

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 8, 2016

Company name: YAMAZEN CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 8051 URL <http://www.yamazen.co.jp/>  
 Representative: President & CEO Meguru NAKATA  
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 Scheduled date to file Quarterly Securities Report: February 12, 2016  
 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, 2015 (from April 1, 2015 to December 31, 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                         | %    |
| Nine months ended December 31, 2015 | 336,397         | 6.7  | 9,917            | 18.7 | 10,096          | 17.7 | 6,645                                   | 38.0 |
| Nine months ended December 31, 2014 | 315,280         | 10.0 | 8,357            | 32.0 | 8,578           | 30.4 | 4,815                                   | 32.5 |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2015 | 70.85              |  | –                          |  |
| Nine months ended December 31, 2014 | 51.34              |  | –                          |  |

(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, 2015 | 203,055         | 68,271          | 33.5         | 725.05               |
| 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 nine months ended December 31, 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 December 31, 2015 | 93,840,310 shares | As of March 31, 2015 | 93,840,310 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                         |               |                      |               |
|-------------------------|---------------|----------------------|---------------|
| As of December 31, 2015 | 44,374 shares | As of March 31, 2015 | 44,152 shares |
|-------------------------|---------------|----------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2015 | 93,796,008 shares | Nine months ended December 31, 2014 | 93,796,487 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|                                                                            | As of March 31, 2015 | As of December 31, 2015 |
|----------------------------------------------------------------------------|----------------------|-------------------------|
| Assets                                                                     |                      |                         |
| Current assets                                                             |                      |                         |
| Cash and deposits                                                          | 37,810               | 40,451                  |
| Notes and accounts receivable - trade                                      | 101,998              | 101,709                 |
| Securities                                                                 | 9,000                | 10,500                  |
| Merchandise and finished goods                                             | 21,532               | 23,300                  |
| Deferred tax assets                                                        | 1,033                | 722                     |
| Other                                                                      | 5,801                | 4,571                   |
| Allowance for doubtful accounts                                            | (588)                | (556)                   |
| Total current assets                                                       | 176,587              | 180,698                 |
| Non-current assets                                                         |                      |                         |
| Property, plant and equipment                                              |                      |                         |
| Buildings and structures, net                                              | 3,003                | 2,812                   |
| Machinery, equipment and vehicles, net                                     | 143                  | 121                     |
| Tools, furniture and fixtures, net                                         | 308                  | 279                     |
| Land                                                                       | 3,690                | 3,316                   |
| Other, net                                                                 | 206                  | 193                     |
| Total property, plant and equipment                                        | 7,353                | 6,723                   |
| Intangible assets                                                          | 2,318                | 2,201                   |
| Investments and other assets                                               |                      |                         |
| Investment securities                                                      | 12,387               | 11,840                  |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 116                  | 111                     |
| Net defined benefit asset                                                  | 37                   | 35                      |
| Deferred tax assets                                                        | 112                  | 87                      |
| Other                                                                      | 1,589                | 1,552                   |
| Allowance for doubtful accounts                                            | (199)                | (194)                   |
| Total investments and other assets                                         | 14,042               | 13,431                  |
| Total non-current assets                                                   | 23,714               | 22,356                  |
| Total assets                                                               | 200,301              | 203,055                 |

(Millions of yen)

|                                                       | As of March 31, 2015 | As of December 31, 2015 |
|-------------------------------------------------------|----------------------|-------------------------|
| <b>Liabilities</b>                                    |                      |                         |
| <b>Current liabilities</b>                            |                      |                         |
| Notes and accounts payable - trade                    | 113,551              | 116,081                 |
| Income taxes payable                                  | 2,241                | 246                     |
| Deferred tax liabilities                              | 51                   | 47                      |
| Provision for bonuses                                 | 2,684                | 1,407                   |
| Provision for voluntary recall of goods               | 64                   | 33                      |
| Other                                                 | 11,690               | 11,961                  |
| <b>Total current liabilities</b>                      | <b>130,284</b>       | <b>129,776</b>          |
| <b>Non-current liabilities</b>                        |                      |                         |
| Deferred tax liabilities                              | 1,035                | 1,940                   |
| Net defined benefit liability                         | 2,609                | 1,812                   |
| Other                                                 | 1,223                | 1,254                   |
| <b>Total non-current liabilities</b>                  | <b>4,869</b>         | <b>5,006</b>            |
| <b>Total liabilities</b>                              | <b>135,153</b>       | <b>134,783</b>          |
| <b>Net assets</b>                                     |                      |                         |
| <b>Shareholders' equity</b>                           |                      |                         |
| Capital stock                                         | 7,909                | 7,909                   |
| Capital surplus                                       | 6,081                | 6,081                   |
| Retained earnings                                     | 44,165               | 48,559                  |
| Treasury shares                                       | (16)                 | (17)                    |
| <b>Total shareholders' equity</b>                     | <b>58,139</b>        | <b>62,533</b>           |
| <b>Accumulated other comprehensive income</b>         |                      |                         |
| Valuation difference on available-for-sale securities | 4,846                | 4,465                   |
| Deferred gains or losses on hedges                    | 401                  | 27                      |
| Foreign currency translation adjustment               | 3,090                | 2,256                   |
| Remeasurements of defined benefit plans               | (1,515)              | (1,275)                 |
| <b>Total accumulated other comprehensive income</b>   | <b>6,823</b>         | <b>5,473</b>            |
| <b>Non-controlling interests</b>                      | <b>185</b>           | <b>265</b>              |
| <b>Total net assets</b>                               | <b>65,148</b>        | <b>68,271</b>           |
| <b>Total liabilities and net assets</b>               | <b>200,301</b>       | <b>203,055</b>          |

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

**Consolidated statements of income (cumulative)**

|                                                   | (Millions of yen)                      |                                        |
|---------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                   | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
| Net sales                                         | 315,280                                | 336,397                                |
| Cost of sales                                     | 274,718                                | 293,038                                |
| Gross profit                                      | 40,562                                 | 43,359                                 |
| Selling, general and administrative expenses      | 32,205                                 | 33,442                                 |
| Operating income                                  | 8,357                                  | 9,917                                  |
| Non-operating income                              |                                        |                                        |
| Interest income                                   | 1,124                                  | 1,148                                  |
| Dividend income                                   | 154                                    | 150                                    |
| Other                                             | 159                                    | 118                                    |
| Total non-operating income                        | 1,438                                  | 1,417                                  |
| Non-operating expenses                            |                                        |                                        |
| Interest expenses                                 | 1,161                                  | 1,190                                  |
| Other                                             | 55                                     | 48                                     |
| Total non-operating expenses                      | 1,216                                  | 1,238                                  |
| Ordinary income                                   | 8,578                                  | 10,096                                 |
| Extraordinary income                              |                                        |                                        |
| Gain on sales of non-current assets               | 5                                      | 146                                    |
| Gain on sales of investment securities            | 0                                      | 0                                      |
| Other                                             | 0                                      | -                                      |
| Total extraordinary income                        | 5                                      | 147                                    |
| Extraordinary losses                              |                                        |                                        |
| Loss on sales of non-current assets               | 15                                     | -                                      |
| Loss on retirement of non-current assets          | 1                                      | 1                                      |
| Other                                             | 3                                      | 1                                      |
| Total extraordinary losses                        | 20                                     | 3                                      |
| Income before income taxes and minority interests | 8,564                                  | 10,240                                 |
| Income taxes - current                            | 2,792                                  | 2,030                                  |
| Income taxes - deferred                           | 927                                    | 1,485                                  |
| Total income taxes                                | 3,719                                  | 3,516                                  |
| Profit                                            | 4,844                                  | 6,724                                  |
| Profit attributable to non-controlling interests  | 29                                     | 79                                     |
| Profit attributable to owners of parent           | 4,815                                  | 6,645                                  |

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

(Millions of yen)

|                                                                | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|----------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit                                                         | 4,844                                  | 6,724                                  |
| Other comprehensive income                                     |                                        |                                        |
| Valuation difference on available-for-sale securities          | 1,123                                  | (381)                                  |
| Deferred gains or losses on hedges                             | 308                                    | (374)                                  |
| Foreign currency translation adjustment                        | 2,708                                  | (833)                                  |
| Remeasurements of defined benefit plans, net of tax            | 311                                    | 240                                    |
| Total other comprehensive income                               | 4,452                                  | (1,349)                                |
| Comprehensive income                                           | 9,297                                  | 5,374                                  |
| Comprehensive income attributable to                           |                                        |                                        |
| Comprehensive income attributable to owners of parent          | 9,244                                  | 5,295                                  |
| Comprehensive income attributable to non-controlling interests | 53                                     | 79                                     |