

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2019
(Based on Japanese GAAP)**

February 13, 2020

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 06-6534-3003
 Scheduled date to file Quarterly Securities Report: February 14, 2020
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	363,751	(9.4)	9,277	(32.5)	9,146	(32.7)	5,974	(35.2)
Nine months ended December 31, 2018	401,547	9.4	13,741	29.0	13,580	29.9	9,217	30.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	63.21		–	
Nine months ended December 31, 2018	97.44		–	

(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, 2019	247,375	96,719	38.9	1,020.38
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	–	16.00	–		
Year ending March 31, 2020 (Forecast)				14.00	30.00

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
Full year	480,000	(8.8)	12,000	(33.3)	12,000	(32.8)	8,000	(34.3)	84.64

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2019	887,609 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)

Nine months ended December 31, 2019	94,516,001 shares	Nine months ended December 31, 2018	94,597,873 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	52,984	54,509
Notes and accounts receivable - trade	99,633	91,975
Electronically recorded monetary claims - operating	14,889	17,152
Securities	12,401	11,873
Merchandise and finished goods	31,197	31,288
Other	4,671	2,748
Allowance for doubtful accounts	(635)	(613)
Total current assets	215,144	208,934
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,453	2,380
Machinery, equipment and vehicles, net	106	94
Tools, furniture and fixtures, net	734	726
Land	3,594	3,590
Leased assets, net	4,125	3,801
Other, net	45	3,871
Total property, plant and equipment	11,059	14,463
Intangible assets	3,695	6,028
Investments and other assets		
Investment securities	12,131	14,657
Claims provable in bankruptcy, claims provable in rehabilitation and other	102	101
Retirement benefit asset	1,121	1,402
Deferred tax assets	414	306
Other	2,111	1,663
Allowance for doubtful accounts	(185)	(183)
Total investments and other assets	15,695	17,948
Total non-current assets	30,451	38,440
Total assets	245,595	247,375

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	73,384	65,515
Electronically recorded obligations - operating	55,364	60,533
Lease obligations	448	430
Income taxes payable	3,032	107
Provision for bonuses	3,117	1,541
Provision for voluntary recall of goods	32	32
Other	9,081	10,408
Total current liabilities	144,462	138,570
Non-current liabilities		
Lease obligations	4,670	4,501
Deferred tax liabilities	2,002	2,984
Retirement benefit liability	284	307
Other	1,062	4,292
Total non-current liabilities	8,019	12,085
Total liabilities	152,482	150,656
Net assets		
Shareholders' equity		
Share capital	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	73,016	75,491
Treasury shares	(751)	(917)
Total shareholders' equity	87,735	90,044
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,481	6,508
Deferred gains or losses on hedges	(35)	44
Foreign currency translation adjustment	1,295	1,146
Remeasurements of defined benefit plans	(1,707)	(1,401)
Total accumulated other comprehensive income	5,034	6,298
Non-controlling interests	342	376
Total net assets	93,113	96,719
Total liabilities and net assets	245,595	247,375

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, 2018	Nine months ended December 31, 2019
Net sales	401,547	363,751
Cost of sales	348,872	315,225
Gross profit	52,675	48,526
Selling, general and administrative expenses	38,933	39,249
Operating profit	13,741	9,277
Non-operating income		
Interest income	1,257	1,201
Dividend income	203	223
Other	163	119
Total non-operating income	1,624	1,544
Non-operating expenses		
Interest expenses	1,619	1,576
Other	166	99
Total non-operating expenses	1,785	1,675
Ordinary profit	13,580	9,146
Extraordinary income		
Gain on sales of non-current assets	5	0
Total extraordinary income	5	0
Extraordinary losses		
Loss on retirement of non-current assets	2	9
Loss on sales of investment securities	-	0
Loss on valuation of golf club membership	5	18
Impairment loss	3	113
Total extraordinary losses	11	141
Profit before income taxes	13,574	9,005
Income taxes - current	4,111	2,525
Income taxes - deferred	215	466
Total income taxes	4,327	2,992
Profit	9,247	6,013
Profit attributable to non-controlling interests	30	38
Profit attributable to owners of parent	9,217	5,974

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	9,247	6,013
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,382)	1,026
Deferred gains or losses on hedges	33	79
Foreign currency translation adjustment	(50)	(152)
Remeasurements of defined benefit plans, net of tax	203	305
Total other comprehensive income	(1,195)	1,259
Comprehensive income	8,051	7,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,008	7,237
Comprehensive income attributable to non-controlling interests	43	34