

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 9, 2017

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: August 10, 2017
 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, 2017 (from April 1, 2017 to June 30, 2017)

(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, 2017	113,097	12.4	2,707	28.5	2,690	27.0	1,746	26.5
Three months ended June 30, 2016	100,654	(9.0)	2,107	(32.5)	2,119	(34.5)	1,380	(32.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	18.42		–	
Three months ended June 30, 2016	14.71		–	

(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, 2017	217,699	77,593	35.5	814.61
As of March 31, 2017	219,598	75,712	34.4	804.25

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, 2017	–	13.50	–	16.50	30.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	13.00	–	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 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, 2017	230,000	10.4	6,200	20.8	6,300	23.4	4,200	24.3	44.78
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 three months ended June 30, 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
- (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, 2017	95,305,435 shares	As of March 31, 2017	93,840,310 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	403,546 shares	As of March 31, 2017	44,546 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, 2017	94,787,083 shares	Three months ended June 30, 2016	93,795,847 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	45,866	43,150
Notes and accounts receivable - trade	98,730	91,577
Electronically recorded monetary claims - operating	7,942	9,877
Securities	10,550	10,554
Merchandise and finished goods	22,864	26,615
Deferred tax assets	1,151	823
Other	3,849	4,021
Allowance for doubtful accounts	(569)	(464)
Total current assets	190,386	186,155
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,394	2,356
Machinery, equipment and vehicles, net	87	87
Tools, furniture and fixtures, net	457	461
Land	3,284	3,286
Leased assets, net	4,813	4,864
Other, net	2	1
Total property, plant and equipment	11,040	11,057
Intangible assets	2,463	2,342
Investments and other assets		
Investment securities	14,143	16,297
Claims provable in bankruptcy, claims provable in rehabilitation and other	105	115
Net defined benefit asset	37	286
Deferred tax assets	183	190
Other	1,426	1,451
Allowance for doubtful accounts	(188)	(198)
Total investments and other assets	15,708	18,144
Total non-current assets	29,212	31,543
Total assets	219,598	217,699

(Millions of yen)

As of March 31, 2017 As of June 30, 2017

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	101,556	77,924
Electronically recorded obligations - operating	19,472	39,709
Lease obligations	263	338
Income taxes payable	2,430	712
Deferred tax liabilities	8	9
Provision for bonuses	2,593	1,489
Provision for voluntary recall of goods	28	27
Other	8,402	10,498
Total current liabilities	134,755	130,708
Non-current liabilities		
Lease obligations	5,408	5,441
Deferred tax liabilities	2,420	2,686
Net defined benefit liability	349	298
Other	951	971
Total non-current liabilities	9,130	9,396
Total liabilities	143,885	140,105
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,088	7,561
Retained earnings	56,664	56,863
Treasury shares	(17)	(413)
Total shareholders' equity	70,645	71,920
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,617	6,030
Deferred gains or losses on hedges	89	36
Foreign currency translation adjustment	1,090	1,227
Remeasurements of defined benefit plans	(2,007)	(1,907)
Total accumulated other comprehensive income	4,789	5,387
Non-controlling interests	277	285
Total net assets	75,712	77,593
Total liabilities and net assets	219,598	217,699

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, 2016	Three months ended June 30, 2017
Net sales	100,654	113,097
Cost of sales	87,283	98,767
Gross profit	13,371	14,329
Selling, general and administrative expenses	11,263	11,621
Operating profit	2,107	2,707
Non-operating income		
Interest income	374	403
Dividend income	69	74
Other	63	36
Total non-operating income	507	513
Non-operating expenses		
Interest expenses	489	514
Other	5	15
Total non-operating expenses	495	530
Ordinary profit	2,119	2,690
Extraordinary income		
Gain on sales of non-current assets	68	2
Other	0	-
Total extraordinary income	69	2
Extraordinary losses		
Loss on retirement of non-current assets	6	0
Total extraordinary losses	6	0
Profit before income taxes	2,182	2,693
Income taxes - current	279	552
Income taxes - deferred	512	385
Total income taxes	791	938
Profit	1,391	1,755
Profit attributable to non-controlling interests	10	8
Profit attributable to owners of parent	1,380	1,746

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	1,391	1,755
Other comprehensive income		
Valuation difference on available-for-sale securities	(421)	413
Deferred gains or losses on hedges	(196)	(52)
Foreign currency translation adjustment	(1,900)	137
Remeasurements of defined benefit plans, net of tax	78	99
Total other comprehensive income	(2,439)	597
Comprehensive income	(1,048)	2,352
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,037)	2,344
Comprehensive income attributable to non-controlling interests	(10)	8