### Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

January 31, 2017

ASAHI YUKIZAI CORPORATION Company name:

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 inc	ome	Ordinary inco	ome	e Profit attributable 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	1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end To						
	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 inc	ome	Ordinary inc	ome	Profit attributa owners of pa		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:

Changes in accounting policies due to other reasons:

No

No

No

Restatement of prior period financial statements:

No

Restatement of prior period infancial statements.

(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			
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			
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			

# **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
romi iluvillues	15,001	17,070

(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)**

Cost of sales         21,319         19           Gross profit         9,609         9           Selling, general and administrative expenses         8,507         8           Operating income         1,102         1           Non-operating income         69         1           Interest income         60         5           Dividend income         60         6           Share of profit of entities accounted for using equity method Other         20         6           Total non-operating income         220         6           Non-operating expenses         20         6           Interest expenses         20         6           Loss on redemption of securities         22         6           Compensation expenses         38         6           Foreign exchange losses         50         6           Other         15         7           Total non-operating expenses         146         7           Ordinary income         1,177         1           Extraordinary income         5         5           Extraordinary income         5         5           Extraordinary losses         5         5           Loss on retirement of non-current as			(Millions of yen)
Net sales         30,928         29,           Cost of sales         21,319         19,           Gross profit         9,609         9,           Selling, general and administrative expenses         8,507         8,           Operating income         1,102         1,           Non-operating income         69         1           Interest income         60         60           Share of profit of entities accounted for using equity method         20         60           Other         71         7           Total non-operating income         220         60           Non-operating expenses         20         60           Interest expenses         20         60           Interest expenses         20         60           Interest expenses         20         60           Interest expenses         38         60           Interest expenses         38         60           Interest expenses         38         60           Other         15         7           Total non-operating expenses         146         7           Other         15         7           Total non-operating expenses         5         5		Nine months ended	Nine months ended
Cost of sales         21,319         19           Gross profit         9,609         9           Selling, general and administrative expenses         8,507         8           Operating income         1,102         1           Non-operating income         69         1           Interest income         60         5           Dividend income         60         6           Share of profit of entities accounted for using equity method Other         20         6           Total non-operating income         220         6           Non-operating expenses         20         6           Interest expenses         20         6           Loss on redemption of securities         22         6           Compensation expenses         38         6           Foreign exchange losses         50         6           Other         15         7           Total non-operating expenses         146         7           Ordinary income         1,177         1           Extraordinary income         5         5           Extraordinary income         5         5           Extraordinary losses         5         5           Loss on retirement of non-current as		December 31, 2015	December 31, 2016
Gross profit         9,609         9           Selling, general and administrative expenses         8,507         8           Operating income         1,102         1,           Non-operating income         69         1,000           Interest income         69         20           Share of profit of entities accounted for using equity method Other         71         1           Total non-operating income         220         20           Non-operating expenses         20         20           Interest expenses         20         20           Loss on redemption of securities         22         20           Compensation expenses         38         20           Foreign exchange losses         50         0           Other         15         15           Total non-operating expenses         146         0           Ordinary income         1,177         1           Extraordinary income         5         5           Gain on sales of non-current assets         5         5           Total extraordinary losses         9         1           Loss on retirement of non-current assets         9         1           Impairment loss         -         -	Net sales	30,928	29,645
Selling, general and administrative expenses         8,507         8           Operating income         1,102         1           Non-operating income         69         1           Interest income         60         60           Share of profit of entities accounted for using equity method         20         0           Other         71         1           Total non-operating income         220         0           Non-operating expenses         20         0           Loss on redemption of securities         22         0           Compensation expenses         38         0           Foreign exchange losses         50         0           Other         15         0           Total non-operating expenses         146         0           Ordinary income         1,177         1           Extraordinary income         5         0           Gain on sales of non-current assets         5         0           Total extraordinary income         5         0           Extraordinary losses         9         0           Loss on retirement of non-current assets         9         0           Impairment loss         -         0           Loss on	Cost of sales	21,319	19,891
Operating income         1,102         1.           Non-operating income         69         1.           Dividend income         60         20           Share of profit of entities accounted for using equity method         20         20           Other         71         220           Total non-operating income         220         20           Non-operating expenses         20         20           Interest expenses         20         22           Compensation expenses         38         38           Foreign exchange losses         50         00           Other         15         15           Total non-operating expenses         146         00           Ordinary income         1,177         1           Extraordinary income         5         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         1           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster<	Gross profit	9,609	9,753
Non-operating income         69           Dividend income         60           Share of profit of entities accounted for using equity method         20           Other         71           Total non-operating income         220           Non-operating expenses         20           Interest expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         9           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15         -           Profit before income taxes         1,167         1,16	Selling, general and administrative expenses	8,507	8,604
Interest income         69           Dividend income         60           Share of profit of entities accounted for using equity method         20           Other         71           Total non-operating income         220           Non-operating expenses         20           Interest expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15         -           Profit before income taxes         1,167         1	Operating income	1,102	1,150
Dividend income         60           Share of profit of entities accounted for using equity method         20           Other         71           Total non-operating income         220           Non-operating expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Non-operating income		
Share of profit of entities accounted for using equity method         20           Other         71           Total non-operating income         220           Non-operating expenses         3           Interest expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15         -           Profit before income taxes         1,167         1	Interest income	69	19
Other         71           Total non-operating income         220           Non-operating expenses         3           Interest expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Dividend income	60	46
Total non-operating income         220           Non-operating expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         1           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Share of profit of entities accounted for using equity method	20	11
Non-operating expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Other	71	40
Interest expenses         20           Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         1           Loss on retirement of non-current assets         9         1           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Total non-operating income	220	116
Loss on redemption of securities         22           Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177           Extraordinary income         5           Gain on sales of non-current assets         5           Total extraordinary income         5           Extraordinary losses         9           Loss on retirement of non-current assets         9           Impairment loss         -           Loss on valuation of investment securities         6           Loss on disaster         -           Total extraordinary losses         15           Profit before income taxes         1,167         1	Non-operating expenses		
Compensation expenses         38           Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15         -           Profit before income taxes         1,167         1,	Interest expenses	20	17
Foreign exchange losses         50           Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5         5           Total extraordinary income         5         5           Extraordinary losses         9         9           Impairment loss         -         -           Loss on valuation of investment securities         6         -           Loss on disaster         -         -           Total extraordinary losses         15         -           Profit before income taxes         1,167         1,167	Loss on redemption of securities	22	_
Other         15           Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5           Total extraordinary income         5           Extraordinary losses         9           Impairment loss         -           Loss on valuation of investment securities         6           Loss on disaster         -           Total extraordinary losses         15           Profit before income taxes         1,167         1,	Compensation expenses	38	6
Total non-operating expenses         146           Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5           Total extraordinary income         5           Extraordinary losses         9           Loss on retirement of non-current assets         9           Impairment loss         -           Loss on valuation of investment securities         6           Loss on disaster         -           Total extraordinary losses         15           Profit before income taxes         1,167         1,	Foreign exchange losses	50	111
Ordinary income         1,177         1           Extraordinary income         5           Gain on sales of non-current assets         5           Total extraordinary income         5           Extraordinary losses         9           Loss on retirement of non-current assets         9           Impairment loss         -           Loss on valuation of investment securities         6           Loss on disaster         -           Total extraordinary losses         15           Profit before income taxes         1,167         1,	Other	15	18
Extraordinary income Gain on sales of non-current assets Total extraordinary income  Extraordinary losses  Loss on retirement of non-current assets Impairment loss Loss on valuation of investment securities Loss on disaster Total extraordinary losses  15  Profit before income taxes  5  5  Contracting to the securities of the securitie	Total non-operating expenses	146	151
Gain on sales of non-current assets Total extraordinary income  Extraordinary losses  Loss on retirement of non-current assets Impairment loss Loss on valuation of investment securities Loss on disaster Total extraordinary losses  Profit before income taxes  5  5  6  Loss on retirement of non-current assets 9  Impairment loss - Loss on valuation of investment securities 6  Loss on disaster - Total extraordinary losses 15  Profit before income taxes	Ordinary income	1,177	1,115
Total extraordinary income 5  Extraordinary losses  Loss on retirement of non-current assets 9 Impairment loss - Loss on valuation of investment securities 6 Loss on disaster - Total extraordinary losses 15  Profit before income taxes 1,167 1,	Extraordinary income		
Extraordinary losses  Loss on retirement of non-current assets  Impairment loss  Loss on valuation of investment securities  Loss on disaster  Total extraordinary losses  Profit before income taxes    1,167	Gain on sales of non-current assets	5	_
Loss on retirement of non-current assets  Impairment loss  Loss on valuation of investment securities  Loss on disaster  Total extraordinary losses  Profit before income taxes  9  -  15  1,167  1,167	Total extraordinary income	5	_
Impairment loss     -       Loss on valuation of investment securities     6       Loss on disaster     -       Total extraordinary losses     15       Profit before income taxes     1,167     1,167	Extraordinary losses		
Loss on valuation of investment securities  Loss on disaster  Total extraordinary losses  Profit before income taxes  6  15  1,167  1,	Loss on retirement of non-current assets	9	4
Loss on disaster–Total extraordinary losses15Profit before income taxes1,1671,	Impairment loss	_	71
Total extraordinary losses 15 Profit before income taxes 1,167 1,	Loss on valuation of investment securities	6	_
Profit before income taxes 1,167 1,	Loss on disaster		2
	Total extraordinary losses	15	76
Income taxes 322	Profit before income taxes	1,167	1,038
	Income taxes	322	346
Profit 845	Profit	845	692
Loss attributable to non-controlling interests (22)	Loss attributable to non-controlling interests	(22)	(11)
Profit attributable to owners of parent 867	Profit attributable to owners of parent	867	703

## Consolidated statements of comprehensive income (cumulative)

	,	(Millions of yen)
	Nine months ended	Nine months ended
	December 31, 2015	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)