

Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2018 (Q3 FY 2018)

Company name: Itoham Yonekyu Holdings Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2296
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 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: No

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2018 (April 1, 2018–December 31, 2018)

(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	%
Nine months ended								
December 31, 2018	659,036	2.5	14,773	21.0	15,845	22.9	10,860	24.7
December 31, 2017	642,932	5.0	18,702	3.8	20,552	8.9	14,418	16.5

(Note) Comprehensive income: Nine months ended December 31, 2018 10,374 million(-25.6%)
 Nine months ended December 31, 2017 13,939 million(-1.4%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended		
December 31, 2018	36.74	36.71
December 31, 2017	48.59	48.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million Yen	Million Yen	%
As of December 31, 2018	398,280	225,170	56.2
As of March 31, 2018	376,204	219,861	58.1

(Reference) Shareholders' equity: As of December 31, 2018 223,861 million
 As of March 31, 2018 218,612 million

2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total
	Yen	Yen	Yen	Yen	Yen
For the year fiscal year ended					
March 31, 2018	—	0.00	—	17.00	17.00
March 31, 2019	—	0.00	—		
For the year fiscal year ending					
March 31, 2019 (Forecast)				17.00	17.00

(Note) Changes to most recent dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

	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	850,000	2.2	15,000	30.4	16,000	34.5	10,500	33.5	35.52

(Note) Changes to most recent financial results forecast: Yes

Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2018	As of December 31, 2018
ASSETS		
Current assets		
Cash and deposits	29,585	16,556
Notes and account receivable - trade	94,056	121,873
Merchandise and finished goods	66,042	67,060
Work in process	1,739	1,312
Raw materials and supplies	18,491	20,471
Other	3,557	4,453
Allowance for doubtful accounts	(8)	(11)
Total current assets	213,465	231,716
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,053	35,285
Machinery, equipment and vehicles, net	25,041	29,655
Tools, furniture & fixtures, net	1,328	1,504
Land	25,901	25,416
Leased assets, net	1,539	1,587
Others, net	2,870	4,533
Total property, plant and equipment	89,735	97,983
Intangible assets		
Goodwill	24,109	22,956
Other	1,706	1,493
Total intangible assets	25,816	24,450
Investments and other assets		
Investment securities	31,618	28,602
Net defined benefit assets	8,231	8,761
Other	7,458	6,888
Allowance for doubtful receivables	(122)	(122)
Total investments and other assets	47,186	44,130
Total non-current assets	162,738	166,564
Total Assets	376,204	398,280

(Million Yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,944	70,105
Electronically recorded obligations	1,637	2,030
Short-term loans payable	21,395	39,808
Current portion of Long-term loans	4,964	5,806
Income taxes payable	2,502	939
Provision for bonuses	5,985	3,048
Provision for directors' bonuses	187	121
Other	27,147	29,789
Total current liabilities	127,765	151,650
Non-current liabilities		
Long-term loans payable	20,071	11,414
Net defined benefit liability	1,581	1,611
Asset retirement obligation	1,207	1,210
Other	5,716	7,222
Total non-current liabilities	28,577	21,459
Total liabilities	156,343	173,109
Net assets		
Shareholder's equity		
Capital stock	30,003	30,003
Capital surplus	96,289	96,301
Retained earnings	90,031	95,874
Treasury stock	(1,824)	(1,849)
Total shareholder's equity	214,499	220,330
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	6,013	5,453
Deferred gains or losses on hedges	(789)	(1,081)
Foreign currency translation adjustment	(2,387)	(2,084)
Remeasurements of defined benefit plan	1,277	1,243
Total accumulated other comprehensive income	4,113	3,530
Subscription rights to shares	257	139
Non-controlling interests	990	1,169
Total net assets	219,861	225,170
Total liabilities and net assets	376,204	398,280

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(April 1 – December 31)

(Million Yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	642,932	659,036
Cost of goods sold	539,540	557,009
Gross profit	103,392	102,026
Selling, general and administrative expenses	84,690	87,253
Operating income	18,702	14,773
Non-operating income		
Interest income	70	94
Dividend income	330	389
Rent income	295	321
Equity in income of affiliates	1,392	56
Other	582	1,048
Total non-operating income	2,672	1,910
Non-operating expenses		
Interest expenses	688	703
Rent on real estate	106	115
Other	28	20
Total non-operating expenses	822	839
Ordinary Income	20,552	15,845
Extraordinary income		
Gain on sales of investment securities	742	562
Premium income	-	301
Gain on step acquisitions	-	288
Other	202	4
Total extra-ordinary income	945	1,158
Extraordinary loss		
Loss on retirement of non-current assets	147	230
Loss from valuation of securities	36	13
Loss on disaster	-	287
Others	107	2
Total extra-ordinary expenses	290	534
Net income before taxes	21,206	16,468
Income taxes-current	5,662	4,475
Income taxes-deferred	1,235	1,057
Total income taxes	6,897	5,532
Net income	14,309	10,936
Income (loss) attributable to non-controlling interests	(109)	75
Income attributable to owners of parent	14,418	10,860

(Consolidated statements of comprehensive income)
(April 1 – December 31)

(Million Yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income	14,309	10,936
Other comprehensive income		
Valuation difference on available-for-sale securities	725	(399)
Deferred gains or losses on hedges	(46)	(291)
Foreign currency translation adjustment	(550)	(169)
Remeasurements of defined benefit plan	(59)	(33)
Share of other comprehensive income of entities accounted for using equity method	(438)	331
Total other comprehensive income	<u>(369)</u>	<u>(562)</u>
Comprehensive income	<u>13,939</u>	<u>10,374</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,182	10,278
Comprehensive income attributable to non-controlling interest	(242)	95