

2. Dividends

| | Annual dividends | | | | |
|---|------------------|-----------------|-----------------|----------|--------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2018 | - | 5.00 | - | 50.00 | - |
| Fiscal year ending March 31, 2019 | - | 55.00 | - | | |
| Fiscal year ending March 31, 2019 (Forecast) | | | | 55.00 | 110.00 |

(Note) Revision to the forecast for dividends announced most recently: No

* As the Company conducted a consolidation of shares in which 10 common shares were consolidated into one share with an effective date of October 1, 2017, the amount shown as the year-end dividend per share for the fiscal year ended March 31, 2018 factors in the effect of the said consolidation of shares, and the total annual dividend is shown as “-”. Factoring in the consolidation of shares, the annual dividend per share for the fiscal year ended March 31, 2018 would be 100.00 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|------------------|------|-----------------|------|---|-------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 560,000 | 7.4 | 12,000 | 18.5 | 11,500 | 15.0 | 5,700 | (8.1) | 404.45 |

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2018: 15,021,551 shares

March 31, 2018: 15,021,551 shares

2) Total number of treasury shares at the end of the period:

December 31, 2018: 928,257 shares

March 31, 2018: 928,241 shares

3) Average number of shares during the period:

Nine months ended December 31, 2018: 14,093,564 shares

Nine months ended December 31, 2017: 14,576,484 shares

* The Company conducted a consolidation of shares in which 10 common shares were consolidated into one share with an effective date of October 1, 2017. Average number of shares during the period have been calculated under the assumption that the aforementioned consolidation of shares was conducted at the beginning of the consolidated fiscal year ended March 31, 2018.

*This report is not subject to quarterly reviews by certified public accountants or auditing firms.

* Explanation of the proper use of financial results forecast and other notes.

(Note Concerning Forward-Looking Statements)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31,2018 | As of December 31,2018 |
|---------------------------------------|---------------------|------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,837 | 7,644 |
| Notes and accounts receivable - trade | 139,731 | 146,591 |
| Inventories | 36,250 | 35,665 |
| Other | 4,055 | 4,228 |
| Allowance for doubtful accounts | (1,413) | (1,099) |
| Total current assets | 185,461 | 193,029 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 34,282 | 47,042 |
| Land | 32,080 | 31,704 |
| Other, net | 34,945 | 28,888 |
| Total property, plant and equipment | 101,307 | 107,634 |
| Intangible assets | | |
| Goodwill | 3,798 | 3,706 |
| Other | 1,987 | 1,972 |
| Total intangible assets | 5,785 | 5,678 |
| Investments and other assets | | |
| Investment securities | 38,185 | 33,093 |
| Other | 9,692 | 9,782 |
| Allowance for doubtful accounts | (3,164) | (2,917) |
| Total investments and other assets | 44,714 | 39,959 |
| Total non-current assets | 151,806 | 153,270 |
| Deferred assets | 56 | 44 |
| Total assets | 337,323 | 346,344 |

(Million yen)

| | As of March 31,2018 | As of December 31,2018 |
|---|---------------------|------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 100,012 | 104,061 |
| Short-term loans payable | 43,697 | 44,444 |
| Current portion of long-term loans payable | 11,142 | 5,161 |
| Commercial papers | 22,000 | 15,000 |
| Income taxes payable | 1,514 | 1,660 |
| Provision | 1,936 | 958 |
| Other | 10,484 | 12,100 |
| Total current liabilities | 190,784 | 183,383 |
| Non-current liabilities | | |
| Bonds payable | 20,000 | 20,000 |
| Long-term loans payable | 21,341 | 36,558 |
| Provision | 848 | 944 |
| Net defined benefit liability | 4,725 | 4,778 |
| Other | 4,888 | 5,303 |
| Total non-current liabilities | 51,803 | 67,583 |
| Total liabilities | 242,587 | 250,966 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 16,649 | 16,649 |
| Capital surplus | 15,200 | 15,258 |
| Retained earnings | 48,503 | 52,324 |
| Treasury shares | (3,623) | (3,624) |
| Total shareholders' equity | 76,729 | 80,607 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,964 | 6,418 |
| Deferred gains or losses on hedges | (3) | 3 |
| Foreign currency translation adjustment | 1,195 | 611 |
| Remeasurements of defined benefit plans | (918) | (732) |
| Total accumulated other comprehensive income | 10,238 | 6,300 |
| Share acquisition rights | 217 | 217 |
| Non-controlling interests | 7,551 | 8,253 |
| Total net assets | 94,735 | 95,378 |
| Total liabilities and net assets | 337,323 | 346,344 |

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

| | For the nine months ended December 31,2017 | For the nine months ended December 31,2018 |
|---|---|---|
| Net sales | 388,216 | 405,536 |
| Cost of sales | 344,854 | 357,112 |
| Gross profit | 43,362 | 48,424 |
| Selling, general and administrative expenses | 36,302 | 39,543 |
| Operating profit | 7,059 | 8,882 |
| Non-operating income | | |
| Interest income | 49 | 46 |
| Dividend income | 607 | 559 |
| Share of profit of entities accounted for using equity method | 281 | 341 |
| Other | 382 | 694 |
| Total non-operating income | 1,319 | 1,641 |
| Non-operating expenses | | |
| Interest expenses | 1,139 | 1,391 |
| Other | 134 | 119 |
| Total non-operating expenses | 1,274 | 1,510 |
| Ordinary profit | 7,105 | 9,013 |
| Extraordinary income | | |
| Gain on bargain purchase | 492 | 651 |
| Gain on sales of investment securities | 76 | 278 |
| Gain on sales of non-current assets | 833 | 170 |
| Gain on liquidation of investment securities | - | 51 |
| Gain on donation of non-current assets | - | 38 |
| Total extraordinary income | 1,401 | 1,188 |
| Extraordinary losses | | |
| Loss on withdrawal from pension fund | - | 416 |
| Loss on valuation of investment securities | - | 241 |
| Loss on sales of investment securities | 4 | 25 |
| Loss on disposal of non-current assets | 202 | 24 |
| Loss on liquidation of subsidiaries and associates | 433 | - |
| Other | 4 | 2 |
| Total extraordinary losses | 643 | 708 |
| Profit before income taxes | 7,862 | 9,493 |
| Income taxes - current | 2,255 | 2,852 |
| Income taxes - deferred | 179 | 125 |
| Total income taxes | 2,434 | 2,977 |
| Profit | 5,428 | 6,516 |
| Profit attributable to non-controlling interests | 773 | 1,198 |
| Profit attributable to owners of parent | 4,655 | 5,318 |

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

| | For the nine months ended December 31,2017 | For the nine months ended December 31,2018 |
|--|---|---|
| Profit | 5,428 | 6,516 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,923 | (3,136) |
| Deferred gains or losses on hedges | 2 | 6 |
| Foreign currency translation adjustment | 295 | (779) |
| Remeasurements of defined benefit plans, net of tax | 93 | 186 |
| Share of other comprehensive income of entities accounted for using equity method | 589 | (442) |
| Total other comprehensive income | 4,901 | (4,165) |
| Comprehensive income | 10,329 | 2,351 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 9,640 | 1,379 |
| Comprehensive income attributable to non-controlling interests | 689 | 971 |

Information related to net sales, profit (loss) by reportable segment.

1. Nine-months period ended December 31, 2017 (consolidated)

(Million yen)

| | Reportable Segments | | | | | Total | Adjustments | To Quarterly consolidated statements of income |
|------------------------------|---------------------|-----------------------|----------------------------------|-------------------------|---------------------|---------|-------------|--|
| | Japan Wholesaling | Non-Japan Wholesaling | Paper Manufacturing & Processing | Resources & Environment | Real Estate Leasing | | | |
| Net sales | | | | | | | | |
| Sales to external customers | 220,300 | 116,820 | 17,633 | 31,345 | 2,118 | 388,216 | — | 388,216 |
| Intersegment sales/transfers | 6,710 | 200 | 18,975 | 6,208 | 86 | 32,179 | (32,179) | — |
| Total | 227,009 | 117,020 | 36,607 | 37,553 | 2,204 | 420,395 | (32,179) | 388,216 |
| Segment income (loss) | 3,949 | 883 | 2,111 | 1,780 | 463 | 9,187 | (2,082) | 7,105 |

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.

2. Nine-months period ended December 31, 2018 (consolidated)

(Million yen)

| | Reportable Segments | | | | | Total | Adjustments | To Quarterly consolidated statements of income |
|------------------------------|---------------------|-----------------------|----------------------------------|-------------------------|---------------------|---------|-------------|--|
| | Japan Wholesaling | Non-Japan Wholesaling | Paper Manufacturing & Processing | Resources & Environment | Real Estate Leasing | | | |
| Net sales | | | | | | | | |
| Sales to external customers | 219,231 | 136,725 | 18,655 | 28,419 | 2,506 | 405,536 | — | 405,536 |
| Intersegment sales/transfers | 6,298 | 175 | 19,492 | 6,093 | 94 | 32,152 | (32,152) | — |
| Total | 225,530 | 136,900 | 38,147 | 34,513 | 2,600 | 437,689 | (32,152) | 405,536 |
| Segment income (loss) | 3,696 | 2,177 | 3,314 | 1,261 | 267 | 10,715 | (1,702) | 9,013 |

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.

(Additional information)

"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018) and other standards have been adopted from the beginning of the current first quarter, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under Non-current liabilities.