



Overview of Business Results
for the 1st Quarter of Fiscal Year Ending March 31, 2017 (1Q FY2016)
[Japanese Standard Form](Consolidated)

Name of the company: Iwatani Corporation Share traded: TSE and NSE first sections
 Code: 8088 URL <http://www.iwatani.co.jp/eng/>
 Name of Representative: Masao Nomura, President
 Date of filing financial report: August 12, 2016
 Quarterly earnings supplementary explanatory documents: **None**
 Quarterly earnings presentation : **None**

Note: Figures less than 1 million are rounded down

1. Consolidated Financial Results for the 1st Quarter of Fiscal Year Ending March 2017
(For the period from April 1, 2016 to June 30, 2016)

(1) Consolidated Operating Results (Figures in % refer to changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q FY2016	131,553	(12.7)	3,013	(27.9)	3,186	(31.6)	1,883	(30.8)
1Q FY2015	150,713	(5.7)	4,177	—	4,658	—	2,720	—

(Notes) Comprehensive income: 1Q FY2016 (600)million yen (-%) 1Q FY2015 5,550 million yen (536.3%)

	Net income per share	Net income per share after dilution
	yen	yen
1Q FY2016	7.65	6.55
1Q FY2015	11.05	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
1Q FY2016	383,435	121,963	29.2
FY2015	404,479	124,583	28.4

(Reference) Equity capital: 1Q FY2016 112,144 million yen FY2015 114,781 million yen

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-end	Annual
	yen	yen	yen	yen	yen
FY2015	—	—	—	8.00	8.00
FY2016	—	—	—	—	—
FY2016 (Forecast)	—	—	—	8.00	8.00

(Notes) Revisions to the dividend forecast announced most recently: **None**

3. Consolidated Results Forecast for FY2016(April 1, 2016 – March 31, 2017)

(Figures in % represent forecasted changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
1H FY2016	290,000	(3.9)	6,400	0.8	6,900	1.0	4,000	11.7	16.25
FY2016	600,000	(2.6)	21,000	2.5	22,000	1.9	13,000	5.1	52.82

(Notes) Revisions to the consolidated results forecasts announced most recently: **None**

This document is an English translation of a statement written initially in Japanese. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

*Notes

- (1) Changes in important subsidiaries during the period
(Changes in specific subsidiaries resulting in changes in scope of consolidation): **None**

New : —(Company name: —)
Excluded : —(Company name: —)

- (2) Application of accounting treatment peculiarly adopted to prepare quarterly consolidated financial statements: **None**

- (3) Changes in accounting policies, changes in accounting estimates, and restatements

① Changes in accounting policies caused by revision of accounting standards: **Yes**

② Changes in accounting policies other than ①: **None**

③ Changes in accounting estimates: **None**

④ Restatements: **None**

- (4) Number of outstanding shares (common stock)

① Number of outstanding shares (common stock) at end of period (Treasury stocks are included)

② Number of treasury stock at end of period

③ Average number of shares outstanding

①	1Q FY2016	251,365,028	FY2015	251,365,028
②	1Q FY2016	5,284,592	FY2015	5,282,495
③	1Q FY2016	246,081,060	1Q FY2015	246,092,997

*Implementation of quarterly review procedure

This Overview of Business Results is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act.
The review procedure for the quarterly financial statements has not been completed at the time of release of this report.

*Explanations and other matters of special note in regard to appropriate use of business results forecasts

The aforementioned forecasts were prepared based on information obtainable as of the date of release of this document, and which do not intend for the Company to guarantee its materialization. Going forward, due to a variety of factors, actual results may differ from estimated values.

4. Quarterly Consolidated Balance Sheets

(Unit: million yen)

	FY2015 (As of Mar 31, 2016)	1Q FY2016 (As of Jun 30, 2016)
Assets		
Current assets		
Cash and deposits	23,309	21,781
Notes and accounts receivable-trade	103,624	87,893
Merchandise and finished goods	26,886	25,604
Work - in - process	2,715	3,292
Raw materials and supplies	4,059	3,934
Other	15,985	12,446
Allowance for doubtful accounts	(701)	(386)
Total current assets	175,878	154,567
Fixed assets		
Property, plant and equipment		
Land	57,161	57,325
Other, net	87,842	91,381
Total property, plant and equipment	145,003	148,706
Intangible assets		
Goodwill	14,087	13,929
Other	2,788	2,728
Total intangible assets	16,876	16,658
Investments and other assets		
Investments in securities	53,524	50,631
Other	14,010	13,682
Allowance for doubtful accounts	(813)	(812)
Total investments and other assets	66,721	63,502
Total fixed assets	228,601	228,867
Total assets	404,479	383,435

(Unit: million yen)

	FY2015 (As of Mar 31, 2016)	1Q FY2016 (As of Jun 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	76,464	53,650
Electronically recorded obligations - operating	14,487	19,297
Short-term borrowings	23,430	30,606
Income taxes payable	3,567	1,306
Accrued bonuses	4,491	3,011
Other	50,047	47,042
Total current liabilities	172,489	154,915
Long-term liabilities		
Bonds	38,136	38,129
Long-term borrowings	47,598	47,163
Allowance for retirement benefits for directors and statutory auditors	1,291	1,263
Net defined benefit liability	5,811	5,484
Other	14,568	14,515
Total long-term liabilities	107,406	106,555
Total liabilities	279,895	261,471
Net assets		
Shareholders' equity		
Common stock	20,096	20,096
Capital surplus	18,137	18,141
Retained earnings	66,174	66,186
Treasury stock, at cost	(1,463)	(1,464)
Total shareholders' equity	102,945	102,959
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	9,939	8,261
Deferred gains (losses) on hedges	(221)	(464)
Foreign currency translation adjustments	1,966	1,231
Remeasurements of defined benefit plans	152	157
Total accumulated other comprehensive income	11,836	9,185
Non-controlling interests	9,802	9,819
Total net assets	124,583	121,963
Total liabilities and net assets	404,479	383,435

5. Quarterly Consolidated Statements of Income

(Unit: million yen)

	1Q FY2015 (Apr 1, 2015- Jun 30, 2015)	1Q FY2016 (Apr 1, 2016 - Jun 30, 2016)
Net sales	150,713	131,553
Cost of sales	113,956	94,799
Gross profit	36,756	36,753
Selling, general and administrative expenses		
Transportation cost	5,395	5,311
Provision for allowance for doubtful accounts	(43)	(8)
Salaries, wages and bonuses	7,801	8,076
Provision for allowance for employees' bonuses	2,135	2,220
Retirement benefits expenses	497	410
Provision for allowance for retirement benefits to directors and statutory auditors	29	74
Other	16,761	17,655
Total selling, general and administrative expenses	32,578	33,740
Operating income	4,177	3,013
Non-operating income		
Interest income	65	57
Dividends income	348	317
Foreign exchange gains	194	—
Equity in earnings of nonconsolidated subsidiaries and affiliates	24	59
Other	471	463
Total non-operating income	1,104	898
Non-operating expenses		
Interest expenses	423	309
Foreign exchange losses	—	96
Other	199	319
Total non-operating expenses	622	725
Ordinary income	4,658	3,186
Extraordinary income		
Gain on sales of fixed assets	42	33
Gain on sales of investments in securities	23	57
Subsidy income	448	845
Total extraordinary income	514	935
Extraordinary losses		
Loss on sales of fixed assets	25	1
Loss on disposal of fixed assets	138	31
Loss on sales of investments in securities	0	—
Loss on valuation of investments in securities	—	45
Loss on sales of investments in capital of subsidiaries and associates	—	37
Loss on valuation of investments in capital	67	—
Impairment loss of fixed assets	1	—
Retirement benefits for directors and statutory auditors	10	5
Loss on reduction of non-current assets	440	833
Total extraordinary losses	683	954
Income before income taxes and minority interests	4,489	3,167
Income taxes	1,537	1,041
Net income	2,951	2,126
Profit attributable to non-controlling interests	231	242
Profit attributable to owners of parent	2,720	1,883

6. Quarterly Consolidated Statements of Comprehensive Income

(Unit: million yen)

	1Q FY2015 (Apr 1, 2015- Jun 30, 2015)	1Q FY2016 (Apr 1, 2016 - Jun 30, 2016)
Net income	2,951	2,126
Other comprehensive income		
Unrealized gains (losses) on securities	2,668	(1,661)
Deferred gains (losses) on hedges	(6)	(241)
Foreign currency translation adjustments	(290)	(747)
Remeasurements of defined benefit plans, net of tax	385	6
Share of other comprehensive income of associates accounted for using equity method	(158)	(82)
Total other comprehensive income	2,598	(2,726)
Comprehensive income	5,550	(600)
Comprehensive income attributable to:		
Owners of the parent	5,312	(767)
Non-controlling interests	237	167

Additional Information

Results for 1Q FY 2016

Consolidated

(1) Consolidated Statements of Income

(Unit: billion yen)

	1Q FY2016 Apr-Jun 2016	1Q FY2015 Apr-Jun 2015	Change	
			Change	Rate
Net sales	131.5	150.7	(19.1)	(12.7) %
Gross profit	36.7	36.7	(0.0)	(0.0) %
Operating income	3.0	4.1	(1.1)	(27.9) %
Ordinary income	3.1	4.6	(1.4)	(31.6) %
Profit attributable to owners of parent	1.8	2.7	(0.8)	(30.8) %

(2) Segment Information

(Unit: billion yen)

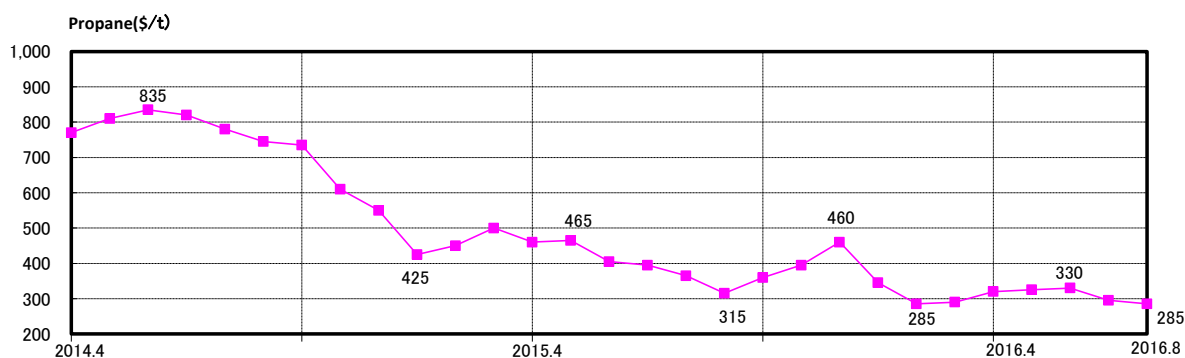
		1Q FY2016 Apr-Jun 2016	1Q FY2015 Apr-Jun 2015	Change	
				Change	Rate
Energy	Net sales (Sales to outside customers)	58.5	72.8	(14.3)	(19.6) %
	Operating income	1.9	1.5	0.4	26.2 %
Industrial Gases & Machinery	Net sales (Sales to outside customers)	38.0	38.3	(0.3)	(0.8) %
	Operating income	0.6	0.9	(0.2)	(31.1) %
Materials	Net sales (Sales to outside customers)	26.4	30.5	(4.0)	(13.4) %
	Operating income	0.5	1.0	(0.5)	(51.7) %
Agri-Bio & Foods	Net sales (Sales to outside customers)	6.1	6.8	(0.6)	(9.9) %
	Operating income	0.2	0.5	(0.2)	(43.0) %
Others, Adjustments	Net sales (Sales to outside customers)	2.3	2.1	0.2	10.1 %
	Operating income	(0.3)	0.1	(0.5)	—

(3) LPG and Industrial Gases Net Sales - Sales Volume

		1Q FY2016	1Q FY2015	Change	
				Change	Rate
Domestic residential use	Sales volume (thousand tons)	331	352	(21)	(6.1) %
	Net sales (billion yen)	30.4	38.3	(7.8)	(20.4) %
Domestic industrial use	Sales volume (thousand tons)	64	68	(4)	(6.4) %
	Net sales (billion yen)	3.7	5.2	(1.5)	(29.4) %
Overseas	Sales volume (thousand tons)	152	148	3	2.6 %
	Net sales (billion yen)	5.3	8.1	(2.7)	(33.6) %
LPG total	Sales volume (thousand tons)	547	569	(22)	(3.9) %
	Net sales (billion yen)	39.6	51.7	(12.1)	(23.4) %
Various Industrial gases	Net sales (billion yen)	21.6	22.2	(0.5)	(2.5) %

*Barter transactions in domestic residential use LPG decreased by the the volume of 3 thousand tons in comparison with 1Q FY2015.

(4) LPG Import Price (CP)



(5)Financial Position (Unit: billion yen)

	1Q FY2016end	FY2015 end	Change
Total assets	383.4	404.4	(21.0)
Equity capital	112.1	114.7	(2.6)
Interest-bearing debt, gross*	142.9	136.5	6.4
Interest-bearing debt, net*	121.1	113.2	7.9
Equity capital ratio	29.2%	28.4%	0.9pt
Ratio of interest-bearing debt to total assets	37.3%	33.7%	3.5pt
Debt-to-equity ratio, gross	1.27	1.18	0.09pt
Debt-to-equity ratio, net	1.08	0.98	0.10pt

* Interest-bearing debt include lease liabilities in the amount of ¥5.2 billion.

(6)Capital Expenditure (Unit: billion yen)

	1Q FY2016	FY2016 (Plan)
Energy	4.9	7.2
Industrial Gases & Machinery	2.9	10.7
Materials	0.1	3.2
Agri-bio & Foods	0.2	0.8
Others, Adjustments	0.9	5.1
Capital expenditure	9.2	27.0
Depreciation expense	3.8	15.0

* Figures for capital expenditure totalize fixed assets, intangible assets (doorwill excluded), and investments in securities.

(7)Changes in Subsidiaries Resulting in Changes in Scope of Consolidation

Consolidated subsidiaries new: 3 excluded: 6 total: 111 → 108
Equity method subsidiaries and affiliates new: 1 excluded: 4 total: 103 → 100
Impact of changes in scope of consolidation: Little

Non-consolidated
(8)Non-consolidated Statements of Income (Unit: billion yen)

	1Q FY2016	1Q FY2015	Change	Rate	
	(Apr-Jun 2016)	(Apr-Jun 2015)			
Net sales	86.2	101.7	(15.4)	(15.2)	%
Operating income	(0.5)	0.2	(0.7)	—	%
Ordinary income	1.4	1.9	(0.5)	(26.6)	%
Net income	1.4	1.5	(0.0)	(5.5)	%

(9)Financial Position (Unit: billion yen)

	1Q FY2016	FY2015 end	Change
Total assets	266.9	279.8	(12.8)
Equity capital	73.0	75.4	(2.3)
Equity capital ratio	27.4%	26.9%	0.4pt