

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 11, 2015

Company name: YAMAZEN CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8051 URL <http://www.yamazen.co.jp/>
 Representative: President & CEO Meguru NAKATA
 Inquiries: Manager, IR & PR Dept. Yoshihiro OZAKI TEL 06-6534-3095
 Scheduled date of ordinary general meeting of shareholders: June 24, 2015
 Scheduled date to file Securities Report: June 25, 2015
 Scheduled date to commence dividend payments: June 8, 2015
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	435,803	10.3	13,130	37.3	13,330	35.5	5,851	6.1
Year ended March 31, 2014	395,249	6.7	9,562	(2.0)	9,838	(5.0)	5,515	(11.7)

Note: Comprehensive income Year ended March 31, 2015 ¥11,261 million [48.8 %]
 Year ended March 31, 2014 ¥7,567 million [(19.2) %]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	62.38	–	9.7	7.0	3.0
Year ended March 31, 2014	58.80	–	10.3	5.8	2.4

Reference: Share of income of investments accounted for using the equity method

Year ended March 31, 2015 ¥– million
 Year ended March 31, 2014 ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	200,301	65,148	32.4	692.59
As of March 31, 2014	179,088	55,906	31.2	594.75

Reference: Equity As of March 31, 2015 ¥64,962 million
 As of March 31, 2014 ¥55,785 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	12,575	422	(5,260)	46,799
Year ended March 31, 2014	9,677	(373)	(3,995)	37,110

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	–	7.00	–	8.00	15.00	1,406	25.5	2.6
Year ended March 31, 2015	–	8.00	–	12.00	20.00	1,875	32.1	3.1
Year ending March 31, 2016 (Forecast)	–	12.00	–	15.00	27.00		29.8	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	215,000	6.8	5,650	20.5	5,800	20.6	3,650	18.3	38.91
Full year	445,000	2.1	13,300	1.3	13,500	1.3	8,500	45.3	90.62

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

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

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	93,840,310 shares	As of March 31, 2014	93,840,310 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	44,152 shares	As of March 31, 2014	43,701 shares
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Average number of shares during the period

Year ended March 31, 2015	93,796,420 shares	Year ended March 31, 2014	93,796,701 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	30,631	37,810
Notes and accounts receivable - trade	96,949	101,998
Securities	6,500	9,000
Merchandise and finished goods	18,062	21,532
Deferred tax assets	1,106	1,033
Other	3,215	5,801
Allowance for doubtful accounts	(595)	(588)
Total current assets	155,870	176,587
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,418	9,747
Accumulated depreciation	(6,441)	(6,743)
Buildings and structures, net	3,976	3,003
Machinery, equipment and vehicles	964	936
Accumulated depreciation	(771)	(793)
Machinery, equipment and vehicles, net	192	143
Tools, furniture and fixtures	1,197	1,364
Accumulated depreciation	(887)	(1,055)
Tools, furniture and fixtures, net	309	308
Land	5,334	3,690
Other	394	323
Accumulated depreciation	(103)	(116)
Other, net	291	206
Total property, plant and equipment	10,104	7,353
Intangible assets	1,788	2,318
Investments and other assets		
Investment securities	9,488	12,387
Claims provable in bankruptcy, claims provable in rehabilitation and other	527	116
Net defined benefit asset	24	37
Deferred tax assets	252	112
Other	1,688	1,589
Allowance for doubtful accounts	(656)	(199)
Total investments and other assets	11,324	14,042
Total non-current assets	23,217	23,714
Total assets	179,088	200,301

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	105,232	113,551
Short-term loans payable	2,227	—
Income taxes payable	2,542	2,241
Deferred tax liabilities	15	51
Provision for bonuses	2,432	2,684
Provision for voluntary recall of goods	18	64
Other	6,429	11,690
Total current liabilities	118,898	130,284
Non-current liabilities		
Deferred tax liabilities	40	1,035
Net defined benefit liability	3,052	2,609
Other	1,190	1,223
Total non-current liabilities	4,283	4,869
Total liabilities	123,181	135,153
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,081	6,081
Retained earnings	40,332	44,165
Treasury shares	(16)	(16)
Total shareholders' equity	54,307	58,139
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,769	4,846
Deferred gains or losses on hedges	196	401
Foreign currency translation adjustment	543	3,090
Remeasurements of defined benefit plans	(2,031)	(1,515)
Total accumulated other comprehensive income	1,478	6,823
Minority interests	120	185
Total net assets	55,906	65,148
Total liabilities and net assets	179,088	200,301

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	395,249	435,803
Cost of sales	345,041	379,721
Gross profit	50,208	56,081
Selling, general and administrative expenses	40,645	42,951
Operating income	9,562	13,130
Non-operating income		
Interest income	1,452	1,485
Dividend income	217	166
Other	145	193
Total non-operating income	1,815	1,845
Non-operating expenses		
Interest expenses	1,483	1,532
Loss on sales of notes payable	1	1
Other	55	112
Total non-operating expenses	1,540	1,645
Ordinary income	9,838	13,330
Extraordinary income		
Gain on sales of non-current assets	4	6
Gain on sales of investment securities	9	88
Gain on sales of shares of subsidiaries and associates	16	–
Other	–	0
Total extraordinary income	30	95
Extraordinary losses		
Loss on retirement of non-current assets	10	1
Loss on sales of non-current assets	9	21
Impairment loss	652	2,582
Other	3	8
Total extraordinary losses	675	2,613
Income before income taxes and minority interests	9,192	10,812
Income taxes - current	3,925	4,648
Income taxes - deferred	(285)	271
Total income taxes	3,640	4,919
Income before minority interests	5,552	5,892
Minority interests in income	37	41
Net income	5,515	5,851

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	5,552	5,892
Other comprehensive income		
Valuation difference on available-for-sale securities	1,110	2,077
Deferred gains or losses on hedges	(104)	204
Foreign currency translation adjustment	1,009	2,569
Remeasurements of defined benefit plans, net of tax	–	516
Total other comprehensive income	2,014	5,368
Comprehensive income	7,567	11,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,521	11,196
Comprehensive income attributable to minority interests	45	64

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,909	6,081	35,952	(16)	49,927
Cumulative effects of changes in accounting policies					–
Restated balance	7,909	6,081	35,952	(16)	49,927
Changes of items during period					
Dividends of surplus			(750)		(750)
Interim dividends from surplus			(656)		(656)
Net income			5,515		5,515
Purchase of treasury shares				(0)	(0)
Change from newly consolidated subsidiary			271		271
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	4,380	(0)	4,380
Balance at end of current period	7,909	6,081	40,332	(16)	54,307

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,659	301	(494)	–	1,466	75	51,469
Cumulative effects of changes in accounting policies							–
Restated balance	1,659	301	(494)	–	1,466	75	51,469
Changes of items during period							
Dividends of surplus							(750)
Interim dividends from surplus							(656)
Net income							5,515
Purchase of treasury shares							(0)
Change from newly consolidated subsidiary							271
Net changes of items other than shareholders' equity	1,109	(104)	1,038	(2,031)	11	45	57
Total changes of items during period	1,109	(104)	1,038	(2,031)	11	45	4,437
Balance at end of current period	2,769	196	543	(2,031)	1,478	120	55,906

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,909	6,081	40,332	(16)	54,307
Cumulative effects of changes in accounting policies			(518)		(518)
Restated balance	7,909	6,081	39,814	(16)	53,789
Changes of items during period					
Dividends of surplus			(750)		(750)
Interim dividends from surplus			(750)		(750)
Net income			5,851		5,851
Purchase of treasury shares				(0)	(0)
Change from newly consolidated subsidiary					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,350	(0)	4,350
Balance at end of current period	7,909	6,081	44,165	(16)	58,139

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,769	196	543	(2,031)	1,478	120	55,906
Cumulative effects of changes in accounting policies							(518)
Restated balance	2,769	196	543	(2,031)	1,478	120	55,388
Changes of items during period							
Dividends of surplus							(750)
Interim dividends from surplus							(750)
Net income							5,851
Purchase of treasury shares							(0)
Change from newly consolidated subsidiary							-
Net changes of items other than shareholders' equity	2,077	204	2,546	516	5,344	64	5,409
Total changes of items during period	2,077	204	2,546	516	5,344	64	9,759
Balance at end of current period	4,846	401	3,090	(1,515)	6,823	185	65,148

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	9,192	10,812
Depreciation	949	1,106
Retirement benefit expenses	–	644
Impairment loss	652	2,582
Increase (decrease) in allowance for doubtful accounts	40	(422)
Increase (decrease) in other provision	(56)	264
Increase (decrease) in net defined benefit liability	111	(981)
Decrease (increase) in prepaid pension costs	319	–
Decrease (increase) in net defined benefit asset	(231)	(9)
Interest and dividend income	(1,670)	(1,651)
Interest expenses	1,483	1,532
Foreign exchange losses (gains)	24	1
Loss (gain) on sales of investment securities	(7)	(88)
Loss (gain) on sales of shares of subsidiaries and associates	(16)	–
Loss on retirement of property, plant and equipment and intangible assets	10	1
Loss (gain) on sales of property, plant and equipment and intangible assets	4	14
Decrease (increase) in notes and accounts receivable - trade	(10,491)	(3,969)
Decrease (increase) in inventories	226	(2,663)
Increase (decrease) in notes and accounts payable - trade	12,035	7,314
Other, net	631	3,250
Subtotal	13,208	17,737
Income taxes paid	(3,531)	(5,162)
Net cash provided by (used in) operating activities	9,677	12,575
Cash flows from investing activities		
Payments into time deposits	(22)	(11)
Proceeds from withdrawal of time deposits	23	21
Purchase of investment securities	(183)	(81)
Proceeds from sales of investment securities	67	233
Purchase of shares of subsidiaries and associates	(78)	(98)
Proceeds from sales of shares of subsidiaries and associates	47	–
Payments of loans receivable	(11)	(5)
Collection of loans receivable	28	23
Payments of other investments	(55)	(42)
Collection of other investments	88	36
Purchase of property, plant and equipment and intangible assets	(2,052)	(1,329)
Proceeds from sales of property, plant and equipment and intangible assets	107	25
Interest and dividend income received	1,667	1,648
Net cash provided by (used in) investing activities	(373)	422

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,090)	(2,000)
Repayments of long-term loans payable	(15)	(227)
Cash dividends paid	(1,406)	(1,500)
Interest expenses paid	(1,482)	(1,531)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(3,995)	(5,260)
Effect of exchange rate change on cash and cash equivalents	789	1,951
Net increase (decrease) in cash and cash equivalents	6,098	9,688
Cash and cash equivalents at beginning of period	30,775	37,110
Cash and cash equivalents from newly consolidated subsidiary at beginning of period	236	–
Cash and cash equivalents at end of period	37,110	46,799