

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 31, 2018

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 Department TAKEYUKI FUJIOKA TEL 03-5826-8820
 Scheduled date to file Quarterly Securities Report: February 9, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(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, 2017	35,054	18.2	2,274	97.8	2,458	120.5	2,120	201.3
Nine months ended December 31, 2016	29,645	(4.2)	1,150	4.3	1,115	(5.3)	703	(18.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	110.62	–
Nine months ended December 31, 2016	36.70	–

(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, 2017	60,385	40,653	66.7	2,101.23
As of March 31, 2017	55,040	38,906	70.2	2,016.28

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, 2017	–	3.00	–	3.00	6.00
Year ending March 31, 2018	–	4.00	–		
Year ending March 31, 2018 (Forecast)				20.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	48,000	14.2	3,000	45.5	3,000	54.3	2,300	110.8	120.01

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(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, 2017	19,800,400 shares	As of March 31, 2017	19,800,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	638,160 shares	As of March 31, 2017	635,481 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, 2017	19,163,789 shares	Nine months ended December 31, 2016	19,165,955 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	7,092	7,393
Notes and accounts receivable - trade	12,814	15,306
Electronically recorded monetary claims - operating	2,505	2,129
Inventories	7,552	8,525
Other	762	952
Allowance for doubtful accounts	(36)	(48)
Total current assets	30,687	34,258
Non-current assets		
Property, plant and equipment		
Land	6,100	6,488
Other, net	10,483	10,372
Total property, plant and equipment	16,583	16,859
Intangible assets		
Goodwill	625	680
Other	366	380
Total intangible assets	991	1,060
Investments and other assets		
Investment securities	3,717	4,722
Net defined benefit asset	2,546	2,531
Other	533	973
Allowance for doubtful accounts	(18)	(19)
Total investments and other assets	6,779	8,207
Total non-current assets	24,352	26,127
Total assets	55,040	60,385
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,188	5,682
Electronically recorded obligations - operating	2,796	4,256
Short-term loans payable	375	920
Income taxes payable	253	305
Other	3,260	3,661
Total current liabilities	11,872	14,825
Non-current liabilities		
Long-term loans payable	312	728
Provision for directors' retirement benefits	179	—
Provision for stocks payment	—	8
Provision for management board incentive plan trust	—	14
Net defined benefit liability	1,702	1,628
Other	2,069	2,529
Total non-current liabilities	4,261	4,907
Total liabilities	16,133	19,731

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	8,479	8,497
Retained earnings	23,872	25,320
Treasury shares	(1,072)	(1,093)
Total shareholders' equity	36,279	37,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	640	1,216
Deferred gains or losses on hedges	(3)	(3)
Foreign currency translation adjustment	1,006	816
Remeasurements of defined benefit plans	720	511
Total accumulated other comprehensive income	2,363	2,541
Non-controlling interests	264	389
Total net assets	38,906	40,653
Total liabilities and net assets	55,040	60,385

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, 2016	Nine months ended December 31, 2017
Net sales	29,645	35,054
Cost of sales	19,891	23,670
Gross profit	9,753	11,383
Selling, general and administrative expenses	8,604	9,109
Operating profit	1,150	2,274
Non-operating income		
Interest income	19	23
Dividend income	46	55
Share of profit of entities accounted for using equity method	11	11
Foreign exchange gains	—	132
Other	40	43
Total non-operating income	116	264
Non-operating expenses		
Interest expenses	17	14
Loss on redemption of securities	—	1
Loss on valuation of investments in capital	—	51
Compensation expenses	6	—
Foreign exchange losses	111	—
Other	18	14
Total non-operating expenses	151	80
Ordinary profit	1,115	2,458
Extraordinary income		
Gain on sales of non-current assets	—	7
Gain on step acquisitions	—	22
Gain on bargain purchase	—	242
Total extraordinary income	—	271
Extraordinary losses		
Loss on sales of non-current assets	—	6
Loss on retirement of non-current assets	4	47
Impairment loss	71	—
Loss on disaster	2	—
Office transfer expenses	—	5
Loss on liquidation of subsidiaries and associates	—	38
Total extraordinary losses	76	96
Profit before income taxes	1,038	2,633
Income taxes	346	495
Profit	692	2,138
Profit (loss) attributable to non-controlling interests	(11)	18
Profit attributable to owners of parent	703	2,120

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	692	2,138
Other comprehensive income		
Valuation difference on available-for-sale securities	254	567
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(1,306)	(182)
Remeasurements of defined benefit plans, net of tax	(110)	(209)
Share of other comprehensive income of entities accounted for using equity method	9	14
Total other comprehensive income	(1,152)	191
Comprehensive income	(460)	2,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(445)	2,291
Comprehensive income attributable to non-controlling interests	(14)	37