

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 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 Kazuya Nakano
 General Manager
 Inquiries: General Affairs Department Gaku Kamei TEL 03-5826-8820
 Scheduled date to file Quarterly Securities Report: August 7, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 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	%
Three months ended June 30, 2018	13,253	28.8	706	97.0	869	123.4	1,377	326.7
Three months ended June 30, 2017	10,293	15.2	358	308.1	389	–	323	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	71.91	–
Three months ended June 30, 2017	16.84	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2018	61,870	41,778	66.9	2,162.26
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	–				
Year ending March 31, 2019 (Forecast)		25.00	–	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
Six months ending September 30, 2018	28,000	30.2	1,700	47.5	1,900	47.6	2,100	115.2	109.66
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 three months ended June 30, 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 June 30, 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 June 30, 2018	653,784 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)

Three months ended June 30, 2018	19,149,934 shares	Three months ended June 30, 2017	19,164,782 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	8,088	7,885
Notes and accounts receivable - trade	16,723	15,220
Electronically recorded monetary claims - operating	2,339	2,758
Inventories	8,732	9,471
Other	761	741
Allowance for doubtful accounts	(49)	(65)
Total current assets	36,593	36,010
Non-current assets		
Property, plant and equipment		
Land	6,485	6,576
Other, net	10,393	10,411
Total property, plant and equipment	16,879	16,987
Intangible assets		
Goodwill	682	671
Other	383	390
Total intangible assets	1,065	1,061
Investments and other assets		
Investment securities	4,227	3,857
Net defined benefit asset	3,209	3,205
Other	930	770
Allowance for doubtful accounts	(19)	(19)
Total investments and other assets	8,347	7,813
Total non-current assets	26,291	25,861
Total assets	62,884	61,870
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,815	6,389
Electronically recorded obligations - operating	4,335	4,619
Short-term loans payable	1,256	1,024
Income taxes payable	449	234
Other	3,938	3,803
Total current liabilities	16,794	16,069
Non-current liabilities		
Long-term loans payable	547	563
Provision for stocks payment	12	12
Provision for management board incentive plan trust	21	31
Net defined benefit liability	1,658	1,725
Other	2,350	1,693
Total non-current liabilities	4,588	4,024
Total liabilities	21,382	20,093

	(Millions of yen)	
	As of March 31, 2018	As of June 30, 2018
Net assets		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus	8,497	8,497
Retained earnings	25,985	26,880
Treasury shares	(1,094)	(1,178)
Total shareholders' equity	38,388	39,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	907	869
Foreign currency translation adjustment	916	482
Remeasurements of defined benefit plans	927	850
Total accumulated other comprehensive income	2,750	2,202
Non-controlling interests	365	378
Total net assets	41,502	41,778
Total liabilities and net assets	62,884	61,870

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	10,293	13,253
Cost of sales	7,020	8,979
Gross profit	3,273	4,274
Selling, general and administrative expenses	2,915	3,568
Operating profit	358	706
Non-operating income		
Interest income	8	9
Dividend income	18	43
Share of profit of entities accounted for using equity method	2	—
Foreign exchange gains	4	114
Real estate rent	1	13
Other	8	14
Total non-operating income	42	193
Non-operating expenses		
Interest expenses	4	7
Loss on redemption of securities	1	—
Loss on valuation of investments in capital	4	2
Rent expenses on real estates	—	11
Other	3	10
Total non-operating expenses	12	30
Ordinary profit	389	869
Extraordinary income		
Gain on sales of non-current assets	—	7
Gain on sales of investment securities	—	0
Gain on bargain purchase	—	1,041
Total extraordinary income	—	1,048
Extraordinary losses		
Loss on step acquisitions	—	340
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	0	19
Total extraordinary losses	0	359
Profit before income taxes	389	1,558
Income taxes	58	160
Profit	331	1,398
Profit attributable to non-controlling interests	8	21
Profit attributable to owners of parent	323	1,377

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	331	1,398
Other comprehensive income		
Valuation difference on available-for-sale securities	22	(25)
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	(233)	(440)
Remeasurements of defined benefit plans, net of tax	(70)	(77)
Share of other comprehensive income of entities accounted for using equity method	4	(14)
Total other comprehensive income	(276)	(556)
Comprehensive income	55	842
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44	830
Comprehensive income attributable to non-controlling interests	10	12