

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2020  
(Based on Japanese GAAP)**

November 12, 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: November 13, 2020  
 Scheduled date to commence dividend payments: December 11, 2020  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	204,366	(15.9)	4,389	(30.2)	4,375	(29.5)	2,877	(28.7)
Six months ended September 30, 2019	242,862	(7.4)	6,290	(26.3)	6,209	(27.4)	4,036	(29.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	30.49	–
Six months ended September 30, 2019	42.69	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	224,372	99,761	44.3	1,052.80
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	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	16.00	–	14.00	30.00
Year ending March 31, 2021	–	10.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	10.00	20.00

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
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 six months ended September 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 September 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 September 30, 2020	937,985 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)

Six months ended September 30, 2020	94,367,467 shares	Six months ended September 30, 2019	94,558,075 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	57,587	54,538
Notes and accounts receivable - trade	85,200	75,027
Electronically recorded monetary claims - operating	14,016	13,515
Securities	11,000	12,000
Merchandise and finished goods	27,099	28,126
Other	3,339	3,082
Allowance for doubtful accounts	(526)	(420)
Total current assets	197,717	185,870
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,333	4,219
Machinery, equipment and vehicles, net	90	111
Tools, furniture and fixtures, net	776	903
Land	3,580	3,697
Leased assets, net	3,690	3,560
Other, net	1,562	783
Total property, plant and equipment	12,034	13,275
Intangible assets	6,343	7,122
Investments and other assets		
Investment securities	11,720	15,452
Distressed receivables	85	90
Retirement benefit asset	610	777
Deferred tax assets	356	331
Other	1,620	1,624
Allowance for doubtful accounts	(167)	(172)
Total investments and other assets	14,225	18,104
Total non-current assets	32,603	38,502
Total assets	230,320	224,372

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	57,758	53,359
Electronically recorded obligations - operating	56,039	48,409
Short-term borrowings	174	29
Lease obligations	394	404
Income taxes payable	662	1,463
Provision for bonuses	2,381	2,376
Provision for voluntary recall of goods	32	32
Other	9,492	9,349
Total current liabilities	126,935	115,424
Non-current liabilities		
Long-term borrowings	–	150
Lease obligations	4,405	4,271
Deferred tax liabilities	1,652	2,838
Retirement benefit liability	328	337
Other	1,558	1,588
Total non-current liabilities	7,945	9,186
Total liabilities	134,881	124,611
Net assets		
Shareholders' equity		
Share capital	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	77,604	79,137
Treasury shares	(957)	(957)
Total shareholders' equity	92,118	93,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,447	7,144
Deferred gains or losses on hedges	68	2
Foreign currency translation adjustment	379	298
Remeasurements of defined benefit plans	(1,956)	(1,745)
Total accumulated other comprehensive income	2,938	5,699
Non-controlling interests	382	411
Total net assets	95,439	99,761
Total liabilities and net assets	230,320	224,372

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

**Consolidated statements of income (cumulative)**

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	242,862	204,366
Cost of sales	210,416	174,892
Gross profit	32,445	29,473
Selling, general and administrative expenses	26,154	25,084
Operating profit	6,290	4,389
Non-operating income		
Interest income	824	684
Dividend income	140	123
Other	101	159
Total non-operating income	1,066	967
Non-operating expenses		
Interest expenses	1,047	898
Other	100	82
Total non-operating expenses	1,148	981
Ordinary profit	6,209	4,375
Extraordinary income		
Gain on sales of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	0	0
Loss on valuation of golf club membership	18	-
Impairment loss	113	-
Loss on liquidation of subsidiaries	-	25
Total extraordinary losses	132	26
Profit before income taxes	6,077	4,349
Income taxes - current	1,997	1,460
Income taxes - deferred	22	(28)
Total income taxes	2,020	1,431
Profit	4,057	2,917
Profit attributable to non-controlling interests	20	39
Profit attributable to owners of parent	4,036	2,877

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	4,057	2,917
Other comprehensive income		
Valuation difference on available-for-sale securities	251	2,696
Deferred gains or losses on hedges	20	(65)
Foreign currency translation adjustment	(666)	(42)
Remeasurements of defined benefit plans, net of tax	203	210
Total other comprehensive income	(191)	2,798
Comprehensive income	3,866	5,715
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,855	5,687
Comprehensive income attributable to non-controlling interests	10	28

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	6,077	4,349
Depreciation	1,114	993
Retirement benefit expenses	300	310
Impairment loss	113	–
Increase (decrease) in allowance for doubtful accounts	0	(101)
Increase (decrease) in other provisions	(288)	(40)
Increase (decrease) in retirement benefit liability	(159)	(169)
Interest and dividend income	(965)	(807)
Interest expenses	1,047	898
Foreign exchange losses (gains)	10	31
Loss on retirement of property, plant and equipment and intangible assets	0	0
Loss (gain) on sales of property, plant and equipment and intangible assets	(0)	0
Decrease (increase) in trade receivables	2,351	10,867
Decrease (increase) in inventories	1,438	(808)
Increase (decrease) in trade payables	(5,534)	(12,690)
Other, net	(161)	(276)
Subtotal	5,347	2,556
Income taxes paid	(3,080)	(656)
Net cash provided by (used in) operating activities	2,267	1,900
Cash flows from investing activities		
Payments into time deposits	(24)	(32)
Proceeds from withdrawal of time deposits	54	171
Purchase of securities	–	(1,000)
Proceeds from redemption of securities	500	–
Purchase of investment securities	(962)	(22)
Proceeds from sales and redemption of investment securities	25	–
Loan advances	(1)	(2)
Collection of loans receivable	11	10
Payments of other investments	(80)	(25)
Collection of other investments	13	31
Purchase of property, plant and equipment and intangible assets	(2,096)	(2,700)
Proceeds from sales of property, plant and equipment and intangible assets	0	0
Interest and dividends received	964	805
Net cash provided by (used in) investing activities	(1,595)	(2,764)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(173)
Repayments of lease obligations	(245)	(207)
Repayments of long-term borrowings	–	(14)
Dividends paid	(1,986)	(1,323)
Interest paid	(1,047)	(897)
Purchase of treasury shares	(166)	(0)
Other, net	(292)	(187)
Net cash provided by (used in) financing activities	(3,738)	(2,804)
Effect of exchange rate change on cash and cash equivalents	(414)	(3)
Net increase (decrease) in cash and cash equivalents	(3,482)	(3,671)
Cash and cash equivalents at beginning of period	63,789	68,385
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	573
Cash and cash equivalents at end of period	60,307	65,287