

## Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2017 (Q3 FY 2017)

Company name:	Itoham Yonekyu Holdings Inc.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2296
URL:	<a href="http://www.itoham-yonekyu-holdings.com">http://www.itoham-yonekyu-holdings.com</a>
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Scheduled date for filing of securities report:	February 14, 2018
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, 2017 (April 1, 2017–December 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	%
Nine months ended								
December 31, 2017	642,932	5.0	18,702	-3.8	20,552	-8.9	14,418	-16.5
December 31, 2016	612,411	—	19,449	—	22,549	—	17,263	—

(Note) Comprehensive income: Six months ended December 31, 2017 13,939 million(-1.4%)  
Six months ended December 31, 2016 14,136 million(- %)

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
Nine months ended				
December 31, 2017	48.59		48.54	
December 31, 2016	58.06		58.00	

(Note) year-on-year change for December 31, 2016 results not shown as the company was established April 1, 2016

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million Yen		Million Yen		%	
As of December 31, 2017	385,139		219,880		56.8	
As of March 31, 2017	373,632		220,033		56.9	

(Reference) Shareholders' equity: As of December 31, 2017 218,627 million  
As of March 31, 2017 212,519 million

### 2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal quarter-end	Total
For the year fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2017	—	0.00	—	17.00	17.00
March 31, 2018	—	0.00			
For the year fiscal year ending					
March 31, 2018 (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, 2018 (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	%	
Full year	825,000	4.1	20,500	Δ4.5	23,000	Δ7.6	16,500	Δ8.5	Yen 55.60

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

## Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2017	As of December 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	53,087	16,414
Notes and account receivable - trade	78,559	121,801
Securities	200	-
Merchandise and finished goods	57,956	60,808
Work in process	1,676	1,228
Raw materials and supplies	16,323	17,871
Other	7,564	5,861
Allowance for doubtful accounts	(18)	(28)
<b>Total current assets</b>	<b>215,349</b>	<b>223,957</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	31,706	32,512
Machinery, equipment and vehicles, net	24,349	24,415
Tools, furniture & fixtures, net	1,217	1,303
Land	25,839	25,995
Leased assets, net	1,489	1,563
Others, net	1,477	1,832
<b>Total property, plant and equipment</b>	<b>86,079</b>	<b>87,623</b>
<b>Intangible assets</b>		
Goodwill	25,631	24,492
Other	2,000	1,814
<b>Total intangible assets</b>	<b>27,631</b>	<b>26,307</b>
<b>Investments and other assets</b>		
Investment securities	32,970	34,917
Net defined benefit assets	4,611	5,598
Other	7,158	6,874
Allowance for doubtful receivables	(168)	(139)
<b>Total investments and other assets</b>	<b>44,572</b>	<b>47,251</b>
<b>Total non-current assets</b>	<b>158,283</b>	<b>161,181</b>
<b>Total Assets</b>	<b>373,632</b>	<b>385,139</b>

(Million Yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	61,017	69,193
Electronically recorded obligations	513	1,790
Short-term loans payable	12,952	23,991
Current portion of Long-term loans	3,943	5,396
Current portion of Bonds payable	10,000	-
Income taxes payable	1,991	1,024
Provision for bonuses	5,854	3,785
Other	25,021	31,065
<b>Total current liabilities</b>	<u>121,294</u>	<u>136,246</u>
<b>Non-current liabilities</b>		
Long-term loans payable	24,205	20,293
Net defined benefit liability	1,795	1,788
Asset retirement obligation	1,076	1,212
Other	5,226	5,718
<b>Total non-current liabilities</b>	<u>32,304</u>	<u>29,012</u>
<b>Total liabilities</b>	<u>153,598</u>	<u>165,259</u>
<b>Net assets</b>		
<b>Shareholder's equity</b>		
Capital stock	30,000	30,003
Capital surplus	98,005	96,289
Retained earnings	79,300	88,664
Treasury stock	(5)	(1,312)
<b>Total shareholder's equity</b>	<u>207,300</u>	<u>213,645</u>
<b>Other accumulated comprehensive income</b>		
Valuation difference on available-for-sale securities	7,979	7,698
Deferred gains or losses on hedges	(439)	(45)
Foreign currency translation adjustment	(1,884)	(2,174)
Remeasurements of defined benefit plan	(436)	(496)
<b>Total accumulated other comprehensive income</b>	<u>5,218</u>	<u>4,982</u>
<b>Subscription rights to shares</b>	220	257
<b>Non-controlling interests</b>	7,293	994
<b>Total net assets</b>	<u>220,033</u>	<u>219,880</u>
<b>Total liabilities and net assets</b>	<u>373,632</u>	<u>385,139</u>

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

(Million Yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
<b>Net sales</b>	612,411	642,932
<b>Cost of goods sold</b>	510,371	539,540
<b>Gross profit</b>	102,040	103,392
<b>Selling, general and administrative expenses</b>	82,590	84,690
<b>Operating income</b>	19,449	18,702
<b>Non-operating income</b>		
Interest income	94	70
Dividend income	281	330
Rent income	353	295
Equity in income of affiliates	2,856	1,392
Other	677	582
<b>Total non-operating income</b>	4,264	2,672
<b>Non-operating expenses</b>		
Interest expenses	725	688
Rent on real estate	151	106
Organization expenses	210	-
Other	78	28
<b>Total non-operating expenses</b>	1,164	822
<b>Ordinary Income</b>	22,549	20,552
<b>Extraordinary income</b>		
Gain on sales of investment securities	1,971	742
Other	497	202
<b>Total extra-ordinary income</b>	2,468	945
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	199	147
Loss from valuation of securities	-	36
Others	214	107
<b>Total extra-ordinary expenses</b>	413	290
<b>Net income before taxes</b>	24,604	21,206
Income taxes-current	5,239	5,662
Income taxes-deferred	1,834	1,235
<b>Total income taxes</b>	7,074	6,897
<b>Net income</b>	17,530	14,309
<b>Income (loss) attributable to non-controlling interests</b>	266	(109)
<b>Income attributable to owners of parent</b>	17,263	14,418

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

(Million Yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
<b>Net income</b>	17,530	14,309
<b>Other comprehensive income</b>		
Valuation difference on available-for- sale securities	(1,239)	725
Deferred gains or losses on hedges	385	(46)
Foreign currency translation adjustment	(2,545)	(550)
Remeasurements of defined benefit plan	0	(59)
Share of other comprehensive income of entities accounted for using equity method	5	(438)
<b>Total other comprehensive income</b>	<b>(3,393)</b>	<b>(369)</b>
<b>Comprehensive income</b>	<b>14,136</b>	<b>13,939</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,513	14,182
Comprehensive income attributable to non-controlling interest	(377)	(242)