

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2017 (Q1 FY 2017)

Company name:	Itoham Yonekyu Holdings Inc.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2296
URL:	http://www.itoham-yonekyu-holdings.com
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Scheduled date for filing of securities report:	August 10, 2017
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 Three Months Ended June 30, 2017 (April 1, 2017–June 30, 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	%
Three month ended								
June 30, 2017	201,879	2.7	5,394	19.2	5,830	14.0	3,936	-18.2
June 30, 2016	196,532	—	4,526	—	5,116	—	4,810	—

(Note) Comprehensive income: Three months ended June 30, 2017 2,122 million(421.6%)
Three months ended June 30, 2016 406 million(- %)

	Net income per share		Fully diluted net income per share	
	Yen		Yen	
Three month ended				
June 30, 2017		13.24		13.23
June 30, 2016		16.18		16.16

(Note) year-on-year change for June 30, 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 June 30, 2017	366,568		216,626		57.2
As of March 31, 2017	373,632		220,033		56.9

(Reference) Shareholders' equity: As of June 30, 2017 209,501 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	—	—	—	—	—
For the year fiscal year ending	—	0.00	—	17.00	17.00
March 31, 2018 (Forecast)	—	0.00	—	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	%	Yen
Second quarter-end (Cumulative)	422,000	5.8	11,000	4.6	12,000	0.4	7,500	Δ21.3	25.23
Full year	840,000	6.0	22,500	4.9	25,000	0.5	16,500	Δ8.5	55.51

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

Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2017	As of June 30, 2017
ASSETS		
Current assets		
Cash and deposits	53,087	33,467
Notes and account receivable - trade	78,559	87,401
Securities	200	200
Merchandise and finished goods	57,956	60,208
Work in process	1,676	1,691
Raw materials and supplies	16,323	19,105
Other	7,564	7,935
Allowance for doubtful accounts	(18)	(19)
Total current assets	215,349	209,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,706	31,332
Machinery, equipment and vehicles, net	24,349	23,953
Tools, furniture & fixtures, net	1,217	1,252
Land	25,839	25,629
Leased assets, net	1,489	1,539
Others, net	1,477	1,829
Total property, plant and equipment	86,079	85,536
Intangible assets		
Goodwill	25,631	25,242
Other	2,000	1,943
Total intangible assets	27,631	27,186
Investments and other assets		
Investment securities	32,970	32,316
Net defined benefit assets	4,611	5,040
Other	7,158	6,645
Allowance for doubtful receivables	(168)	(148)
Total investments and other assets	44,572	43,854
Total non-current assets	158,283	156,576
Total Assets	373,632	366,568

(Million Yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	61,017	60,949
Electronically recorded obligations	513	1,548
Short-term loans payable	12,952	18,107
Current portion of Long-term loans	3,943	5,158
Current portion of Bonds payable	10,000	-
Income taxes payable	1,991	553
Provision for bonuses	5,854	1,965
Other	25,021	30,860
Total current liabilities	121,294	119,143
Non-current liabilities		
Long-term loans payable	24,205	22,299
Net defined benefit liability	1,795	1,792
Asset retirement obligation	1,076	1,212
Other	5,226	5,494
Total non-current liabilities	32,304	30,798
Total liabilities	153,598	149,942
Net assets		
Shareholder's equity		
Capital stock	30,000	30,003
Capital surplus	98,005	98,008
Retained earnings	79,300	78,182
Treasury stock	(5)	(469)
Total shareholder's equity	207,300	205,725
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	7,979	7,483
Deferred gains or losses on hedges	(439)	(600)
Foreign currency translation adjustment	(1,884)	(2,652)
Remeasurements of defined benefit plan	(436)	(454)
Total accumulated other comprehensive income	5,218	3,776
Subscription rights to shares	220	214
Non-controlling interests	7,293	6,909
Total net assets	220,033	216,626
Total liabilities and net assets	373,632	366,568

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

(Million Yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	196,532	201,879
Cost of goods sold	166,405	170,299
Gross profit	30,127	31,579
Selling, general and administrative expenses	25,601	26,184
Operating income	4,526	5,394
Non-operating income		
Interest income	35	22
Dividend income	156	135
Rent income	124	98
Equity in income of affiliates	623	290
Other	193	184
Total non-operating income	1,133	732
Non-operating expenses		
Interest expenses	247	232
Rent on real estate	47	32
Organization expenses	210	-
Other	38	31
Total non-operating expenses	542	296
Ordinary Income	5,116	5,830
Extraordinary income		
Gain on sales of non-current assets	3	11
Gain on sales of investment securities	1,774	0
Other	79	32
Total extra-ordinary income	1,857	45
Extraordinary loss		
Loss on retirement of non-current assets	40	43
Loss on impairment	5	36
Others	17	0
Total extra-ordinary expenses	63	79
Net income before taxes	6,910	5,796
Income taxes-current	534	482
Income taxes-deferred	1,554	1,426
Total income taxes	2,088	1,908
Net income	4,821	3,887
Income (loss) attributable to non-controlling interests	11	(48)
Income attributable to owners of parent	4,810	3,936

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

	(Million Yen)	
	Three months ended June 30, 2016	Three months ended June 30, 2017
Net income	4,821	3,887
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,703)	572
Deferred gains or losses on hedges	(687)	(182)
Foreign currency translation adjustment	(1,053)	(1,077)
Remeasurements of defined benefit plan	(17)	(17)
Share of other comprehensive income of entities accounted for using equity method	(953)	(1,060)
Total other comprehensive income	(4,414)	(1,764)
Comprehensive income	406	2,122
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	704	2,493
Comprehensive income attributable to non-controlling interests	(294)	(371)