

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

Company name: YAMAZEN CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8051 URL <https://www.yamazen.co.jp/>
 Representative: President, CEO Yuji NAGAO
 Inquiries: Manager, IR & PR Dept. Hayato HIRATA TEL 06-6534-3003
 Scheduled date to file Quarterly Securities Report: August 7, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	98,725	(14.6)	1,804	(19.1)	1,816	(18.0)	1,170	(17.3)
Three months ended June 30, 2019	115,576	(10.4)	2,231	(44.3)	2,216	(44.4)	1,415	(48.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	12.41		–	
Three months ended June 30, 2019	14.96		–	

(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, 2020	222,841	97,367	43.5	1,027.57
As of March 31, 2020	230,320	95,439	41.3	1,007.30

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, 2020	–	16.00	–	14.00	30.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	10.00	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2020	200,000	(17.6)	3,000	(52.3)	3,000	(51.7)	1,950	(51.7)	20.66
Full year	420,000	(11.1)	8,000	(33.8)	8,000	(32.7)	5,200	(35.7)	55.10

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(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: No
- 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, 2020	95,305,435 shares	As of March 31, 2020	95,305,435 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	937,956 shares	As of March 31, 2020	937,956 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, 2020	94,367,479 shares	Three months ended June 30, 2019	94,597,832 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	57,587	49,865
Notes and accounts receivable - trade	85,200	77,501
Electronically recorded monetary claims - operating	14,016	14,221
Securities	11,000	12,000
Merchandise and finished goods	27,099	30,596
Other	3,339	3,104
Allowance for doubtful accounts	(526)	(424)
Total current assets	197,717	186,863
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,333	2,344
Machinery, equipment and vehicles, net	90	87
Tools, furniture and fixtures, net	776	748
Land	3,580	3,677
Leased assets, net	3,690	3,629
Other, net	1,562	2,079
Total property, plant and equipment	12,034	12,566
Intangible assets	6,343	6,613
Investments and other assets		
Investment securities	11,720	14,164
Distressed receivables	85	93
Retirement benefit asset	610	690
Deferred tax assets	356	370
Other	1,620	1,654
Allowance for doubtful accounts	(167)	(175)
Total investments and other assets	14,225	16,797
Total non-current assets	32,603	35,977
Total assets	230,320	222,841

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,758	51,963
Electronically recorded obligations - operating	56,039	52,143
Short-term borrowings	174	29
Lease obligations	394	397
Income taxes payable	662	423
Provision for bonuses	2,381	1,232
Provision for voluntary recall of goods	32	32
Other	9,492	9,673
Total current liabilities	126,935	115,894
Non-current liabilities		
Long-term borrowings	–	157
Lease obligations	4,405	4,343
Deferred tax liabilities	1,652	2,755
Retirement benefit liability	328	343
Other	1,558	1,979
Total non-current liabilities	7,945	9,579
Total liabilities	134,881	125,474
Net assets		
Shareholders' equity		
Share capital	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	77,604	77,451
Treasury shares	(957)	(957)
Total shareholders' equity	92,118	91,964
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,447	6,244
Deferred gains or losses on hedges	68	52
Foreign currency translation adjustment	379	560
Remeasurements of defined benefit plans	(1,956)	(1,852)
Total accumulated other comprehensive income	2,938	5,004
Non-controlling interests	382	397
Total net assets	95,439	97,367
Total liabilities and net assets	230,320	222,841

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, 2019	Three months ended June 30, 2020
Net sales	115,576	98,725
Cost of sales	100,249	84,485
Gross profit	15,327	14,240
Selling, general and administrative expenses	13,096	12,436
Operating profit	2,231	1,804
Non-operating income		
Interest income	418	355
Dividend income	92	87
Other	65	50
Total non-operating income	577	493
Non-operating expenses		
Interest expenses	524	457
Other	67	23
Total non-operating expenses	591	481
Ordinary profit	2,216	1,816
Extraordinary losses		
Loss on sales of non-current assets	–	0
Loss on retirement of non-current assets	0	0
Loss on valuation of golf club membership	18	–
Total extraordinary losses	18	0
Profit before income taxes	2,197	1,816
Income taxes - current	248	311
Income taxes - deferred	523	315
Total income taxes	771	626
Profit	1,426	1,189
Profit attributable to non-controlling interests	10	18
Profit attributable to owners of parent	1,415	1,170

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,426	1,189
Other comprehensive income		
Valuation difference on available-for-sale securities	307	1,796
Deferred gains or losses on hedges	(33)	(16)
Foreign currency translation adjustment	(507)	226
Remeasurements of defined benefit plans, net of tax	101	103
Total other comprehensive income	(131)	2,110
Comprehensive income	1,294	3,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,293	3,285
Comprehensive income attributable to non-controlling interests	0	15