

Translation

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

January 31, 2020

Company name: ASAHI YUKIZAI CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 4216 URL <https://www.asahi-yukizai.co.jp>
 Representative: President & Representative Director Kazuya Nakano
 General Manager
 Inquiries: Gaku Kamei TEL 03-5826-8820
 General Affairs Department
 Scheduled date to file Quarterly Securities Report: February 12, 2020
 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, 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	40,912	(2.5)	2,952	(0.1)	2,960	(5.1)	2,130	(28.3)
Nine months ended December 31, 2018	41,979	19.8	2,956	30.0	3,119	26.9	2,973	40.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	111.34	–
Nine months ended December 31, 2018	155.36	–

(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	65,182	44,031	67.0	2,281.99
As of March 31, 2019	62,541	43,179	68.4	2,235.15

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, 2019	–	25.00	–	25.00	50.00
Year ending March 31, 2020	–	25.00	–		
Year ending March 31, 2020 (Forecast)				25.00	50.00

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	58,000	3.4	3,700	(12.4)	3,900	(11.2)	2,900	(25.7)	151.56

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: 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: No
- 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	19,800,400 shares	As of March 31, 2019	19,800,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	667,882 shares	As of March 31, 2019	667,337 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	19,132,830 shares	Nine months ended December 31, 2018	19,135,224 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	7,912	8,376
Notes and accounts receivable - trade	15,041	14,258
Electronically recorded monetary claims - operating	3,092	3,245
Inventories	10,518	12,221
Other	755	706
Allowance for doubtful accounts	(47)	(47)
Total current assets	37,272	38,759
Non-current assets		
Property, plant and equipment		
Land	6,587	6,571
Other, net	11,183	11,186
Total property, plant and equipment	17,770	17,757
Intangible assets		
Goodwill	653	1,595
Other	397	377
Total intangible assets	1,050	1,972
Investments and other assets		
Investment securities	2,919	3,168
Retirement benefit asset	2,744	2,730
Other	806	817
Allowance for doubtful accounts	(20)	(21)
Total investments and other assets	6,449	6,694
Total non-current assets	25,269	26,423
Total assets	62,541	65,182
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,022	5,034
Electronically recorded obligations - operating	3,155	3,470
Short-term borrowings	2,516	4,793
Income taxes payable	459	478
Other	3,738	3,591
Total current liabilities	15,890	17,366
Non-current liabilities		
Long-term borrowings	138	381
Retirement benefit liability	1,721	1,774
Provision for share-based remuneration	20	28
Provision for share-based remuneration for directors (and other officers)	52	72
Other	1,542	1,532
Total non-current liabilities	3,472	3,786
Total liabilities	19,362	21,152

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	8,497	8,524
Retained earnings	28,926	30,093
Treasury shares	(1,135)	(1,136)
Total shareholders' equity	41,287	42,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	522	663
Foreign currency translation adjustment	636	346
Remeasurements of defined benefit plans	320	169
Total accumulated other comprehensive income	1,478	1,179
Non-controlling interests	414	370
Total net assets	43,179	44,031
Total liabilities and net assets	62,541	65,182

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	41,979	40,912
Cost of sales	28,514	27,034
Gross profit	13,466	13,878
Selling, general and administrative expenses	10,509	10,926
Operating profit	2,956	2,952
Non-operating income		
Interest income	24	9
Dividend income	88	82
Rental income from real estate	41	54
Gain on investments in capital	17	5
Other	56	31
Total non-operating income	226	181
Non-operating expenses		
Interest expenses	18	17
Rental expenses on real estate	11	11
Foreign exchange losses	17	103
Other	17	42
Total non-operating expenses	63	173
Ordinary profit	3,119	2,960
Extraordinary income		
Gain on sales of non-current assets	14	13
Gain on sales of investment securities	1	—
Gain on bargain purchase	1,041	—
Total extraordinary income	1,056	13
Extraordinary losses		
Loss on retirement of non-current assets	49	19
Loss on sales of non-current assets	3	1
Loss on sales of investment securities	1	10
Loss on step acquisitions	340	—
Settlement package	—	41
Loss of compensation	—	100
Total extraordinary losses	392	171
Profit before income taxes	3,783	2,802
Income taxes	774	647
Profit	3,009	2,156
Profit attributable to non-controlling interests	36	25
Profit attributable to owners of parent	2,973	2,130

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	3,009	2,156
Other comprehensive income		
Valuation difference on available-for-sale securities	(477)	151
Foreign currency translation adjustment	(83)	(302)
Remeasurements of defined benefit plans, net of tax	(232)	(151)
Share of other comprehensive income of entities accounted for using equity method	(14)	—
Total other comprehensive income	(806)	(302)
Comprehensive income	2,203	1,854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,161	1,831
Comprehensive income attributable to non-controlling interests	42	23