

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2015
(Based on Japanese GAAP)**

November 10, 2015

Company name: YAMAZEN CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8051 URL: <http://www.yamazen.co.jp/>
 Representative: President & CEO Meguru NAKATA
 Inquiries: Manager, IR & PR Dept. Yoshihiro OZAKI TEL 06-6534-3095
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 Scheduled date to commence dividend payments: December 7, 2015
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	220,243	9.4	6,378	36.0	6,593	37.1	4,428	43.5
Six months ended September 30, 2014	201,265	7.5	4,689	16.9	4,809	13.5	3,086	16.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	47.21		-	
Six months ended September 30, 2014	32.90		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	194,670	66,218	33.9	703.52
As of March 31, 2015	200,301	65,148	32.4	692.59

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, 2015	-	8.00	-	12.00	20.00
Year ending March 31, 2016	-	12.00			
Year ending March 31, 2016 (Forecast)			-	15.00	27.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	445,000	2.1	13,300	1.3	13,500	1.3	8,500	45.3	90.62

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015
(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 September 30, 2015	93,840,310 shares	As of March 31, 2015	93,840,310 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	44,341 shares	As of March 31, 2015	44,152 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	93,796,030 shares	Six months ended September 30, 2014	93,796,541 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	37,810	35,731
Notes and accounts receivable - trade	101,998	96,429
Securities	9,000	12,500
Merchandise and finished goods	21,532	23,514
Deferred tax assets	1,033	1,123
Other	5,801	4,696
Allowance for doubtful accounts	(588)	(572)
Total current assets	176,587	173,423
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,003	2,907
Machinery, equipment and vehicles, net	143	126
Tools, furniture and fixtures, net	308	286
Land	3,690	3,381
Other, net	206	255
Total property, plant and equipment	7,353	6,958
Intangible assets	2,318	2,236
Investments and other assets		
Investment securities	12,387	10,586
Claims provable in bankruptcy, claims provable in rehabilitation and other	116	111
Net defined benefit asset	37	35
Deferred tax assets	112	93
Other	1,589	1,420
Allowance for doubtful accounts	(199)	(194)
Total investments and other assets	14,042	12,052
Total non-current assets	23,714	21,247
Total assets	200,301	194,670

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	113,551	108,698
Income taxes payable	2,241	1,740
Deferred tax liabilities	51	49
Provision for bonuses	2,684	2,687
Provision for voluntary recall of goods	64	35
Other	11,690	11,040
Total current liabilities	130,284	124,251
Non-current liabilities		
Deferred tax liabilities	1,035	813
Net defined benefit liability	2,609	2,074
Other	1,223	1,313
Total non-current liabilities	4,869	4,201
Total liabilities	135,153	128,452
Net assets		
Shareholders' equity		
Capital stock	7,909	7,909
Capital surplus	6,081	6,081
Retained earnings	44,165	47,467
Treasury shares	(16)	(17)
Total shareholders' equity	58,139	61,442
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,846	3,622
Deferred gains or losses on hedges	401	96
Foreign currency translation adjustment	3,090	2,181
Remeasurements of defined benefit plans	(1,515)	(1,355)
Total accumulated other comprehensive income	6,823	4,545
Non-controlling interests	185	230
Total net assets	65,148	66,218
Total liabilities and net assets	200,301	194,670

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	201,265	220,243
Cost of sales	175,525	191,740
Gross profit	25,739	28,502
Selling, general and administrative expenses	21,049	22,123
Operating income	4,689	6,378
Non-operating income		
Interest income	756	781
Dividend income	87	127
Other	102	90
Total non-operating income	945	999
Non-operating expenses		
Interest expenses	765	767
Other	60	17
Total non-operating expenses	825	785
Ordinary income	4,809	6,593
Extraordinary income		
Gain on sales of non-current assets	5	136
Gain on sales of investment securities	0	0
Total extraordinary income	5	136
Extraordinary losses		
Loss on sales of non-current assets	0	-
Loss on retirement of non-current assets	0	1
Other	3	0
Total extraordinary losses	4	1
Income before income taxes and minority interests	4,810	6,728
Income taxes - current	1,618	1,901
Income taxes - deferred	84	352
Total income taxes	1,702	2,254
Profit	3,107	4,473
Profit attributable to non-controlling interests	21	45
Profit attributable to owners of parent	3,086	4,428

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	3,107	4,473
Other comprehensive income		
Valuation difference on available-for-sale securities	674	(1,224)
Deferred gains or losses on hedges	(61)	(304)
Foreign currency translation adjustment	1,092	(909)
Remeasurements of defined benefit plans, net of tax	207	160
Total other comprehensive income	1,912	(2,278)
Comprehensive income	5,020	2,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,989	2,150
Comprehensive income attributable to non-controlling interests	30	44

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,810	6,728
Depreciation	545	558
Retirement benefit expenses	322	236
Increase (decrease) in allowance for doubtful accounts	(29)	(20)
Increase (decrease) in other provision	11	(15)
Increase (decrease) in net defined benefit liability	(482)	(524)
Interest and dividend income	(843)	(908)
Interest expenses	765	767
Foreign exchange losses (gains)	(9)	(65)
Loss (gain) on sales of investment securities	(0)	(0)
Loss on retirement of property, plant and equipment and intangible assets	0	1
Loss (gain) on sales of property, plant and equipment and intangible assets	(5)	(136)
Decrease (increase) in notes and accounts receivable - trade	3,837	5,209
Decrease (increase) in inventories	(3,478)	(2,261)
Increase (decrease) in notes and accounts payable - trade	(5,659)	(4,558)
Other, net	1,282	365
Subtotal	1,068	5,374
Income taxes paid	(2,803)	(2,508)
Net cash provided by (used in) operating activities	(1,735)	2,866
Cash flows from investing activities		
Payments into time deposits	(4)	(4)
Proceeds from withdrawal of time deposits	14	8
Purchase of investment securities	(63)	(18)
Proceeds from sales of investment securities	0	0
Purchase of shares of subsidiaries and associates	(95)	-
Payments of loans receivable	(2)	(6)
Collection of loans receivable	11	12
Purchase of property, plant and equipment and intangible assets	(820)	(370)
Proceeds from sales of property, plant and equipment and intangible assets	15	462
Interest and dividend income received	841	910
Other, net	(12)	(16)
Net cash provided by (used in) investing activities	(115)	977
Cash flows from financing activities		
Repayments of long-term loans payable	(14)	-
Cash dividends paid	(750)	(1,125)
Interest expenses paid	(764)	(767)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,529)	(1,893)
Effect of exchange rate change on cash and cash equivalents	887	(524)
Net increase (decrease) in cash and cash equivalents	(2,493)	1,425
Cash and cash equivalents at beginning of period	37,110	46,799
Cash and cash equivalents at end of period	34,617	48,224