

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

Company name: YAMAZEN CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8051 URL: <https://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 12, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	401,547	9.4	13,741	29.0	13,580	29.9	9,217	30.7
Nine months ended December 31, 2017	367,031	11.7	10,649	19.6	10,455	18.4	7,049	22.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	97.44		–	
Nine months ended December 31, 2017	74.44		–	

(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, 2018	252,034	89,462	35.4	942.12
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	–	15.00	–		
Year ending March 31, 2019 (Forecast)				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
Full year	520,000	4.4	17,000	10.5	17,000	12.2	11,000	7.8	116.28

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2018	707,603 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)

Nine months ended December 31, 2018	94,597,873 shares	Nine months ended December 31, 2017	94,703,307 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	49,682	48,992
Notes and accounts receivable - trade	104,176	108,412
Electronically recorded monetary claims - operating	10,806	15,892
Securities	11,554	11,554
Merchandise and finished goods	32,386	33,680
Other	6,052	4,238
Allowance for doubtful accounts	(555)	(558)
Total current assets	214,104	222,211
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,269	2,501
Machinery, equipment and vehicles, net	99	108
Tools, furniture and fixtures, net	476	648
Land	3,283	3,426
Leased assets, net	4,557	4,238
Other, net	43	31
Total property, plant and equipment	10,729	10,955
Intangible assets	2,071	3,121
Investments and other assets		
Investment securities	15,621	12,061
Claims provable in bankruptcy, claims provable in rehabilitation and other	94	96
Net defined benefit asset	1,039	1,380
Deferred tax assets	385	343
Other	1,926	2,043
Allowance for doubtful accounts	(177)	(178)
Total investments and other assets	18,889	15,746
Total non-current assets	31,691	29,823
Total assets	245,795	252,034

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	88,554	79,973
Electronically recorded obligations - operating	43,702	59,241
Lease obligations	442	447
Income taxes payable	3,168	1,327
Provision for bonuses	2,913	1,726
Provision for voluntary recall of goods	33	32
Other	13,550	11,584
Total current liabilities	152,364	154,333
Non-current liabilities		
Lease obligations	5,079	4,776
Deferred tax liabilities	2,448	2,117
Net defined benefit liability	248	268
Other	989	1,075
Total non-current liabilities	8,765	8,238
Total liabilities	161,130	162,571
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	64,092	70,049
Treasury shares	(751)	(751)
Total shareholders' equity	78,812	84,769
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,217	4,831
Deferred gains or losses on hedges	(86)	(52)
Foreign currency translation adjustment	1,130	1,075
Remeasurements of defined benefit plans	(1,705)	(1,501)
Total accumulated other comprehensive income	5,556	4,353
Non-controlling interests	296	339
Total net assets	84,665	89,462
Total liabilities and net assets	245,795	252,034

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, 2017	Nine months ended December 31, 2018
Net sales	367,031	401,547
Cost of sales	320,143	348,872
Gross profit	46,887	52,675
Selling, general and administrative expenses	36,238	38,933
Operating profit	10,649	13,741
Non-operating income		
Interest income	1,214	1,257
Dividend income	187	203
Other	81	163
Total non-operating income	1,483	1,624
Non-operating expenses		
Interest expenses	1,597	1,619
Other	80	166
Total non-operating expenses	1,677	1,785
Ordinary profit	10,455	13,580
Extraordinary income		
Gain on sales of non-current assets	2	5
Gain on sales of investment securities	2	–
Total extraordinary income	5	5
Extraordinary losses		
Loss on sales of non-current assets	0	–
Loss on retirement of non-current assets	1	2
Loss on valuation of golf club membership	–	5
Impairment loss	–	3
Total extraordinary losses	1	11
Profit before income taxes	10,458	13,574
Income taxes - current	3,098	4,111
Income taxes - deferred	285	215
Total income taxes	3,383	4,327
Profit	7,075	9,247
Profit attributable to non-controlling interests	25	30
Profit attributable to owners of parent	7,049	9,217

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	7,075	9,247
Other comprehensive income		
Valuation difference on available-for-sale securities	2,500	(1,382)
Deferred gains or losses on hedges	(64)	33
Foreign currency translation adjustment	781	(50)
Remeasurements of defined benefit plans, net of tax	298	203
Total other comprehensive income	3,517	(1,195)
Comprehensive income	10,592	8,051
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,564	8,008
Comprehensive income attributable to non-controlling interests	27	43