

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 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. Hayato HIRATA TEL 06-6534-3095
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	115,576	(10.4)	2,231	(44.3)	2,216	(44.4)	1,415	(48.4)
Three months ended June 30, 2018	129,022	14.1	4,003	47.9	3,985	48.1	2,741	57.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	14.96		–	
Three months ended June 30, 2018	28.99		–	

(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, 2019	237,768	92,421	38.7	973.36
As of March 31, 2019	245,595	93,113	37.8	980.69

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, 2019	–	15.00	–	21.00	36.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		16.00	–	17.50	33.50

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	253,000	(3.5)	6,800	(20.3)	6,800	(20.5)	4,700	(17.6)	49.68
Full year	530,000	0.7	16,000	(11.1)	16,000	(10.4)	11,000	(9.7)	116.28

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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: Yes
- 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, 2019	95,305,435 shares	As of March 31, 2019	95,305,435 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	707,603 shares	As of March 31, 2019	707,603 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, 2019	94,597,832 shares	Three months ended June 30, 2018	94,597,890 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	52,984	41,420
Notes and accounts receivable - trade	99,633	93,972
Electronically recorded monetary claims - operating	14,889	15,591
Securities	12,401	11,901
Merchandise and finished goods	31,197	35,813
Other	4,671	3,896
Allowance for doubtful accounts	(635)	(667)
Total current assets	215,144	201,927
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,453	2,404
Machinery, equipment and vehicles, net	106	102
Tools, furniture and fixtures, net	734	690
Land	3,594	3,584
Leased assets, net	4,125	4,021
Other, net	45	3,987
Total property, plant and equipment	11,059	14,791
Intangible assets	3,695	4,447
Investments and other assets		
Investment securities	12,131	13,061
Claims provable in bankruptcy, claims provable in rehabilitation and other	102	102
Retirement benefit asset	1,121	1,210
Deferred tax assets	414	323
Other	2,111	2,088
Allowance for doubtful accounts	(185)	(184)
Total investments and other assets	15,695	16,601
Total non-current assets	30,451	35,841
Total assets	245,595	237,768

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,384	67,353
Electronically recorded obligations - operating	55,364	53,583
Lease obligations	448	440
Income taxes payable	3,032	389
Provision for bonuses	3,117	1,450
Provision for voluntary recall of goods	32	32
Other	9,081	10,134
Total current liabilities	144,462	133,383
Non-current liabilities		
Lease obligations	4,670	4,579
Deferred tax liabilities	2,002	2,605
Retirement benefit liability	284	316
Other	1,062	4,461
Total non-current liabilities	8,019	11,963
Total liabilities	152,482	145,347
Net assets		
Shareholders' equity		
Share capital	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	73,016	72,445
Treasury shares	(751)	(751)
Total shareholders' equity	87,735	87,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,481	5,789
Deferred gains or losses on hedges	(35)	(68)
Foreign currency translation adjustment	1,295	798
Remeasurements of defined benefit plans	(1,707)	(1,605)
Total accumulated other comprehensive income	5,034	4,913
Non-controlling interests	342	343
Total net assets	93,113	92,421
Total liabilities and net assets	245,595	237,768

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, 2018	Three months ended June 30, 2019
Net sales	129,022	115,576
Cost of sales	112,522	100,249
Gross profit	16,500	15,327
Selling, general and administrative expenses	12,496	13,096
Operating profit	4,003	2,231
Non-operating income		
Interest income	428	418
Dividend income	86	92
Other	21	65
Total non-operating income	536	577
Non-operating expenses		
Interest expenses	527	524
Other	27	67
Total non-operating expenses	555	591
Ordinary profit	3,985	2,216
Extraordinary income		
Gain on sales of non-current assets	4	–
Total extraordinary income	4	–
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of golf club membership	–	18
Total extraordinary losses	0	18
Profit before income taxes	3,989	2,197
Income taxes - current	835	248
Income taxes - deferred	410	523
Total income taxes	1,246	771
Profit	2,743	1,426
Profit attributable to non-controlling interests	1	10
Profit attributable to owners of parent	2,741	1,415

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,743	1,426
Other comprehensive income		
Valuation difference on available-for-sale securities	(218)	307
Deferred gains or losses on hedges	100	(33)
Foreign currency translation adjustment	48	(507)
Remeasurements of defined benefit plans, net of tax	67	101
Total other comprehensive income	(1)	(131)
Comprehensive income	2,741	1,294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,728	1,293
Comprehensive income attributable to non-controlling interests	13	0