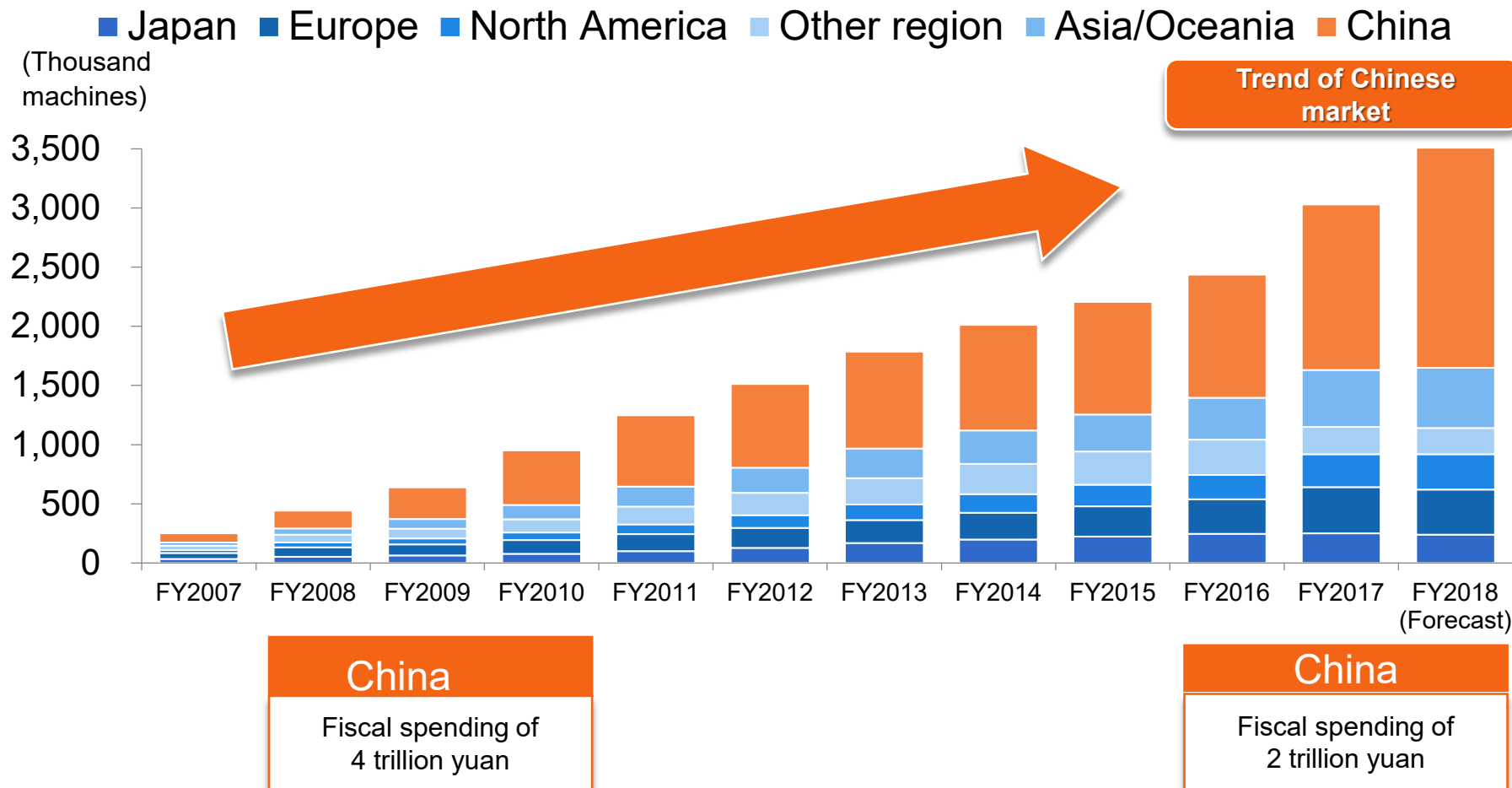


*Figures are estimated by YAMASHIN-FILTER based on data from construction machinery manufacturers and industry associations

Business Environment ②

Cumulative Number of New Machinery Sales

■ Growth of the Asian market is expected with China being a driving force under the “One Belt, One Road” initiative.

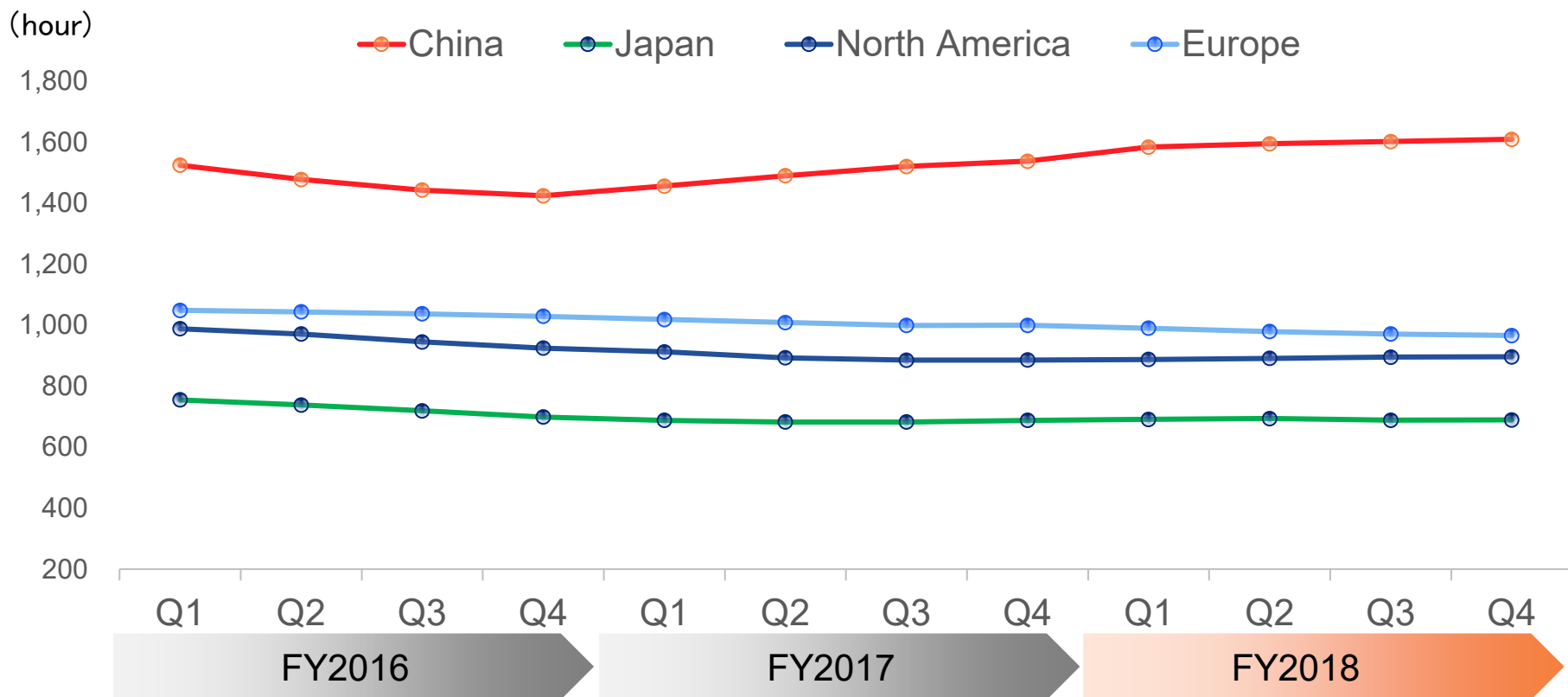


Business Environment ③

Construction Machinery Operation Hours

■ The expansion of infrastructure investment in response to the Chinese government's "One Belt, One Road" initiative is estimated to spur the demand for construction machinery.

Changes in construction machinery operation hours per machine (annual basis)

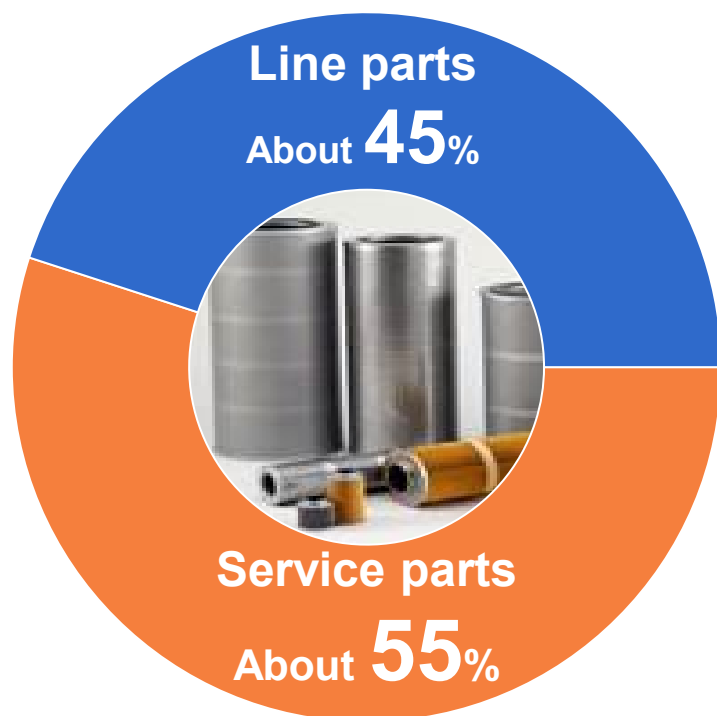


(Reference) Prepared by YAMASHIN-FILTER based on the Nomura Securities analyst report

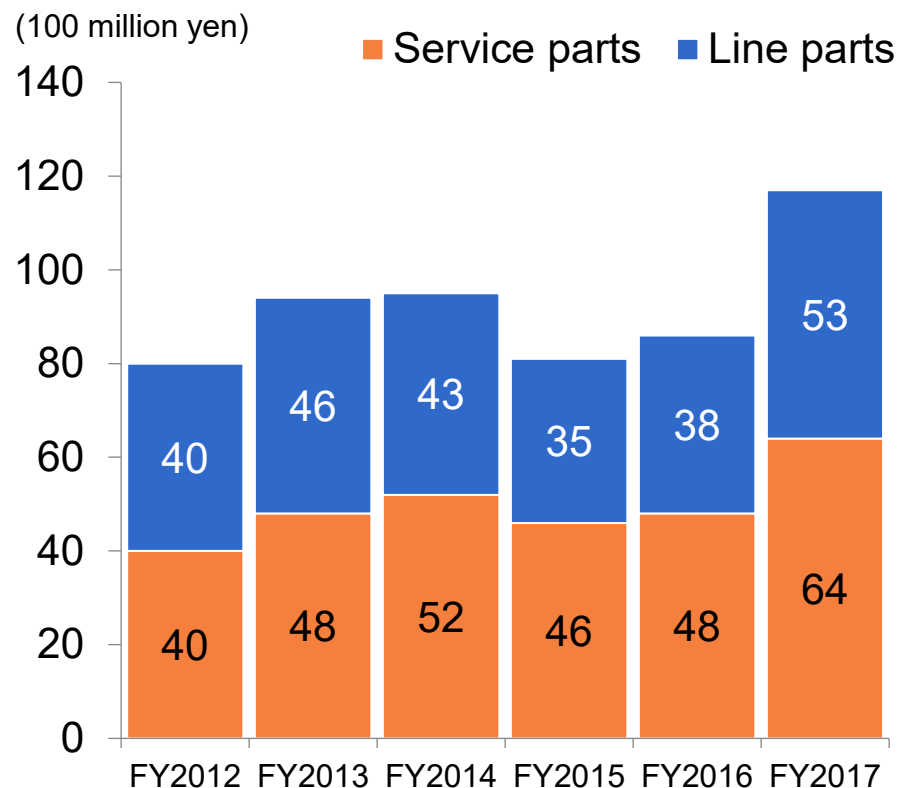
Demand for Service Parts

- The business of service parts is a stable income.
- The demand for service parts will expand gradually with an increased number of operating construction machines.

FY2016 Sales composition ratio of construction machinery filters



Changes in sales of line parts and service parts



Sales Growth Rate: New Product Development, Enhancement of Genuine Products' Market Share

		Policy's Keywords	Results' Evaluation
Construction machinery filters	Line parts	Propose failure prediction feature and ICT technology	Collect actual machine's product data (currently in progress) Acquire new customers
		Propose return filter that is using the new material	From machine's test phase to mass-production phase
		Expand sales to construction machinery manufacturers in China	Propose new filtration media
	Service parts	Retake market share from non-genuine products (i.e. imitations) market by holding seminars	Continue marketing activities that correspond to the market characteristics
Industrial filters		Strengthen cooperation with partners Explore and examine new businesses using new materials	Expand and strengthen product line-ups
Process filters		Diversify product series and offer multiple products	Start the development of product line-up and collaboration with new partners. Plan the OEM business strategy



Our Medium-term Policy

Expand our business portfolio and
evolve into a more robust corporate structure



Actions for Growth

The construction machinery market will be strong in the next 3 to 5 years.
We will proactively develop business to achieve the goals by utilizing the 10 billion yen capital funds.

Expand business portfolio

To build the next growth pillars so that we do not solely depend on construction machinery's hydraulic filters

[3 pillars]

- Construction machinery filters
- Process and industrial filters
- Expansion of new materials

Establish a more robust corporate structure

To establish multiple production bases
To reconstruct the global supply chain

[Cost reduction through PAC18]

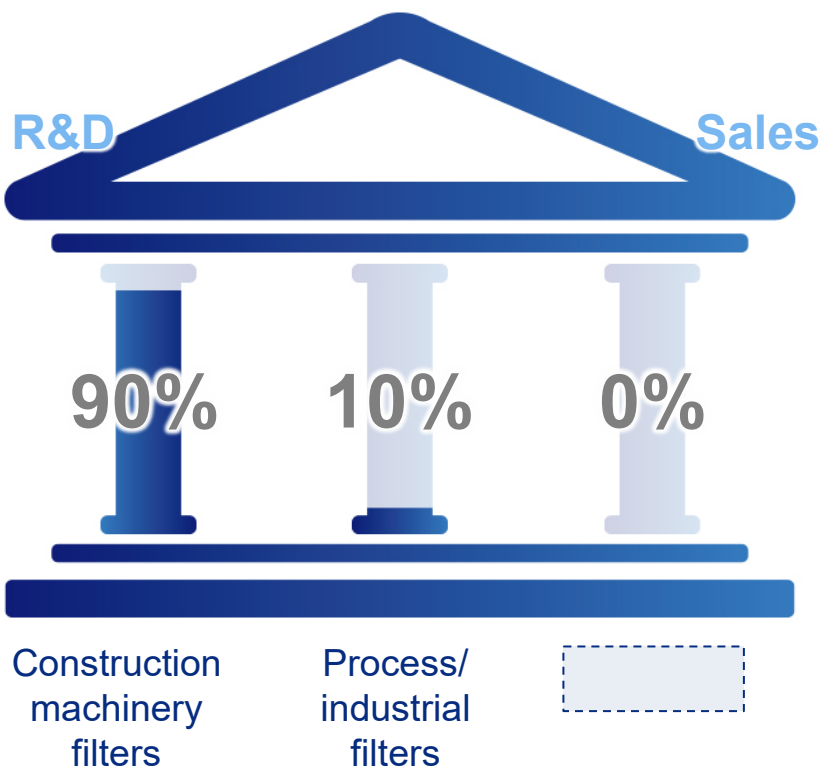
- Large-scale investment plans for the R&D facilities
- Investment to launch production facilities in the major markets

Expand Business Portfolio - “Rooftop Repair ①”

- Construction machinery filters account for 90% of the current sales
- While the performance is good, now is the time to nurture the next pillars of growth.

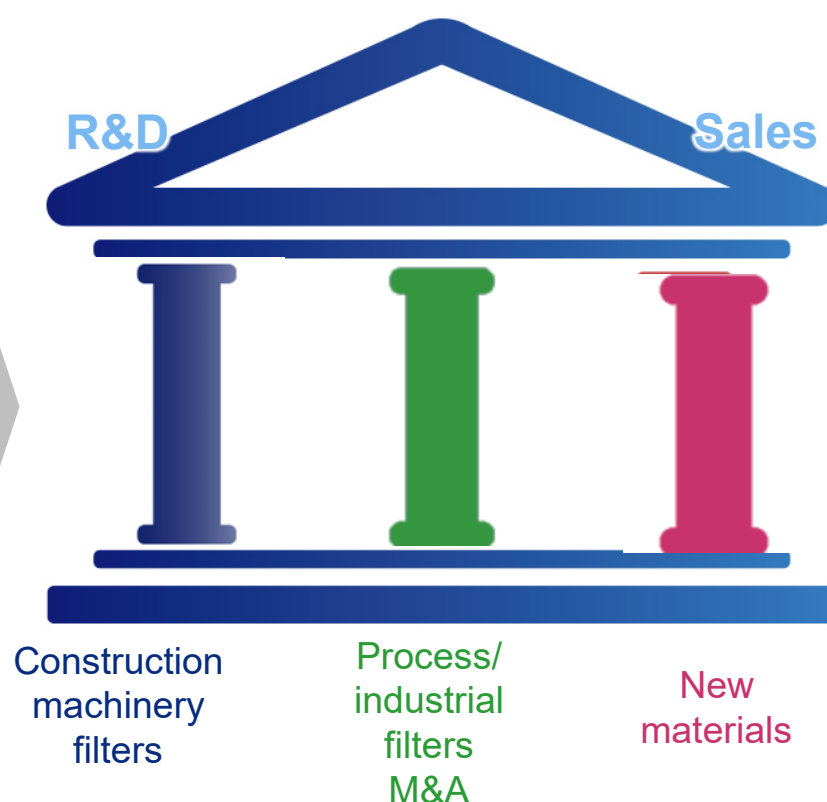
3 pillars (current)

Production



3 pillars (goal)

Production



1. Towards Portfolio Expansion



What We Aim For — Nano fiber

- To be a “Comprehensive filter manufacturer” - Yamashin Paradigm Shift

Application fields of Nano Capture™

It can be applied in a wide range of fields.

“Nano Capture™” can bring cross-sectional innovation in a wide range of fields including environment, energy, health/medicine, social infrastructure, information communication, and electronics.

With the features of “Nano Capture™,” namely, sound absorbent, heat insulation, and incombustibility, it can be used in various fields. The technology development to add new values such as eliminating odor and disinfection is also making a progress. It is expected to become a material that can be indispensable in human lives.

Paradigm Shift
Contamination
Heat
Light
Sound
Bio

5 | Nano Capture™

What We Aim For — IoT ②

- Sensor for monitoring cleanliness of hydraulic and lubrication oils
- To explore new application fields for new materials
- To examine possibilities to install the sensor in the next generation machine and start actual machine tests



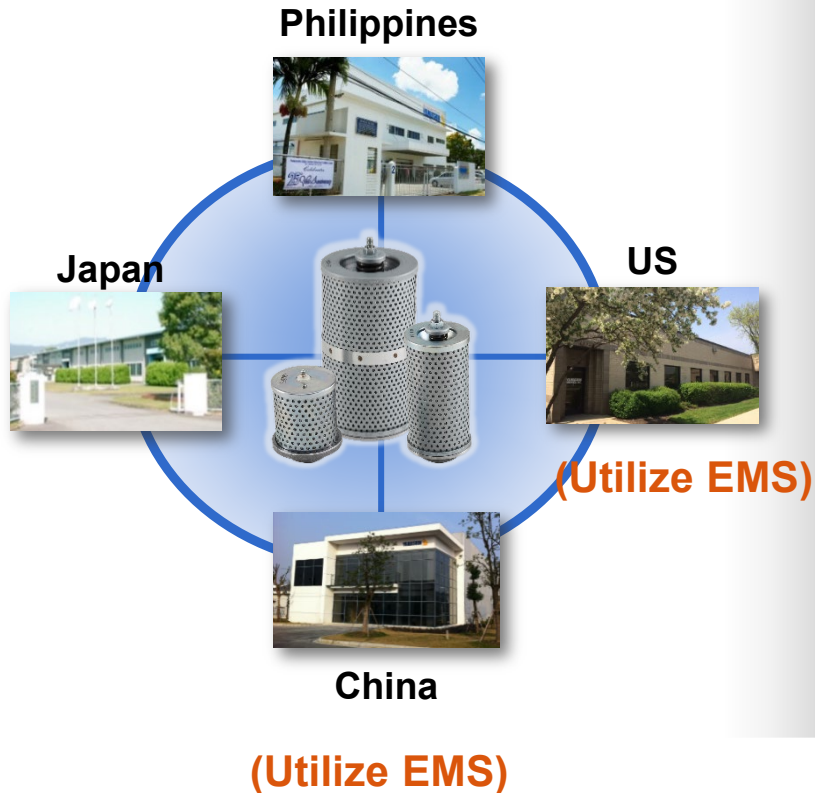
2. Establish More Robust Corporate Structure



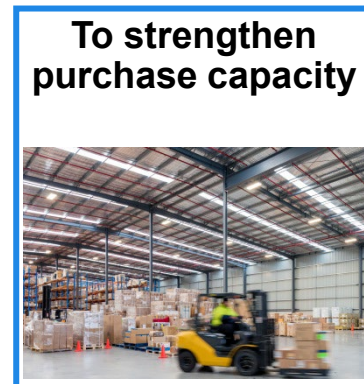
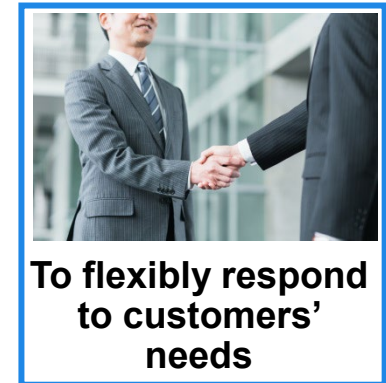
Review and Restructure Production Facilities – “Rooftop Repair ②”

- Establish multiple production systems by reviewing and restructuring production facilities
- Strengthen purchase capacity and restructure the global supply chain

Multiple sourcing



Purposes/Goal



Strengthen Purchase Capacity

■ Strengthen the relationships with suppliers

Cease of trade, consolidation, sorting and concentration of suppliers based on evaluation items (e.g. on-time delivery rate, quality)



Establish relationships with excellent suppliers



Win-Win
Cost reduction & profitability improvement

■ Utilize SAP: **Implement cost improvement** by introducing the standard cost system

Made-to-order

Head office - Factory management

Utilize SAP system/support

Made-to-stock

■ Put IoT into practical use: Realize a **smart factory**

1st phase: Implement electric energy management that would lead to cost reduction

2nd phase: Introduce “cloud” system for the management of product plans and yield

Strengthen R&D

- Our existing development centers focus on development for existing businesses.
- To expand portfolio, we need to strengthen R&D = New development facilities are necessary.



Yokohama Research & Development Center



Saga Business Establishment

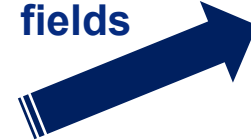


Yokosuka Media Lab



Establish
new development facilities that include
existing facilities

Existing fields

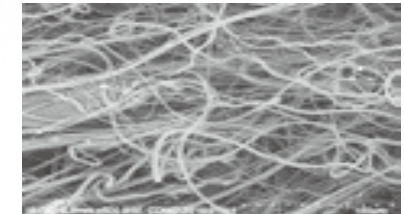


Construction machinery's hydraulic filters



Industrial/process filters

New fields



Nano fiber

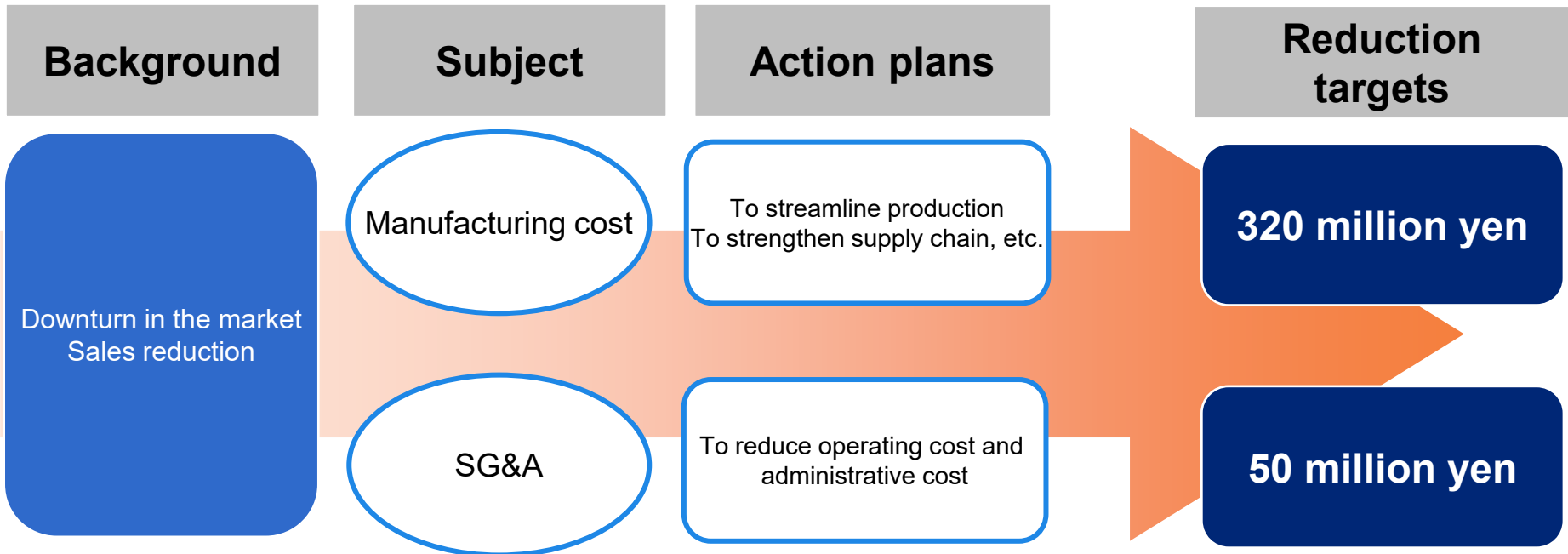
- Implement comprehensive improvements in production technology, management and systems to strengthen the profit structure.

PAC18

Promptly

Activated

Cost reduction 20**18**



Shareholders' Return

- Annual dividend will be increased to 18 yen per share, including interim dividend of 7 yen and year-end dividend of 11 yen per share (basis before the stock split).

		FY2016	FY2017	FY2018 (Forecasts)
Dividend per share	Basis before the stock split	12 yen	(18 yen) * ₁	(25 yen) * ₂
	Basis after the stock split	—	— * ₁	5 yen
DOE		2.3%	1.9%	1.9%
Total return ratio * ₃		25.6%	21.6%	23.8%

*1. The Company conducted a 5-for-1 stock split that became effective on December 1, 2017. Dividend for FY2017 is based on shares before the split. (Year-end dividend: 11 yen. After split: 2.2 yen)

*2. For the estimate of the dividend for FY2018, as a reference value, the amount before the above stock split is used.

*3. Total return ratio = (Total dividend + Treasury stock acquired + Shareholder benefit) ÷ Net income

Overall Summary

FY2017 Actual Results

- The market environment is strong as expected.
- There have been no weak signs in our main hydraulic filter business.

Efforts to Increase Sales

- Strengthen proactive, proposal-based sales promotions, in an effort to promote adoption of our filter products into new models.

Our Medium-term Policy

- Expand our business portfolio and evolve into a more robust corporate structure.

Reference Materials



Company Background & Strategy

Financial Statements Glossary

Segments and KPI

- Filters for construction machinery are classified into “**line parts**” and “**service parts**”
- Line parts are the filters for new construction machines
 - ◆ The primary indicator is “**the number of new construction machines in demand**”
- Service parts are the filters for replacement
 - ◆ The primary indicator is “**the number of units in operation**” × “**operation hours**”

Sales methods, regional trends, and cost reduction measures

- **Sales format**
 - ◆ The filters for construction machinery are sold to construction machinery makers (100%). In principle, we do not sell the products to end users directly
- **Regional trends**
 - ◆ Sales are calculated based on the destinations of our invoices, and our data may differ from the actual regional market trends
- **PAC17 (Promptly Activated Cost reduction 2017)**
 - ◆ The company-wide cost reduction project

Breakdown of MAVY's: Supplementary Info

Term	Formula
MAVY's	ROIC - WACC
ROIC	$\text{NOPAT} \div \text{Capital investment}$
Rate of return on capital investment	$(\text{Ordinary income} + \text{Interests paid}) \div \text{Capital investment}$
Turnover rate of working capital	$\text{Net sales} \div (\text{Accounts receivable} + \text{Inventory asset} - \text{Accounts payable})$
Turnover rate of fixed assets	$\text{Net sales} \div \text{Fixed assets}$
Turnover rate of accounts receivable	$\text{Net sales} \div \text{Accounts receivable}$
Turnover rate of inventory asset	$\text{Net sales} \div \text{Inventory asset}$
Turnover rate of accounts payable	$\text{Sales cost} \div \text{Accounts payable}$
Turnover rate of tangible fixed assets	$\text{Net sales} \div \text{Tangible fixed assets}$
Turnover rate of intangible fixed assets	$\text{Net sales} \div \text{Intangible fixed assets}$

*The figures in the balance sheet are the averages of the initial and term-end figures.

Conditions of Operational Hedge-Marry and Netting -YTD

Currency	Inflow			Outflow			Net	*Average rate in the term (JPY)	In case of yen appreciation (10%)			In case of yen depreciation (10%)		
	Each currency	Yen equivalent (JPY)	Composition ratio	Each currency	Yen equivalent (JPY)	Composition ratio			Each currency	Average rate in the term ▲10% (JPY)	Rate difference	Affected amount (YTD)	Average rate in the term +10% (JPY)	Rate difference
JPY	¥15,100.0	¥15,100.0	74%	¥13,165.1	¥13,165.1	68%	¥1,934.9	-	-	-	-	-	-	-
USD	\$41.2	¥4,567.5	22%	\$40.0	¥4,434.5	23%	\$1.2	¥110.9	¥99.78	¥-11.09	¥-13.30	¥121.95	¥11.09	¥13.30
EUR	€ 5.2	¥674.5	3%	€ 3.3	¥428.1	2%	€ 1.9	¥129.7	¥116.74	¥-12.97	¥-24.65	¥142.69	¥12.97	¥24.65
PHP	PP0.0	¥0.0	0%	PP406.6	¥1,365.8	7%	PP-406.6	¥3.4	¥3.02	¥-0.34	¥136.58	¥3.70	¥0.34	¥-136.58
THB	฿65.00	¥142.2	1%	฿23.30	¥51.0	0%	฿41.70	¥2.2	¥1.97	¥-0.22	¥-9.12	¥2.41	¥0.22	¥9.12
Total	-	¥20,484.2	100%	-	¥19,444.4	100%	-	-	-	-	¥89.51	-	-	¥-89.51

*For the FX average rate in this term, we used the average rate for 12 months from April to March.

FY2017 Q4 Summary

(Million yen)	FY2016 Actual	FY2017 Actual	Change	
	Q4	Q4	Amount	%
Net sales	2,803	3,542	739	26.4%
Operating income	250	388	138	55.1%
Operating income margin	8.9%	11.0%	2.0P	
Ordinary income	259	347	88	33.9%
Ordinary income margin	9.3%	9.8%	0.6P	
Net income	168	273	104	61.9%
Net income margin	6.0%	7.7%	1.7P	
Exchange rates AR USD	113.6	108.3	△ 5.3	△4.7%
EUR	121.1	133.2	12.2	10.0%

Sales by Product Type - Q4

	FY2016 Actual Q4			FY2017 Actual Q4			Change		
	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%
Construction machinery filters	1,134	2,449	87.4%	1,838	3,224	91.0%	703	774	31.6%
Line parts	494	1,152	41.1%	888	1,557	44.0%	393	405	35.2%
Service parts	640	1,297	46.3%	950	1,666	47.0%	309	368	28.4%
Industrial filters	45	145	5.2%	58	119	3.4%	12	△ 25	△ 17.8%
Process filters	62	208	7.4%	64	199	5.6%	1	△ 9	△ 4.6%
Total sales	1,243	2,803	100.0%	1,961	3,542	100.0%	718	739	26.4%

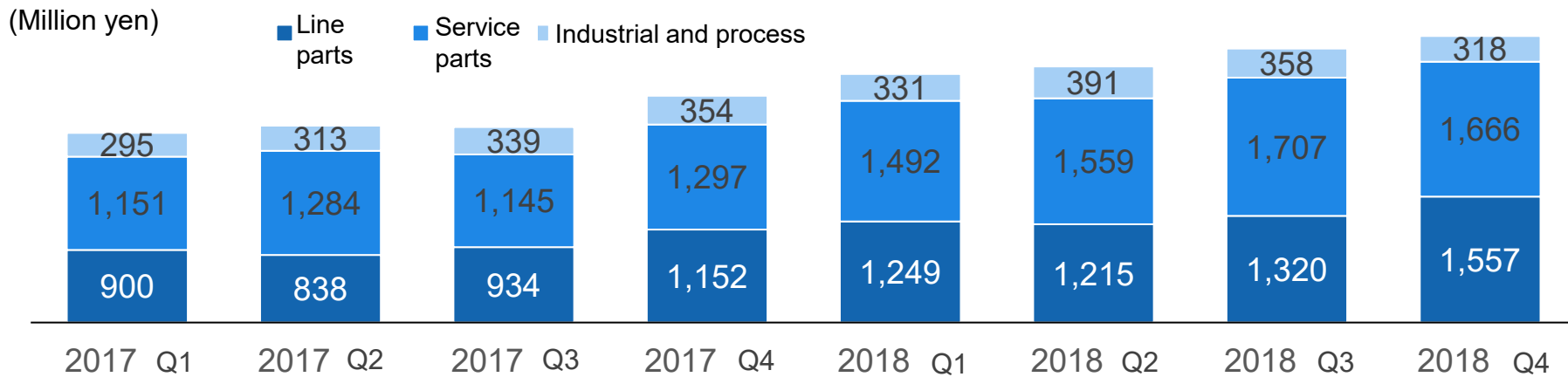
Sales by Region - Q4

	FY2016 Actual Q4			FY2017 Actual Q4			Change		
	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%	Quantity (Thousand)	Amount (Million yen)	%
Japan	697	1,411	50.4%	844	1,621	45.8%	146	209	14.8%
North America	171	463	16.5%	367	583	16.5%	195	119	25.9%
China	109	366	13.1%	430	612	17.3%	320	246	67.2%
Asia	168	361	12.9%	179	392	11.1%	11	30	8.4%
Europe	93	225	8.0%	140	337	9.5%	47	111	49.6%
Others (Middle East, etc.)	2	△ 25	△0.9%	0	△ 4	△0.0%	△ 2	21	△83.1%
Total sales	1,243	2,803	100.0%	1,961	3,542	100.0%	718	739	26.4%

*Sales by region are calculated based on the locations of corporations to which we send our invoices.

Quarterly Changes in Sales by Product Type

(Million yen)	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction machinery filters	2,052	2,122	2,080	2,449	2,741	2,775	3,027	3,224
Line parts	900	838	934	1,152	1,249	1,215	1,320	1,557
Service parts	1,151	1,284	1,145	1,297	1,492	1,559	1,707	1,666
Industrial and process filters	295	313	339	354	331	391	358	318
Total	2,347	2,436	2,419	2,803	3,072	3,166	3,385	3,542



FY2017

FY2018

*The amount of consolidated adjustments is included in construction machinery filters. (Standards for disclosing securities reports)

Financial Highlights ①

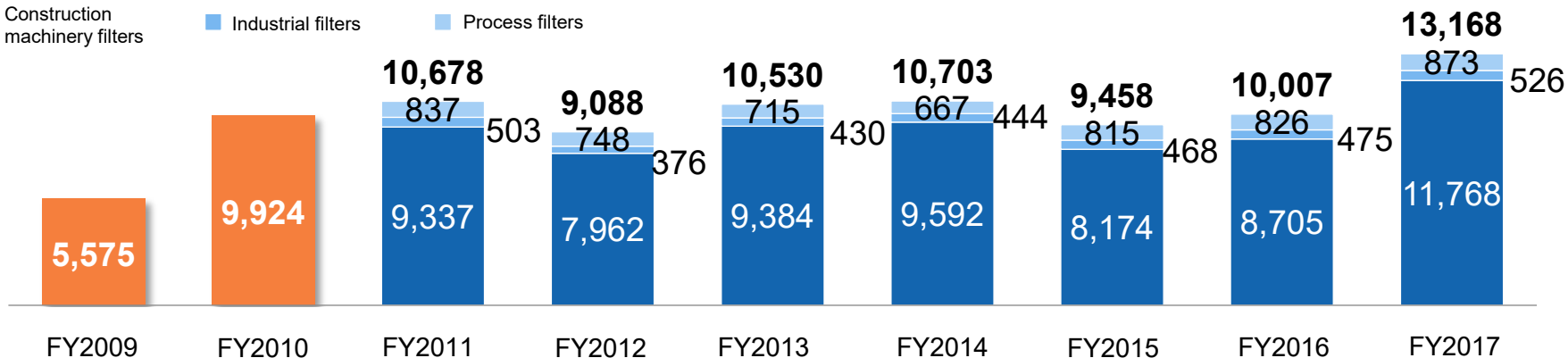
Net sales

(Million yen)

■ Construction machinery filters

■ Industrial filters

■ Process filters



Sales by Region

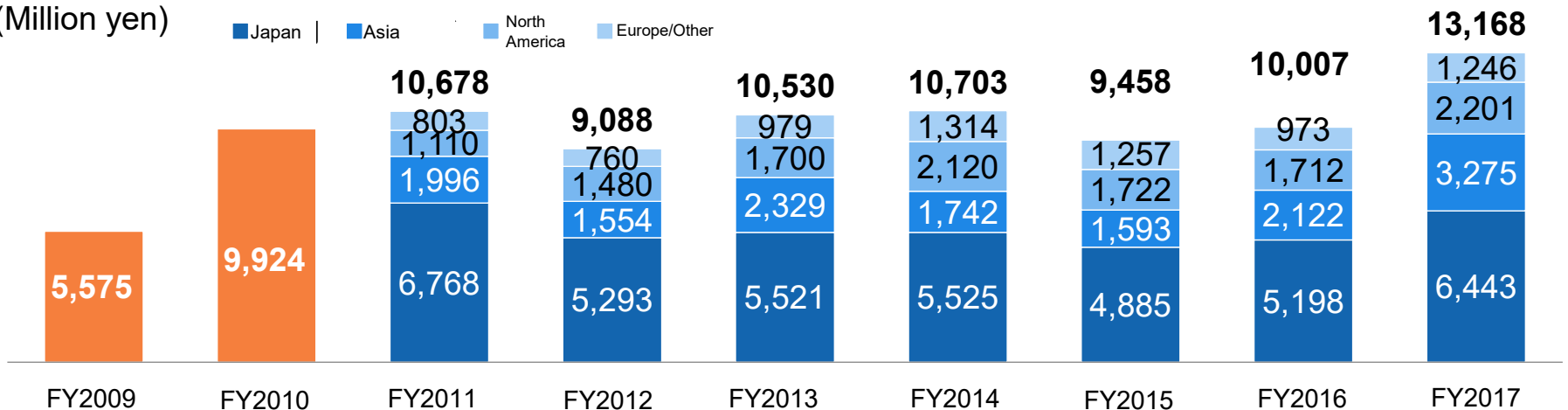
(Million yen)

■ Japan

■ Asia

■ North America

■ Europe/Other

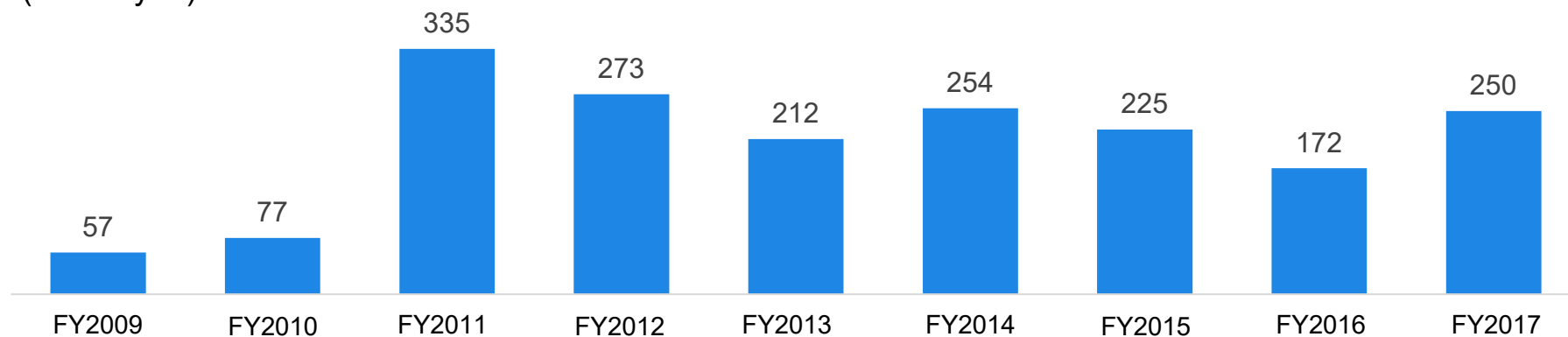


※12.3期までは単体、13.3期以降は連結。 ※地域別売上集計方法変更に伴い15.3期の金額内訳が変更になっております

Financial Highlights ②

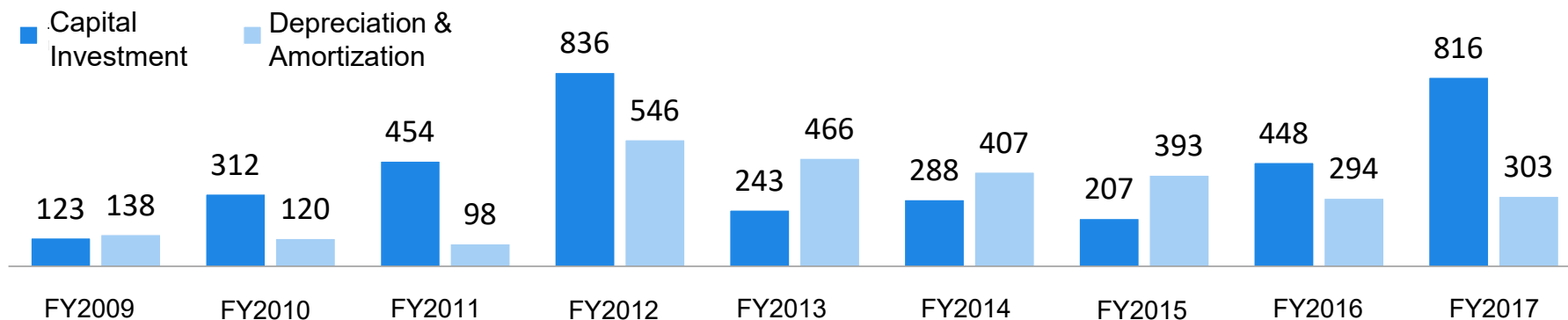
R&D Expenses

(Million yen)



Capital Investment and Depreciation & Amortization

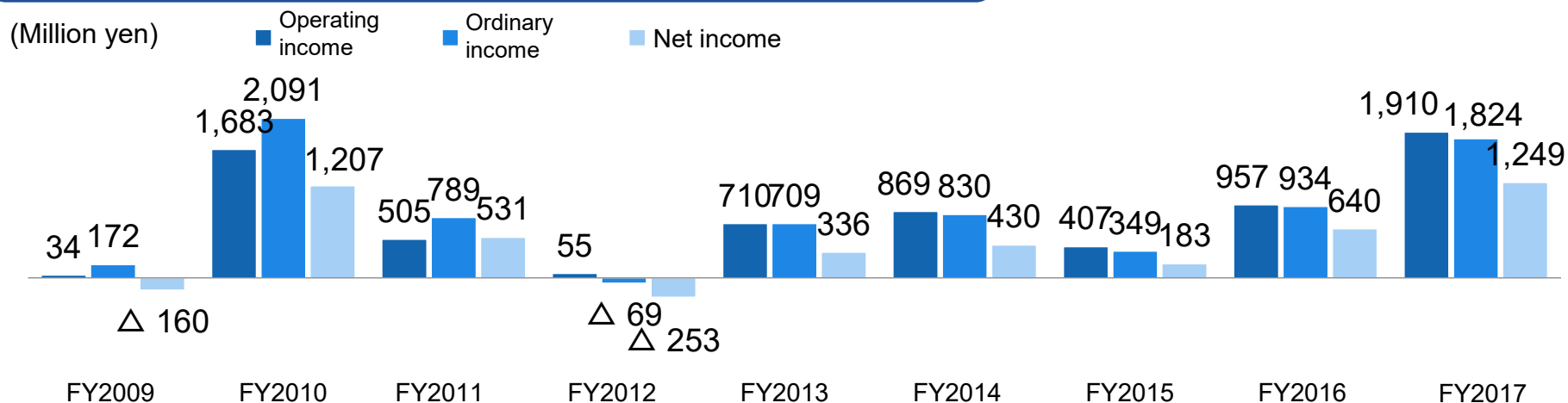
(Million yen)



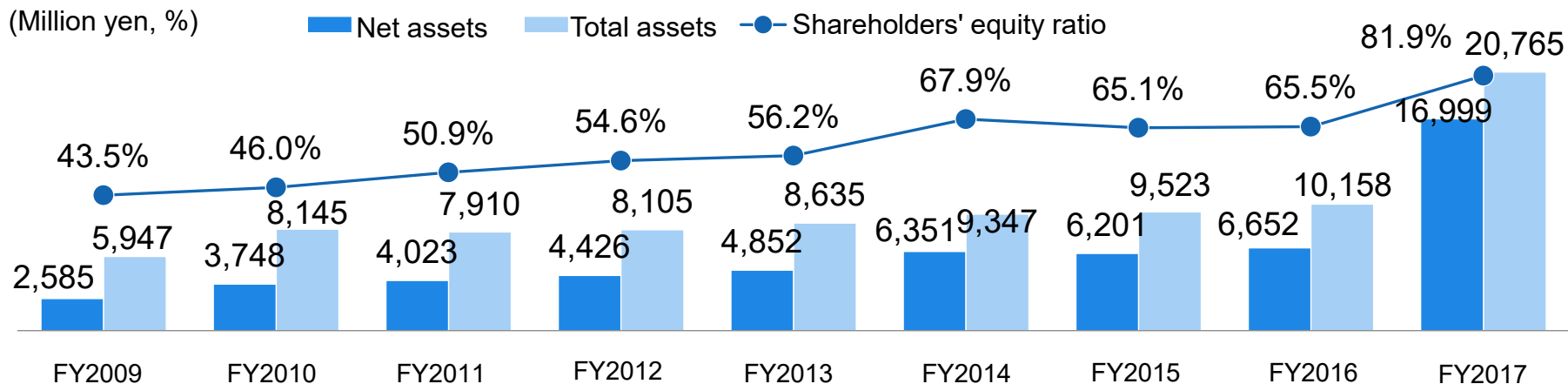
※12.3期までは単体、13.3期以降は連結

Financial Highlights ③

Profits



Net assets, total assets and shareholders' equity ratio



*Non-consolidated until FY2011, consolidated after FY2012.

Forecasts regarding future performance presented in this material are based on information that was available at the time this material was released. Actual results may differ from the forecasts due to various factors such as market trends and business conditions etc.

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