

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 31, 2017

Company name: ASAHI YUKIZAI CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 4216 URL <http://www.asahi-yukizai.co.jp>
 Representative: President & Representative Director Koji Fujiwara
 General Manager
 Inquiries: General Affairs & Human Resources Yoichi Uenida TEL 03-3578-6001
 Department
 Scheduled date to file Quarterly Securities Report: February 14, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(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, 2016	29,645	(4.2)	1,150	4.3	1,115	(5.3)	703	(18.9)
Nine months ended December 31, 2015	30,928	3.8	1,102	21.6	1,177	(18.1)	867	(8.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	7.34	–
Nine months ended December 31, 2015	9.05	–

(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, 2016	52,003	37,105	70.9	384.52
As of March 31, 2016	53,202	38,141	71.2	395.15

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	–	3.00	–	3.00	6.00
Year ending March 31, 2017	–	3.00	–		
Year ending March 31, 2017 (Forecast)				3.00	6.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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	43,000	3.5	1,700	6.9	1,400	(8.2)	1,000	7.9	10.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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: Yes
- (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, 2016	99,002,000 shares	As of March 31, 2016	99,002,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	3,176,100 shares	As of March 31, 2016	3,168,971 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, 2016	95,829,777 shares	Nine months ended December 31, 2015	95,841,069 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,510	6,175
Notes and accounts receivable - trade	13,566	14,281
Inventories	7,858	7,715
Other	834	738
Allowance for doubtful accounts	(37)	(39)
Total current assets	29,730	28,870
Non-current assets		
Property, plant and equipment		
Land	6,114	6,046
Other, net	10,855	9,996
Total property, plant and equipment	16,969	16,042
Intangible assets		
Goodwill	617	636
Other	299	358
Total intangible assets	916	995
Investments and other assets		
Investment securities	3,268	3,725
Net defined benefit asset	1,880	1,864
Other	464	551
Allowance for doubtful accounts	(24)	(44)
Total investments and other assets	5,588	6,096
Total non-current assets	23,472	23,133
Total assets	53,202	52,003
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,998	7,390
Short-term loans payable	532	437
Income taxes payable	229	167
Other	3,264	2,852
Total current liabilities	11,023	10,846
Non-current liabilities		
Long-term loans payable	326	288
Provision for directors' retirement benefits	151	172
Net defined benefit liability	1,678	1,668
Other	1,884	1,924
Total non-current liabilities	4,038	4,052
Total liabilities	15,061	14,898

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	8,479	8,479
Retained earnings	23,356	23,484
Treasury shares	(1,071)	(1,072)
Total shareholders' equity	35,765	35,892
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	355	618
Deferred gains or losses on hedges	(5)	(4)
Foreign currency translation adjustment	1,364	61
Remeasurements of defined benefit plans	390	280
Total accumulated other comprehensive income	2,104	955
Non-controlling interests	272	258
Total net assets	38,141	37,105
Total liabilities and net assets	53,202	52,003

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, 2015	Nine months ended December 31, 2016
Net sales	30,928	29,645
Cost of sales	21,319	19,891
Gross profit	9,609	9,753
Selling, general and administrative expenses	8,507	8,604
Operating income	1,102	1,150
Non-operating income		
Interest income	69	19
Dividend income	60	46
Share of profit of entities accounted for using equity method	20	11
Other	71	40
Total non-operating income	220	116
Non-operating expenses		
Interest expenses	20	17
Loss on redemption of securities	22	—
Compensation expenses	38	6
Foreign exchange losses	50	111
Other	15	18
Total non-operating expenses	146	151
Ordinary income	1,177	1,115
Extraordinary income		
Gain on sales of non-current assets	5	—
Total extraordinary income	5	—
Extraordinary losses		
Loss on retirement of non-current assets	9	4
Impairment loss	—	71
Loss on valuation of investment securities	6	—
Loss on disaster	—	2
Total extraordinary losses	15	76
Profit before income taxes	1,167	1,038
Income taxes	322	346
Profit	845	692
Loss attributable to non-controlling interests	(22)	(11)
Profit attributable to owners of parent	867	703

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	845	692
Other comprehensive income		
Valuation difference on available-for-sale securities	(177)	254
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	(69)	(1,306)
Remeasurements of defined benefit plans, net of tax	(218)	(110)
Share of other comprehensive income of entities accounted for using equity method	3	9
Total other comprehensive income	(462)	(1,152)
Comprehensive income	383	(460)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	422	(445)
Comprehensive income attributable to non-controlling interests	(39)	(14)