

Consolidated Financial Results (Japanese Accounting Standards) for Three Months Ended June 30, 2018 (Q1 FY 2018)

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:	August 10, 2018
Scheduled date of commencement of dividend payment:	-
Supplementary documents for financial results:	Yes
Quarterly results briefing:	No

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Three Months Ended June 30, 2018 (April 1, 2018–June 30, 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	%
Three month ended								
June 30, 2018	208,615	3.3	3,654	-32.3	4,124	-29.3	3,162	-19.7
June 30, 2017	201,879	2.7	5,394	19.2	5,830	14.0	3,936	-18.2

(Note) Comprehensive income: Three months ended June 30, 2018 3,287 million(54.9%)
Three months ended June 30, 2017 2,122 million(421.6%)

	Net income per share	Fully diluted net income
	Yen	Yen
Three month ended		
June 30, 2018	10.70	10.69
June 30, 2017	13.24	13.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million Yen	Million Yen	%
As of June 30, 2018	392,141	217,889	55.3
As of March 31, 2018	376,204	219,861	58.1

(Reference) Shareholders' equity: As of June 30, 2018 217,014 million
As of March 31, 2018 218,612 million

2. Dividends

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

(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)

(% 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
Second quarter-end (Cumulative)	425,000	2.0	11,000	Δ3.8	12,000	Δ4.4	8,000	Δ5.0	27.06
Full year	850,000	2.2	23,000	6.7	25,000	2.4	16,500	4.5	55.81

(Note) Changes to most recent financial results forecast: None

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2018	As of June 30, 2018
ASSETS		
Current assets		
Cash and deposits	29,585	28,647
Notes and account receivable - trade	94,056	101,097
Merchandise and finished goods	66,042	69,202
Work in process	1,739	1,926
Raw materials and supplies	18,491	19,526
Other	3,557	7,474
Allowance for doubtful accounts	(8)	(9)
Total current assets	213,465	227,866
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,053	34,574
Machinery, equipment and vehicles, net	25,041	27,208
Tools, furniture & fixtures, net	1,328	1,408
Land	25,901	25,492
Leased assets, net	1,539	1,551
Others, net	2,870	2,906
Total property, plant and equipment	89,735	93,141
Intangible assets		
Goodwill	24,109	23,719
Other	1,706	1,685
Total intangible assets	25,816	25,405
Investments and other assets		
Investment securities	31,618	30,257
Net defined benefit assets	8,231	8,433
Other	7,458	7,158
Allowance for doubtful receivables	(122)	(121)
Total investments and other assets	47,186	45,728
Total non-current assets	162,738	164,275
Total Assets	376,204	392,141

(Million Yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,944	69,260
Electronically recorded obligations	1,637	1,520
Short-term loans payable	21,395	26,167
Current portion of Long-term loans	4,964	4,551
Income taxes payable	2,502	510
Provision for bonuses	5,985	1,923
Provision for directors' bonuses	187	52
Other	27,147	40,967
Total current liabilities	127,765	144,954
Non-current liabilities		
Long-term loans payable	20,071	19,767
Net defined benefit liability	1,581	1,587
Asset retirement obligation	1,207	1,218
Other	5,716	6,725
Total non-current liabilities	28,577	29,297
Total liabilities	156,343	174,252
Net assets		
Shareholder's equity		
Capital stock	30,003	30,003
Capital surplus	96,289	96,313
Retained earnings	90,031	88,176
Treasury stock	(1,824)	(1,689)
Total shareholder's equity	214,499	212,803
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	6,013	6,455
Deferred gains or losses on hedges	(789)	(1,088)
Foreign currency translation adjustment	(2,387)	(2,422)
Remeasurements of defined benefit plan	1,277	1,265
Total accumulated other comprehensive income	4,113	4,211
Subscription rights to shares	257	139
Non-controlling interests	990	734
Total net assets	219,861	217,889
Total liabilities and net assets	376,204	392,141

(2) Consolidated statements of income and comprehensive income
(Consolidated statements of income)
(April 1, 2018 – June 30, 2018)

(Million Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	201,879	208,615
Cost of goods sold	170,299	178,144
Gross profit	31,579	30,471
Selling, general and administrative expenses	26,184	26,816
Operating income	5,394	3,654
Non-operating income		
Interest income	22	23
Dividend income	135	123
Rent income	98	102
Equity in income of affiliates	290	170
Other	184	322
Total non-operating income	732	742
Non-operating expenses		
Interest expenses	232	231
Rent on real estate	32	28
Other	31	13
Total non-operating expenses	296	272
Ordinary Income	5,830	4,124
Extraordinary income		
Gain on sales of investment securities	0	513
Insurance income	-	210
Other	44	0
Total extra-ordinary income	45	724
Extraordinary loss		
Impairment loss	43	48
Loss on valuation of investment securities	36	-
Loss on disaster	-	17
Others	0	0
Total extra-ordinary expenses	79	66
Net income before taxes	5,796	4,782
Income taxes-current	482	283
Income taxes-deferred	1,426	1,311
Total income taxes	1,908	1,595
Net income	3,887	3,187
Income (loss) attributable to non-controlling interests	(48)	25
Income attributable to owners of parent	3,936	3,162

(Consolidated statements of comprehensive income)
(April 1, 2018 – June 30, 2018)

(Million Yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net income	3,887	3,187
Other comprehensive income		
Valuation difference on available-for-sale securities	572	526
Deferred gains or losses on hedges	(182)	(298)
Foreign currency translation adjustment	(1,077)	(256)
Remeasurements of defined benefit plan	(17)	(11)
Share of other comprehensive income of entities accounted for using equity method	(1,060)	140
Total other comprehensive income	<u>(1,764)</u>	<u>100</u>
Comprehensive income	<u>2,122</u>	<u>3,287</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,493	3,260
Comprehensive income attributable to non-controlling interest	(371)	27