

Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2016 (Q3 FY2016)

Company name:	Itoham Yonekyu Holdings Inc.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2296
URL:	http://www.itoham-yonekyu-holdings.com
Representative:	Isao Miyashita, President and Representative Director
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Scheduled date for filing of securities report:	February 14, 2017
Scheduled date of commencement of dividend payment:	—
Supplementary documents for quarterly results:	None
Quarterly results briefing:	None

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Six Months Ended September 30, 2016 (April 1, 2016–December 31, 2016)

(1) Consolidated Results of Operations (Accumulated Total) (% figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Six month ended								
December 31, 2016	612,411	—	19,449	—	22,549	—	17,263	—
December 31, 2015								

(Note) Comprehensive income: 14,136 million(- %)
- million(- %)

Nine months ended December 31, 2016
 Nine months ended December 31, 2015

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
Six month ended				
December 31, 2016	58.06		58.00	
December 31, 2015	—		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million Yen		Million Yen		%	
As of December 31, 2016	376,439		214,359		55.1	
As of March 31, 2016	—		—		—	

(Reference) Shareholders' equity: 207,476 million
— million

As of December 31, 2016
 As of March 31, 2016

2. Dividends

	First quarter-end		Second quarter-end		Third quarter-end		Fiscal year-end		Total	
	Yen		Yen		Yen		Yen		Yen	
Year ended March 31, 2016	—		—		—		—		—	
Year ending March 31, 2017	—		0.00							
Year ending March 31, 2017 (Forecast)					—		17.00		17.00	

(Note) Amendment to forecasts of dividends recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% figures show year-on-year change)

	Net Sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen	
Full year	800,000	—	21,000	—	24,000	—	17,500	—	58.85	

(Note) Amendment to forecasts of consolidated financial results recently announced: None

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million Yen)

As of December 31, 2016

ASSETS	
Current assets	
Cash and deposits	33,068
Notes and account receivable - trade	116,197
Securities	200
Merchandise and finished goods	51,281
Work in process	1,155
Raw materials and supplies	15,883
Other	5,386
Allowance for doubtful accounts	(44)
Total current assets	223,129
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	30,553
Machinery, equipment and vehicles, net	22,669
Tools, furniture & fixtures, net	1,199
Land	26,063
Leased assets, net	1,437
Others, net	1,620
Total property, plant and equipment	83,544
Intangible assets	
Goodwill	25,985
Other	2,080
Total intangible assets	28,066
Investments and other assets	
Investment securities	32,336
Net defined benefit assets	1,977
Other	7,574
Allowance for doubtful receivables	(190)
Total investments and other assets	41,698
Total non-current assets	153,309
Total Assets	376,439

(Million Yen)

As of December 31, 2016

Liabilities**Current liabilities**

Notes and accounts payable - trade	70,002
Short-term loans payable	10,547
Cullent portion of Long-term loans	3,533
Cullent portion of Bonds payable	10,000
Income taxes payable	2,643
Provision for bonuses	3,869
Other	30,305

Total current liabilities

130,901

Non-current liabilities

Long-term loans payable	24,000
Net defined benefit liability	803
Asset retirement obligation	1,080
Other	5,293

Total non-current liabilities

31,178

Total liabilities

162,080

Net assets**Shareholder's equity**

Capital stock	30,000
Capital surplus	98,005
Retained earnings	78,525
Treasury stock	(4)

Total shareholder's equity

206,526

Other accumulated comprehensive income

Valuation difference on available-for-sale securities	7,040
Deferred gains or losses on hedges	(298)
Foreign currency translation adjustment	(3,678)
Remeasurements of defined benefit plan	(2,114)

Total accumulated other comprehensive income

949

Subscription rights to shares

220

Non-controlling interests

6,662

Total net assets

214,359

Total liabilities and net assets

376,439

(2) Quarterly consolidated statements of income and comprehensive income
(Consolidated statements of income)
(April 1, 2016 – December 31, 2016)

(Million Yen)

	Nine months ended December 31, 2016
Net sales	612,411
Cost of goods sold	510,371
Gross profit	102,040
Selling, general and administrative expenses	82,590
Operating income	19,449
Non-operating income	
Interest income	94
Dividend income	281
Rent income	353
Equity in earnings of affiliates	2,856
Other	67
Total non-operating income	4,264
Non-operating expenses	
Interest expenses	725
Rent on real estate	151
Organization expenses	210
Other	78
Total non-operating expenses	1,164
Ordinary Income	22,549
Extraordinary income	
Gain on sales of investment securities	1,971
Other	497
Total extra-ordinary income	2,468
Extraordinary loss	
Loss on retirement of non-current assets	199
Others	214
Total extra-ordinary expenses	413
Net income before taxes	24,604
Income taxes-current	5,239
Income taxes-deferred	1,834
Total income taxes	7,074
Net income	17,530
Income attributable to non-controlling interests	266
Income attributable to owners of parent	17,263

(Consolidated statements of income)
(April 1, 2016 – December 31, 2016)

(Million Yen)

	Nine months ended December 31, 2016
Net income	17,530
Other comprehensive income	
Valuation difference on available-for- sale securities	(1,239)
Deferred gains or losses on hedges	385
Foreign currency translation adjustment	(2,545)
Remeasurements of defined benefit plan	0
Share of other comprehensive income of entities accounted for using equity method	5
Total other comprehensive income	<u>(3,393)</u>
Comprehensive income	<u>14,136</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	14,513
Comprehensive income attributable to non-controlling interests	(377)