

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 9, 2016

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 to file Quarterly Securities Report: August 10, 2016
 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	100,654	(9.0)	2,107	(32.5)	2,119	(34.5)	1,380	(32.0)
Three months ended June 30, 2015	110,559	16.7	3,121	99.6	3,234	94.9	2,030	92.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	14.71		–	
Three months ended June 30, 2015	21.65		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2016	199,389	64,988	32.5	690.38
As of March 31, 2016	208,404	67,518	32.3	717.25

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2016	–	12.00	–	18.00	30.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	13.50	–	16.50	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	220,000	(0.1)	5,600	(12.2)	5,800	(12.0)	3,700	(16.4)	39.45
Full year	460,000	2.7	13,300	0.3	13,600	0.7	8,700	(5.4)	92.75

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
(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
- (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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- 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)

As of June 30, 2016	93,840,310 shares	As of March 31, 2016	93,840,310 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	44,463 shares	As of March 31, 2016	44,463 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2016	93,795,847 shares	Three months ended June 30, 2015	93,796,075 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	40,833	39,488
Notes and accounts receivable - trade	101,361	93,492
Securities	12,500	12,500
Merchandise and finished goods	21,701	24,815
Deferred tax assets	1,354	1,060
Other	5,320	3,876
Allowance for doubtful accounts	(579)	(516)
Total current assets	182,490	174,717
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,739	2,480
Machinery, equipment and vehicles, net	114	102
Tools, furniture and fixtures, net	445	405
Land	3,308	3,291
Leased assets, net	5,113	5,088
Other, net	0	6
Total property, plant and equipment	11,722	11,374
Intangible assets	2,285	2,246
Investments and other assets		
Investment securities	10,293	9,532
Claims provable in bankruptcy, claims provable in rehabilitation and other	110	110
Net defined benefit asset	26	24
Deferred tax assets	131	119
Other	1,537	1,457
Allowance for doubtful accounts	(194)	(193)
Total investments and other assets	11,905	11,051
Total non-current assets	25,913	24,671
Total assets	208,404	199,389

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	115,820	111,504
Lease obligations	229	240
Income taxes payable	1,227	420
Deferred tax liabilities	20	32
Provision for bonuses	2,623	1,390
Provision for voluntary recall of goods	38	64
Other	10,274	10,434
Total current liabilities	130,234	124,088
Non-current liabilities		
Lease obligations	5,554	5,570
Deferred tax liabilities	899	867
Net defined benefit liability	3,055	2,776
Other	1,141	1,097
Total non-current liabilities	10,650	10,312
Total liabilities	140,885	134,401
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,088	6,088
Retained earnings	51,107	50,982
Treasury shares	(17)	(17)
Total shareholders' equity	65,087	64,963
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,497	3,076
Deferred gains or losses on hedges	(351)	(548)
Foreign currency translation adjustment	1,303	(552)
Remeasurements of defined benefit plans	(2,263)	(2,184)
Total accumulated other comprehensive income	2,186	(208)
Non-controlling interests	243	233
Total net assets	67,518	64,988
Total liabilities and net assets	208,404	199,389

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	110,559	100,654
Cost of sales	96,381	87,283
Gross profit	14,178	13,371
Selling, general and administrative expenses	11,057	11,263
Operating income	3,121	2,107
Non-operating income		
Interest income	384	374
Dividend income	90	69
Other	26	63
Total non-operating income	502	507
Non-operating expenses		
Interest expenses	368	489
Other	19	5
Total non-operating expenses	388	495
Ordinary income	3,234	2,119
Extraordinary income		
Gain on sales of non-current assets	1	68
Other	-	0
Total extraordinary income	1	69
Extraordinary losses		
Loss on retirement of non-current assets	0	6
Other	0	-
Total extraordinary losses	1	6
Profit before income taxes	3,234	2,182
Income taxes - current	647	279
Income taxes - deferred	537	512
Total income taxes	1,184	791
Profit	2,050	1,391
Profit attributable to non-controlling interests	19	10
Profit attributable to owners of parent	2,030	1,380

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	2,050	1,391
Other comprehensive income		
Valuation difference on available-for-sale securities	1,055	(421)
Deferred gains or losses on hedges	(133)	(196)
Foreign currency translation adjustment	231	(1,900)
Remeasurements of defined benefit plans, net of tax	80	78
Total other comprehensive income	1,233	(2,439)
Comprehensive income	3,283	(1,048)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,260	(1,037)
Comprehensive income attributable to non-controlling interests	23	(10)