

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

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: General Affairs Department Gaku Kamei TEL 03-5826-8820
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	12,034	(9.2)	630	(10.8)	638	(26.5)	477	(65.4)
Three months ended June 30, 2018	13,253	28.8	706	97.0	869	123.4	1,377	326.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	24.92	—
Three months ended June 30, 2018	71.95	—

(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, 2019	61,954	43,176	69.0	2,234.82
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	—				
Year ending March 31, 2020 (Forecast)		25.00	—	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
Six months ending September 30, 2019	26,000	(5.0)	1,100	(35.0)	1,200	(36.8)	900	(58.6)	47.03
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 three months ended June 30, 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 June 30, 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 June 30, 2019	667,506 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)

Three months ended June 30, 2019	19,132,974 shares	Three months ended June 30, 2018	19,138,759 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	7,912	8,223
Notes and accounts receivable - trade	15,041	13,027
Electronically recorded monetary claims - operating	3,092	3,160
Inventories	10,518	11,297
Other	755	731
Allowance for doubtful accounts	(47)	(47)
Total current assets	37,272	36,391
Non-current assets		
Property, plant and equipment		
Land	6,587	6,588
Other, net	11,183	11,530
Total property, plant and equipment	17,770	18,118
Intangible assets		
Goodwill	653	682
Other	397	375
Total intangible assets	1,050	1,056
Investments and other assets		
Investment securities	2,919	2,869
Retirement benefit asset	2,744	2,740
Other	806	799
Allowance for doubtful accounts	(20)	(20)
Total investments and other assets	6,449	6,388
Total non-current assets	25,269	25,563
Total assets	62,541	61,954
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,022	5,220
Electronically recorded obligations - operating	3,155	3,147
Short-term borrowings	2,516	3,570
Income taxes payable	459	205
Other	3,738	2,974
Total current liabilities	15,890	15,116
Non-current liabilities		
Long-term borrowings	138	352
Retirement benefit liability	1,721	1,743
Provision for share-based remuneration	20	23
Provision for share-based remuneration for directors (and other officers)	52	58
Other	1,542	1,486
Total non-current liabilities	3,472	3,662
Total liabilities	19,362	18,778

	(Millions of yen)	
	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	8,497	8,497
Retained earnings	28,926	28,921
Treasury shares	(1,135)	(1,135)
Total shareholders' equity	41,287	41,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	522	485
Foreign currency translation adjustment	636	721
Remeasurements of defined benefit plans	320	270
Total accumulated other comprehensive income	1,478	1,475
Non-controlling interests	414	418
Total net assets	43,179	43,176
Total liabilities and net assets	62,541	61,954

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, 2018	Three months ended June 30, 2019
Net sales	13,253	12,034
Cost of sales	8,979	7,921
Gross profit	4,274	4,113
Selling, general and administrative expenses	3,568	3,483
Operating profit	706	630
Non-operating income		
Interest income	9	3
Dividend income	43	33
Foreign exchange gains	114	—
Rental income from real estate	13	23
Surrender value of insurance policies	—	10
Other	14	6
Total non-operating income	193	74
Non-operating expenses		
Interest expenses	7	4
Rental expenses on real estate	11	11
Foreign exchange losses	—	36
Loss on valuation of investments in capital	2	3
Other	10	11
Total non-operating expenses	30	66
Ordinary profit	869	638
Extraordinary income		
Gain on sales of non-current assets	7	8
Gain on sales of investment securities	0	—
Gain on bargain purchase	1,041	—
Total extraordinary income	1,048	8
Extraordinary losses		
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	19	1
Loss on step acquisitions	340	—
Settlement package	—	41
Total extraordinary losses	359	42
Profit before income taxes	1,558	605
Income taxes	160	120
Profit	1,398	485
Profit attributable to non-controlling interests	21	8
Profit attributable to owners of parent	1,377	477

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,398	485
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(35)
Foreign currency translation adjustment	(440)	80
Remeasurements of defined benefit plans, net of tax	(77)	(50)
Share of other comprehensive income of entities accounted for using equity method	(14)	—
Total other comprehensive income	(556)	(5)
Comprehensive income	842	479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	830	476
Comprehensive income attributable to non-controlling interests	12	4