

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 31, 2019

Company name: ASAHI YUKIZAI CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 4216 URL <http://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 14, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	41,979	19.8	2,956	30.0	3,119	26.9	2,973	40.2
Nine months ended December 31, 2017	35,054	18.2	2,274	97.8	2,458	120.5	2,120	201.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	155.36	–
Nine months ended December 31, 2017	110.62	–

(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, 2018	63,999	42,703	66.1	2,210.64
As of March 31, 2018	62,884	41,502	65.4	2,146.82

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, 2018	–	4.00	–	25.00	–
Year ending March 31, 2019	–	25.00	–		
Year ending March 31, 2019 (Forecast)				25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	57,500	14.6	3,900	16.0	4,100	20.5	3,800	36.5	198.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2018	19,800,400 shares	As of March 31, 2018	19,800,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	666,927 shares	As of March 31, 2018	638,479 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, 2018	19,135,224 shares	Nine months ended December 31, 2017	19,163,789 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	8,088	8,460
Notes and accounts receivable - trade	16,723	15,678
Electronically recorded monetary claims - operating	2,339	2,935
Inventories	8,732	10,323
Other	761	714
Allowance for doubtful accounts	(49)	(68)
Total current assets	36,593	38,043
Non-current assets		
Property, plant and equipment		
Land	6,485	6,605
Other, net	10,393	11,044
Total property, plant and equipment	16,879	17,649
Intangible assets		
Goodwill	682	634
Other	383	392
Total intangible assets	1,065	1,026
Investments and other assets		
Investment securities	4,227	3,237
Net defined benefit asset	3,209	3,195
Other	930	870
Allowance for doubtful accounts	(19)	(20)
Total investments and other assets	8,347	7,282
Total non-current assets	26,291	25,956
Total assets	62,884	63,999
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,815	6,485
Electronically recorded obligations - operating	4,335	4,056
Short-term loans payable	1,256	3,688
Income taxes payable	449	482
Other	3,938	3,216
Total current liabilities	16,794	17,928
Non-current liabilities		
Long-term loans payable	547	196
Provision for stocks payment	12	17
Provision for management board incentive plan trust	21	43
Net defined benefit liability	1,658	1,728
Other	2,350	1,384
Total non-current liabilities	4,588	3,368
Total liabilities	21,382	21,296

	(Millions of yen)	
	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	8,497	8,497
Retained earnings	25,985	27,997
Treasury shares	(1,094)	(1,134)
Total shareholders' equity	38,388	40,359
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	907	401
Foreign currency translation adjustment	916	842
Remeasurements of defined benefit plans	927	696
Total accumulated other comprehensive income	2,750	1,938
Non-controlling interests	365	406
Total net assets	41,502	42,703
Total liabilities and net assets	62,884	63,999

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, 2017	Nine months ended December 31, 2018
Net sales	35,054	41,979
Cost of sales	23,670	28,514
Gross profit	11,383	13,466
Selling, general and administrative expenses	9,109	10,509
Operating profit	2,274	2,956
Non-operating income		
Interest income	23	24
Dividend income	55	88
Share of profit of entities accounted for using equity method	11	—
Foreign exchange gains	132	—
Gain on investments in capital	—	17
Real estate rent	—	41
Other	43	56
Total non-operating income	264	226
Non-operating expenses		
Interest expenses	14	18
Loss on redemption of securities	1	—
Loss on valuation of investments in capital	51	—
Rent expenses on real estates	—	11
Foreign exchange losses	—	17
Other	14	17
Total non-operating expenses	80	63
Ordinary profit	2,458	3,119
Extraordinary income		
Gain on sales of non-current assets	7	14
Gain on sales of investment securities	—	1
Gain on step acquisitions	22	—
Gain on bargain purchase	242	1,041
Total extraordinary income	271	1,056
Extraordinary losses		
Loss on step acquisitions	—	340
Loss on sales of non-current assets	6	3
Loss on retirement of non-current assets	47	49
Loss on sales of investment securities	—	1
Office transfer expenses	5	—
Loss on liquidation of subsidiaries and associates	38	—
Total extraordinary losses	96	392
Profit before income taxes	2,633	3,783
Income taxes	495	774
Profit	2,138	3,009
Profit attributable to non-controlling interests	18	36
Profit attributable to owners of parent	2,120	2,973

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	2,138	3,009
Other comprehensive income		
Valuation difference on available-for-sale securities	567	(477)
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	(182)	(83)
Remeasurements of defined benefit plans, net of tax	(209)	(232)
Share of other comprehensive income of entities accounted for using equity method	14	(14)
Total other comprehensive income	191	(806)
Comprehensive income	2,329	2,203
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,291	2,161
Comprehensive income attributable to non-controlling interests	37	42