

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 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: August 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	129,022	14.1	4,003	47.9	3,985	48.1	2,741	57.0
Three months ended June 30, 2017	113,097	12.4	2,707	28.5	2,690	27.0	1,746	26.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	28.99		–	
Three months ended June 30, 2017	18.42		–	

(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, 2018	238,185	85,571	35.8	901.30
As of March 31, 2018	245,795	84,665	34.3	891.87

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, 2018	–	13.00	–	19.50	32.50
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	15.00	–	17.50	32.50

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	253,000	5.8	6,700	0.8	6,700	2.2	4,600	3.3	48.63
Full year	515,000	3.4	15,500	0.8	15,500	2.3	10,500	2.9	111.00

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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, 2018	95,305,435 shares	As of March 31, 2018	95,305,435 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	707,545 shares	As of March 31, 2018	707,545 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, 2018	94,597,890 shares	Three months ended June 30, 2017	94,787,083 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	49,682	45,695
Notes and accounts receivable - trade	104,176	99,892
Electronically recorded monetary claims - operating	10,806	14,246
Securities	11,554	11,554
Merchandise and finished goods	32,386	33,237
Other	6,052	3,564
Allowance for doubtful accounts	(555)	(506)
Total current assets	214,104	207,683
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,269	2,534
Machinery, equipment and vehicles, net	99	111
Tools, furniture and fixtures, net	476	470
Land	3,283	3,425
Leased assets, net	4,557	4,458
Other, net	43	12
Total property, plant and equipment	10,729	11,013
Intangible assets	2,071	2,256
Investments and other assets		
Investment securities	15,621	13,734
Claims provable in bankruptcy, claims provable in rehabilitation and other	94	94
Net defined benefit asset	1,039	1,197
Deferred tax assets	385	339
Other	1,926	2,041
Allowance for doubtful accounts	(177)	(177)
Total investments and other assets	18,889	17,231
Total non-current assets	31,691	30,501
Total assets	245,795	238,185

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	88,554	80,114
Electronically recorded obligations - operating	43,702	46,206
Lease obligations	442	445
Income taxes payable	3,168	977
Provision for bonuses	2,913	1,523
Provision for voluntary recall of goods	33	32
Other	13,550	14,242
<b>Total current liabilities</b>	<b>152,364</b>	<b>143,542</b>
<b>Non-current liabilities</b>		
Lease obligations	5,079	4,985
Deferred tax liabilities	2,448	2,788
Net defined benefit liability	248	293
Other	989	1,003
<b>Total non-current liabilities</b>	<b>8,765</b>	<b>9,071</b>
<b>Total liabilities</b>	<b>161,130</b>	<b>152,613</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	64,092	64,993
Treasury shares	(751)	(751)
<b>Total shareholders' equity</b>	<b>78,812</b>	<b>79,712</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,217	5,995
Deferred gains or losses on hedges	(86)	14
Foreign currency translation adjustment	1,130	1,176
Remeasurements of defined benefit plans	(1,705)	(1,637)
<b>Total accumulated other comprehensive income</b>	<b>5,556</b>	<b>5,548</b>
<b>Non-controlling interests</b>	<b>296</b>	<b>310</b>
<b>Total net assets</b>	<b>84,665</b>	<b>85,571</b>
<b>Total liabilities and net assets</b>	<b>245,795</b>	<b>238,185</b>

**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, 2017	Three months ended June 30, 2018
Net sales	113,097	129,022
Cost of sales	98,767	112,522
Gross profit	14,329	16,500
Selling, general and administrative expenses	11,621	12,496
Operating profit	2,707	4,003
Non-operating income		
Interest income	403	428
Dividend income	74	86
Other	36	21
Total non-operating income	513	536
Non-operating expenses		
Interest expenses	514	527
Other	15	27
Total non-operating expenses	530	555
Ordinary profit	2,690	3,985
Extraordinary income		
Gain on sales of non-current assets	2	4
Total extraordinary income	2	4
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,693	3,989
Income taxes - current	552	835
Income taxes - deferred	385	410
Total income taxes	938	1,246
Profit	1,755	2,743
Profit attributable to non-controlling interests	8	1
Profit attributable to owners of parent	1,746	2,741

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

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	1,755	2,743
Other comprehensive income		
Valuation difference on available-for-sale securities	413	(218)
Deferred gains or losses on hedges	(52)	100
Foreign currency translation adjustment	137	48
Remeasurements of defined benefit plans, net of tax	99	67
Total other comprehensive income	597	(1)
Comprehensive income	2,352	2,741
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,344	2,728
Comprehensive income attributable to non-controlling interests	8	13