

# Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2017

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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 Tel. +81-3-5723-6889  
 Scheduled date for general shareholders' meeting: June 27, 2017  
 Scheduled date for filing of securities report: June 28, 2017  
 Scheduled date of commencement of dividend payment: June 12, 2017  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (For institutional investors, analysts)

(Amounts of less than one million yen are truncated)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016–March 31, 2017)

### (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	%
For the year fiscal year ended March 31, 2017	792,564	—	21,455	—	24,884	—	18,038	—
March 31, 2016	—	—	—	—	—	—	—	—

(Note) Comprehensive income: The fiscal year ended March 31, 2017 ##### million(- %) million(- %)  
 The fiscal year ended March 31, 2016 - million(- %)

	Net income per share	Fully diluted net income	Net income to shareholders' equity	Ordinary Income to assets	Operating income to net sales
	Yen	Yen	%	%	%
For the year fiscal year ended March 31, 2017	60.67	60.60	8.8	6.8	2.7
March 31, 2016	—	—	—	—	—

(Reference) Equity in income or losses of affiliates: The fiscal year ended March 31, 2017 2,939 million(- %)  
 The fiscal year ended March 31, 2016 - million(- %)

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2017	373,632	220,033	56.9	#####
As of March 31, 2016	—	—	—	—

(Reference) Shareholders' equity: As of March 31, 2017 212,519 million  
 As of March 31, 2016 - million

### (3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of fiscal year
	Million Yen	Million Yen	Million Yen	Million Yen
For the year fiscal year ended March 31, 2017	21,187	Δ8,756	Δ8,996	52,785
March 31, 2016	—	—	—	—

## 2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total	Total amount of cash dividends (annual)	Dividend payout ratio (consolidated)	Ratio of total amount of dividends to shareholders' equity
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
For the year fiscal year ended March 31, 2016	—	—	—	—	—	—	—	—
March 31, 2017	—	0.00	—	17.00	17.00	5,054	28.0	2.5
For the year fiscal year ending March 31, 2018 (Forecast)	—	0.00	—	17.00	17.00		30.6	

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2017**  
**(April 1, 2017 to March 31, 2018)**

(% 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)	422,000	5.8	11,000	4.6	12,000	0.4	7,500	Δ21.3	25.22
Full year	840,000	6.0	22,500	4.9	25,000	0.5	16,500	Δ8.5	55.49

## Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million Yen)

As of March 31, 2017

<b>ASSETS</b>	
<b>Current assets</b>	
Cash and deposits	53,087
Notes and account receivable - trade	78,559
Securities	200
Merchandise and finished goods	57,956
Work in process	1,676
Raw materials and supplies	16,323
Deferred tax asset	3,301
Other	4,263
Allowance for doubtful accounts	(18)
<b>Total current assets</b>	<b>215,349</b>
<b>Non-current assets</b>	
<b>Property, plant and equipment</b>	
Buildings and structures, net	31,706
Machinery, equipment and vehicles, net	24,349
Tools, furniture & fixtures, net	1,217
Land	25,839
Leased assets, net	1,489
Construction in progress	1,379
Others, net	97
<b>Total property, plant and equipment</b>	<b>86,079</b>
<b>Intangible assets</b>	
Goodwill	25,631
Leased assets	37
Other	1,962
<b>Total intangible assets</b>	<b>27,631</b>
<b>Investments and other assets</b>	
Investment securities	32,970
Long-term loans	2,466
Deferred tax asset	307
Net defined benefit assets	4,611
Other	4,384
Allowance for doubtful receivables	(168)
<b>Total investments and other assets</b>	<b>44,572</b>
<b>Total non-current assets</b>	
<b>Total Assets</b>	<b>373,632</b>

(Million Yen)

As of March 31, 2017

<b>Liabilities</b>	
<b>Current liabilities</b>	
Notes and accounts payable - trade	61,017
Electronically recorded obligations	513
Short-term loans payable	12,952
Current portion of Bonds payable	10,000
Current portion of Long-term loans	3,943
Lease obligations	508
Accounts payable-other	17,196
Income taxes payable	1,991
Consumption taxes payable	1,729
Provision for bonuses	5,854
Other	5,587
<b>Total current liabilities</b>	<b>121,294</b>
<b>Non-current liabilities</b>	
Long-term loans payable	24,205
Lease obligations	1,176
Deferred tax liabilities	2,717
Net defined benefit liability	1,795
Asset retirement obligation	1,076
Other	1,333
<b>Total non-current liabilities</b>	<b>32,304</b>
<b>Total liabilities</b>	<b>153,598</b>
<b>Net assets</b>	
<b>Shareholder's equity</b>	
Capital stock	30,000
Capital surplus	98,005
Retained earnings	79,300
Treasury stock	(5)
<b>Total shareholder's equity</b>	<b>207,300</b>
<b>Other accumulated comprehensive income</b>	
Valuation difference on available-for-sale securities	7,979
Deferred gains or losses on hedges	(439)
Foreign currency translation adjustment	(1,884)
Remeasurements of defined benefit plan	(436)
<b>Total accumulated other comprehensive income</b>	<b>5,218</b>
<b>Subscription rights to shares</b>	<b>220</b>
<b>Non-controlling interests</b>	<b>7,293</b>
<b>Total net assets</b>	<b>220,033</b>
<b>Total liabilities and net assets</b>	<b>373,632</b>

(2) Consolidated statements of income and comprehensive income  
(Consolidated statements of income)  
(April 1, 2016 – March 31, 2017)

(Million Yen)

	For the fiscal year ended March 31, 2017
<b>Net sales</b>	792,564
<b>Cost of goods sold</b>	664,352
<b>Gross profit</b>	128,212
<b>Selling, general and administrative expenses</b>	106,756
<b>Operating income</b>	21,455
<b>Non-operating income</b>	
Interest income	126
Dividend income	284
Rent income	464
Equity in income of affiliates	2,939
Other	1,067
<b>Total non-operating income</b>	4,882
<b>Non-operating expenses</b>	
Interest expenses	928
Rent on real estate	192
Organization expenses	210
Other	123
<b>Total non-operating expenses</b>	1,454
<b>Ordinary Income</b>	24,884
<b>Extraordinary income</b>	
Gain on sales of non-current assets	13
Gain on sales of investment securities	1,976
Other	741
<b>Total extra-ordinary income</b>	2,731
<b>Extraordinary loss</b>	
Loss on sales of non-current assets	115
Loss on retirement of non-current assets	323
Loss on impairment	829
Others	321
<b>Total extra-ordinary expenses</b>	1,589
<b>Net income before taxes</b>	26,027
Income taxes-current	6,710
Income taxes-deferred	1,073
<b>Total income taxes</b>	7,784
<b>Net income</b>	18,243
<b>Income attributable to non-controlling interests</b>	204
<b>Income attributable to owners of parent</b>	18,038

(Consolidated statements of comprehensive income)  
(April 1, 2016 – March 31, 2017)

	(Million Yen)
	For the fiscal year ended March 31, 2017
<b>Net income</b>	18,243
<b>Other comprehensive income</b>	
Valuation difference on available-for-sale securities	(1,280)
Deferred gains or losses on hedges	227
Foreign currency translation adjustment	157
Remeasurements of defined benefit plan	1,677
Share of other comprehensive income of entities accounted for using equity method	786
<b>Total other comprehensive income</b>	<u>1,567</u>
<b>Comprehensive income</b>	<u>19,811</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	19,557
Comprehensive income attributable to non-controlling interests	253

(3) Consolidated statements of Cash Flows

(Million Yen)

For the fiscal year ended  
March 31, 2017

<b>Cash flows from operating activities</b>	
Income before income taxes	26,027
Depreciation	8,891
Loss on impairment	829
Increase (decrease) in provision for bonuses	959
Amortization of goodwill	2,166
Interest and dividend income	(411)
Interest expenses	928
Equity in earnings of affiliates	(2,939)
Loss (Gain) on sales of investment securities	(1,927)
Decrease (increase) in notes and accounts receivable - trade	(80)
Decrease (increase) in inventories	(4,983)
Increase (decrease) in notes and accounts payable - trade	1,033
Increase (decrease) in notes and accounts payable	(1,002)
Increase (decrease) in net defined benefit liability	(48)
Decrease (increase) in net defined benefit asset	(1,628)
Other	(957)
<b>Subtotal</b>	<u>26,857</u>
Interest and dividend income received	771
Interest expenses paid	(939)
Income taxes paid	(5,615)
Other	114
<b>Net cash provided by (used in) operating activities</b>	<u>21,187</u>
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(10,983)
Purchase of intangible assets	(540)
Proceeds from sales of investment securities	3,152
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(279)
Payments of loans receivable	(441)
Proceeds from loans receivable	576
Other	(241)
<b>Net cash provided by (used in) investing activities</b>	<u>(8,756)</u>
<b>Cash flows from financing activities</b>	
Increase (decrease) in short-term loans payable	(2,745)
Proceeds from long-term loans payable	3,128
Repayment of long-term loans payable	(6,195)
Cash dividends paid	(2,498)
Repayment of lease obligations	(608)
Other	(77)
<b>Net cash provided by (used in) financing activities</b>	<u>(8,996)</u>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<u>826</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>4,260</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>30,459</u>
<b>Net increase (decrease) in cash and cash equivalents resulting from share transfer</b>	<u>18,065</u>
<b>Cash and cash equivalents at end of period</b>	<u>52,785</u>