Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 8, 2018

Company name: YAMAZEN CORPORATION

Stock exchange listing: Tokyo

Stock code: 8051 URL http://www.yamazen.co.jp/

Representative: President, CEO & COO Yuji NAGAO

Inquiries: Manager, IR & PR Dept. Yoshihiro OZAKI TEL 06-6534-3095

Scheduled date to file Quarterly Securities Report: February 9, 2018

Scheduled date to commence dividend payments:

Preparation of supplementary material on quarterly financial results:

No
Holding of quarterly financial results meeting:

No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	367,031	11.7	10,649	19.6	10,455	18.4	7,049	22.3
Nine months ended December 31, 2016	328,570	(2.3)	8,907	(10.2)	8,829	(12.5)	5,765	(13.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	74.44	-
Nine months ended December 31, 2016	61.47	_

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2017	240,307	84,266	34.9	887.56
As of March 31, 2017	219,598	75,712	34.4	804.25

2. Cash dividends

		Annual dividends per share						
	1st quarter-end	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total						
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2017	_	13.50	_	16.50	30.00			
Year ending March 31, 2018	_	13.00	_					
Year ending March 31, 2018 (Forecast)				17.00	30.00			

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	480,000	7.2	14,000	6.8	14,300	10.6	9,300	9.2	99.15

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2017 (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

No

No

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:
Changes in accounting policies due to other reasons:
Changes in accounting estimates:

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)

Total Hamber of Issaed Shares at the end of	the period (merdaning treat	out y situates)	
As of December 31, 2017	95,305,435 shares	As of March 31, 2017	93,840,310 shares
Number of treasury shares at the end of the	period		
As of December 31, 2017	707,545 shares	As of March 31, 2017	44,546 shares
Average number of shares during the period	d (cumulative from the beg	ginning of the fiscal year)	
Nine months ended December 31, 2017	94,703,307 shares	Nine months ended December 31, 2016	93,795,827 shares

Quarterly consolidated financial statements Consolidated balance sheets

Total assets

Assets Current assets 45,866 44,200 Notes and deposits 45,866 44,200 Notes and accounts receivable - trade 98,730 99,662 Electronically recorded monetary claims - operating 7,942 12,912 Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) 4860 Total current assets 190,386 205,046 Non-current assets 190,386 205,046 Property, plant and equipment 87 101 Buildings and structures, net 2,394 2,305 Machinery, equipment and vehicles, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 2 29 Total property, plant and equipment 11,040 10,903 Investments and other assets 14,			(Millions of yen)
Current assets 45,866 44,200 Notes and accounts receivable - trade 98,730 99,662 Electronically recorded monetary claims - operating 7,942 12,912 Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 190,386 205,046 Non-current assets 290,386 205,046 Non-current assets 2,394 2,305 Machinery, equipment and equipment 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and ot		As of March 31, 2017	As of December 31, 2017
Cash and deposits 45,866 44,200 Notes and accounts receivable - trade 98,730 99,662 Electronically recorded monetary claims - operating 7,942 12,912 Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 205,046 Non-current assets 87 101 Property, plant and equipment 87 101 Buildings and structures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in ban	Assets		
Notes and accounts receivable - trade 98,730 99,662 Electronically recorded monetary claims - operating 7,942 12,912 Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 205,046 Non-current assets 87 101 Buildings and structures, net 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 <t< td=""><td>Current assets</td><td></td><td></td></t<>	Current assets		
Electronically recorded monetary claims - operating 7,942 12,912	Cash and deposits	45,866	44,200
operating 1,942 12,912 Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 205,046 Non-current assets 87 101 Property, plant and equipment 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 105 114 Investment securities 14,143 19,298 Claims provable in bankruptcy, claims provable in bankruptcy, claims provable in bankruptcy, claims provable in the ballitation and other 37 867	Notes and accounts receivable - trade	98,730	99,662
Securities 10,550 11,554 Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 Non-current assets 87 101 Property, plant and equipment 87 101 Buildings and structures, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 2 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in hankruptcy, claims provable in hankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 <td>Electronically recorded monetary claims -</td> <td>7.042</td> <td>12.012</td>	Electronically recorded monetary claims -	7.042	12.012
Merchandise and finished goods 22,864 31,515 Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 Non-current assets 87 101 Property, plant and equipment 87 101 Buildings and structures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accou	operating	7,942	12,912
Deferred tax assets 1,151 879 Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets Property, plant and equipment 30,000 30,000 Buildings and structures, net 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in hankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts	Securities	10,550	11,554
Other 3,849 4,808 Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets Property, plant and equipment 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Investments and other assets 2,463 2,183 Investment securities 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Merchandise and finished goods	22,864	31,515
Allowance for doubtful accounts (569) (486) Total current assets 190,386 205,046 Non-current assets 205,046 Non-current assets 87 101 Property, plant and equipment 87 101 Buildings and structures, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Investments and other assets 1,83 1,929 Investment securities 14,143 19,298 Claims provable in bankruptcy, claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174 <td>Deferred tax assets</td> <td>1,151</td> <td>879</td>	Deferred tax assets	1,151	879
Total current assets 190,386 205,046 Non-current assets Property, plant and equipment 2,394 2,305 Buildings and structures, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Other	3,849	4,808
Non-current assets Property, plant and equipment 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Allowance for doubtful accounts	(569)	(486)
Property, plant and equipment Buildings and structures, net 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Total current assets	190,386	205,046
Buildings and structures, net 2,394 2,305 Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Non-current assets		
Machinery, equipment and vehicles, net 87 101 Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Property, plant and equipment		
Tools, furniture and fixtures, net 457 516 Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Buildings and structures, net	2,394	2,305
Land 3,284 3,292 Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Machinery, equipment and vehicles, net	87	101
Leased assets, net 4,813 4,657 Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Tools, furniture and fixtures, net	457	516
Other, net 2 29 Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Land	3,284	3,292
Total property, plant and equipment 11,040 10,903 Intangible assets 2,463 2,183 Investments and other assets Investment securities 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Leased assets, net	4,813	4,657
Intangible assets 2,463 2,183 Investments and other assets 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other 105 114 Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Other, net	2	29
Investments and other assets Investment securities Claims provable in bankruptcy, claims provable in rehabilitation and other Net defined benefit asset Deferred tax assets Other Allowance for doubtful accounts Total investments and other assets 14,143 19,298 105 114 105 114 175 1867 183 162 183 162 189 1929 1929 1939 1940 1970 1970 1970 1970 1970 1970	Total property, plant and equipment	11,040	10,903
Investment securities 14,143 19,298 Claims provable in bankruptcy, claims provable in rehabilitation and other Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174	Intangible assets	2,463	2,183
Claims provable in bankruptcy, claims provable in rehabilitation and other Net defined benefit asset Deferred tax assets Other Allowance for doubtful accounts Total investments and other assets 105 114 105 114 105 114 107 186 183 162 183 162 1,929 1,426 1,929 1,426 1,929 1,426 1,929 1,426 1,929 1,426 1,929 1,426 1,929	Investments and other assets		
provable in rehabilitation and other Net defined benefit asset Deferred tax assets 183 162 Other Allowance for doubtful accounts Total investments and other assets 183 (183) (197) 1,426 (188) (197) 15,708 22,174	Investment securities	14,143	19,298
Net defined benefit asset 37 867 Deferred tax assets 183 162 Other 1,426 1,929 Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174		105	114
Other1,4261,929Allowance for doubtful accounts(188)(197)Total investments and other assets15,70822,174	•	37	867
Allowance for doubtful accounts (188) (197) Total investments and other assets 15,708 22,174		183	162
Total investments and other assets 15,708 22,174	Other	1,426	1,929
Total investments and other assets 15,708 22,174	Allowance for doubtful accounts	(188)	(197)
	Total investments and other assets	15,708	
	Total non-current assets	29,212	35,261

240,307

219,598

		(Millions of yell)
	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	101,556	83,643
Electronically recorded obligations - operating	19,472	45,636
Lease obligations	263	411
Income taxes payable	2,430	1,113
Deferred tax liabilities	8	10
Provision for bonuses	2,593	1,594
Provision for voluntary recall of goods	28	23
Other	8,402	13,550
Total current liabilities	134,755	145,984
Non-current liabilities		_
Lease obligations	5,408	5,180
Deferred tax liabilities	2,420	3,608
Net defined benefit liability	349	269
Other	951	998
Total non-current liabilities	9,130	10,056
Total liabilities	143,885	156,041
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,088	7,561
Retained earnings	56,664	60,936
Treasury shares	(17)	(751)
Total shareholders' equity	70,645	75,656
Accumulated other comprehensive income		
Valuation difference on available-for-sale	5 (17	0.110
securities	5,617	8,118
Deferred gains or losses on hedges	89	25
Foreign currency translation adjustment	1,090	1,869
Remeasurements of defined benefit plans	(2,007)	(1,708)
Total accumulated other comprehensive income	4,789	8,304
Non-controlling interests	277	305
Total net assets	75,712	84,266
Total liabilities and net assets	219,598	240,307
	217,370	210,501

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

Consolidated statements of income (cumulative)

		(Millions of yen
	Nine months ended	Nine months ended
	December 31, 2016	December 31, 2017
Net sales	328,570	367,03
Cost of sales	285,909	320,143
Gross profit	42,661	46,88
Selling, general and administrative expenses	33,753	36,23
Operating profit	8,907	10,649
Non-operating income		
Interest income	1,125	1,214
Dividend income	169	18'
Other	141	8
Total non-operating income	1,435	1,483
Non-operating expenses		
Interest expenses	1,491	1,59
Other	22	80
Total non-operating expenses	1,514	1,67
Ordinary profit	8,829	10,45
Extraordinary income		·
Gain on sales of non-current assets	72	<u>, </u>
Gain on sales of investment securities	43	
Total extraordinary income	116	
Extraordinary losses		
Loss on sales of non-current assets	0	
Loss on retirement of non-current assets	7	
Impairment loss	24	
Other	3	-
Total extraordinary losses	35	
Profit before income taxes	8,910	10,45
Income taxes - current	2,410	3,09
Income taxes - deferred	714	28.
Total income taxes	3,124	3,38
Profit	5,785	7,07.
Profit attributable to non-controlling interests	20	2
Profit attributable to owners of parent	5,765	7,04

$Consolidated \ statements \ of \ comprehensive \ income \ (cumulative)$

1	,	
		(Millions of yen)
	Nine months ended	Nine months ended
	December 31, 2016	December 31, 2017
Profit	5,785	7,075
Other comprehensive income		
Valuation difference on available-for-sale securities	1,577	2,500
Deferred gains or losses on hedges	447	(64)
Foreign currency translation adjustment	59	781
Remeasurements of defined benefit plans, net of tax	236	298
Total other comprehensive income	2,320	3,517
Comprehensive income	8,106	10,592
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,076	10,564
Comprehensive income attributable to non-controlling interests	30	27