

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 8, 2018

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: February 9, 2018
 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 nine months ended December 31, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	367,031	11.7	10,649	19.6	10,455	18.4	7,049	22.3
Nine months ended December 31, 2016	328,570	(2.3)	8,907	(10.2)	8,829	(12.5)	5,765	(13.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	74.44		–	
Nine months ended December 31, 2016	61.47		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2017	240,307	84,266	34.9	887.56
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	–	13.00	–		
Year ending March 31, 2018 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2017	707,545 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)

Nine months ended December 31, 2017	94,703,307 shares	Nine months ended December 31, 2016	93,795,827 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	45,866	44,200
Notes and accounts receivable - trade	98,730	99,662
Electronically recorded monetary claims - operating	7,942	12,912
Securities	10,550	11,554
Merchandise and finished goods	22,864	31,515
Deferred tax assets	1,151	879
Other	3,849	4,808
Allowance for doubtful accounts	(569)	(486)
Total current assets	190,386	205,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,394	2,305
Machinery, equipment and vehicles, net	87	101
Tools, furniture and fixtures, net	457	516
Land	3,284	3,292
Leased assets, net	4,813	4,657
Other, net	2	29
Total property, plant and equipment	11,040	10,903
Intangible assets	2,463	2,183
Investments and other assets		
Investment securities	14,143	19,298
Claims provable in bankruptcy, claims provable in rehabilitation and other	105	114
Net defined benefit asset	37	867
Deferred tax assets	183	162
Other	1,426	1,929
Allowance for doubtful accounts	(188)	(197)
Total investments and other assets	15,708	22,174
Total non-current assets	29,212	35,261
Total assets	219,598	240,307

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	101,556	83,643
Electronically recorded obligations - operating	19,472	45,636
Lease obligations	263	411
Income taxes payable	2,430	1,113
Deferred tax liabilities	8	10
Provision for bonuses	2,593	1,594
Provision for voluntary recall of goods	28	23
Other	8,402	13,550
Total current liabilities	134,755	145,984
Non-current liabilities		
Lease obligations	5,408	5,180
Deferred tax liabilities	2,420	3,608
Net defined benefit liability	349	269
Other	951	998
Total non-current liabilities	9,130	10,056
Total liabilities	143,885	156,041
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,088	7,561
Retained earnings	56,664	60,936
Treasury shares	(17)	(751)
Total shareholders' equity	70,645	75,656
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,617	8,118
Deferred gains or losses on hedges	89	25
Foreign currency translation adjustment	1,090	1,869
Remeasurements of defined benefit plans	(2,007)	(1,708)
Total accumulated other comprehensive income	4,789	8,304
Non-controlling interests	277	305
Total net assets	75,712	84,266
Total liabilities and net assets	219,598	240,307

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	328,570	367,031
Cost of sales	285,909	320,143
Gross profit	42,661	46,887
Selling, general and administrative expenses	33,753	36,238
Operating profit	8,907	10,649
Non-operating income		
Interest income	1,125	1,214
Dividend income	169	187
Other	141	81
Total non-operating income	1,435	1,483
Non-operating expenses		
Interest expenses	1,491	1,597
Other	22	80
Total non-operating expenses	1,514	1,677
Ordinary profit	8,829	10,455
Extraordinary income		
Gain on sales of non-current assets	72	2
Gain on sales of investment securities	43	2
Total extraordinary income	116	5
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	7	1
Impairment loss	24	-
Other	3	-
Total extraordinary losses	35	1
Profit before income taxes	8,910	10,458
Income taxes - current	2,410	3,098
Income taxes - deferred	714	285
Total income taxes	3,124	3,383
Profit	5,785	7,075
Profit attributable to non-controlling interests	20	25
Profit attributable to owners of parent	5,765	7,049

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	5,785	7,075
Other comprehensive income		
Valuation difference on available-for-sale securities	1,577	2,500
Deferred gains or losses on hedges	447	(64)
Foreign currency translation adjustment	59	781
Remeasurements of defined benefit plans, net of tax	236	298
Total other comprehensive income	2,320	3,517
Comprehensive income	8,106	10,592
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,076	10,564
Comprehensive income attributable to non-controlling interests	30	27