



Overview of Business Results
for the 1st Quarter of Fiscal Year Ending March 31, 2018 (1Q FY2017)
[Japanese Standard Form](Consolidated)

Name of the company: Iwatani Corporation
 Code: 8088
 Name of Representative: Mitsuhiro Tanimoto, President
 Date of filing financial report: August 10, 2017
 Quarterly earnings supplementary explanatory documents: **None**
 Quarterly earnings presentation : **None**

Share traded: TSE and NSE first sections
 URL <http://www.iwatani.co.jp/eng/>

Note: Figures less than 1 million are rounded down

1. Consolidated Financial Results for the 1st Quarter of Fiscal Year Ending March 2018
(For the period from April 1, 2017 to June 30, 2017)

(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 FY2017	144,369	9.7	3,417	13.4	4,365	37.0	2,466	31.0
1Q FY2016	131,553	(12.7)	3,013	(27.9)	3,186	(31.6)	1,883	(30.8)

(Notes) Comprehensive income: 1Q FY2017 4,049 million yen (-%) 1Q FY2016 (600) million yen (-%)

	Net income per share	Net income per share after dilution
	yen	yen
1Q FY2017	10.02	8.59
1Q FY2016	7.65	6.55

(2) Consolidated Financial Position

	Total assets	Net assets	Equity capital ratio
	million yen	million yen	%
1Q FY2017	424,440	146,922	32.1
FY2016	434,690	144,879	30.9

(Reference) Equity capital: 1Q FY2017 136,320 million yen FY2016 134,415 million yen

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-end	Annual
	yen	yen	yen	yen	yen
FY2016	—	—	—	8.00	8.00
FY2017	—	—	—	—	—
FY2017 (Forecast)	—	—	—	40.00	40.00

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

The company plans to consolidate its common shares at a ratio of five shares to one share on the effective date of October 1, 2017. Accordingly, figures for year-end dividends per share for fiscal year ending March 31, 2018 (forecast) are amounts that taken into account the consolidation of shares.

3. Consolidated Results Forecast for FY2017 (April 1, 2017 – March 31, 2018)

(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 FY2017	310,000	17.5	7,600	27.0	8,200	24.6	4,800	25.3	19.50
FY2017	685,000	16.5	25,100	0.2	26,100	(2.7)	15,900	(3.9)	323.09

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

Figures for year-end net income per share for fiscal year ending March 31, 2018 (forecast) are amounts that take into account the consolidation of shares.

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: **None**
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 FY2017	251,365,028	FY2016	251,365,028
②	1Q FY2017	5,302,095	FY2016	5,306,172
③	1Q FY2017	246,060,931	1Q FY2016	246,081,060

*This Overview of Business Results is exempt from quarterly review based upon the Financial Instruments and Exchange Act.

*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.

The Company plans to consolidate its common shares at the ratio of five shares to one share on the effective date of October 1, 2017, following approval of a proposal for the consolidation of shares at the 74th Ordinary General Meeting of Shareholders held on June 28, 2017. Accordingly, the dividend outlook and forecast for operating results in the year ending March 31, 2018 excluding the impact of the consolidation of shares are as follows.

- Dividend outlook for the year ending March, 2018 (Dividends per share): Year-end 8 yen
- Forecast for operating results in the year ending March 31, 2018 (Basic earnings per share): Interim 19.50 yen: Year-end 64.61 yen

4. Quarterly Consolidated Balance Sheets

(Unit: million yen)

	FY2016 (As of Mar 31, 2017)	1Q FY2017 (As of Jun 30, 2017)
Assets		
Current assets		
Cash and deposits	21,677	20,205
Notes and accounts receivable-trade	112,079	94,091
Merchandise and finished goods	30,056	31,171
Work-in-process	3,121	4,403
Raw materials and supplies	3,967	3,934
Other	13,902	17,402
Allowance for doubtful accounts	(340)	(309)
Total current assets	184,464	170,899
Fixed assets		
Property, plant and equipment		
Land	59,057	60,527
Other, net	97,582	97,531
Total property, plant and equipment	156,639	158,058
Intangible assets		
Goodwill	12,672	14,372
Other	3,012	2,902
Total intangible assets	15,684	17,274
Investments and other assets		
Investments in securities	64,856	64,751
Other	13,785	14,125
Allowance for doubtful accounts	(740)	(669)
Total investments and other assets	77,901	78,208
Total fixed assets	250,226	253,541
Total assets	434,690	424,440

(Unit: million yen)

	FY2016 (As of Mar 31, 2017)	1Q FY2017 (As of Jun 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	70,680	60,020
Electronically recorded obligations - operating	22,494	23,196
Short-term borrowings	23,748	29,982
Income taxes payable	6,719	1,234
Accrued bonuses	4,728	3,114
Other	53,897	51,884
Total current liabilities	182,269	169,433
Long-term liabilities		
Bonds	38,106	38,099
Long-term borrowings	44,734	44,629
Allowance for retirement benefits for directors and statutory auditors	1,388	1,373
Net defined benefit liability	5,632	5,630
Other	17,679	18,351
Total long-term liabilities	107,541	108,085
Total liabilities	289,810	277,518
Net assets		
Shareholders' equity		
Common stock	20,096	20,096
Capital surplus	18,107	18,135
Retained earnings	80,849	81,345
Treasury stock, at cost	(1,478)	(1,478)
Total shareholders' equity	117,574	118,098
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	16,364	18,075
Deferred gains (losses) on hedges	(31)	32
Foreign currency translation adjustments	355	(15)
Remeasurements of defined benefit plans	153	129
Total accumulated other comprehensive income	16,841	18,222
Non-controlling interests	10,464	10,601
Total net assets	144,879	146,922
Total liabilities and net assets	434,690	424,440

5. Quarterly Consolidated Statements of Income

(Unit: million yen)

	1Q FY2016 (Apr 1, 2016- Jun 30, 2016)	1Q FY2017 (Apr 1, 2017 - Jun 30, 2017)
Net sales	131,553	144,369
Cost of sales	94,799	106,742
Gross profit	36,753	37,626
Selling, general and administrative expenses		
Transportation cost	5,311	5,616
Provision for allowance for doubtful accounts	(8)	(10)
Salaries, wages and bonuses	8,076	8,216
Provision for allowance for employees' bonuses	2,220	2,287
Retirement benefits expenses	410	473
Provision for allowance for retirement benefits to directors and statutory auditors	74	58
Other	17,655	17,569
Total selling, general and administrative expenses	33,740	34,209
Operating income	3,013	3,417
Non-operating income		
Interest income	57	56
Dividends income	317	487
Foreign exchange gains	—	126
Equity in earnings of nonconsolidated subsidiaries and affiliates	59	47
Other	463	669
Total non-operating income	898	1,387
Non-operating expenses		
Interest expenses	309	264
Sales discounts	102	103
Foreign exchange losses	96	—
Other	216	71
Total non-operating expenses	725	439
Ordinary income	3,186	4,365
Extraordinary income		
Gain on sales of fixed assets	33	44
Gain on sales of investments in securities	57	—
Subsidy income	845	672
Total extraordinary income	935	716
Extraordinary losses		
Loss on sales of fixed assets	1	1
Loss on disposal of fixed assets	31	27
Loss on sales of investments in securities	—	1
Loss on valuation of investments in securities	45	—
Loss on sales of investments in capital of subsidiaries and associates	37	—
Retirement benefits for directors and statutory auditors	5	15
Loss on reduction of non-current assets	833	627
Total extraordinary losses	954	671
Income before income taxes and minority interests	3,167	4,410
Income taxes	1,041	1,719
Net income	2,126	2,691
Profit attributable to non-controlling interests	242	225
Profit attributable to owners of parent	1,883	2,466

6. Quarterly Consolidated Statements of Comprehensive Income

(Unit: million yen)

	1Q FY2016 (Apr 1, 2016- Jun 30, 2016)	1Q FY2017 (Apr 1, 2017 - Jun 30, 2017)
Net income	2,126	2,691
Other comprehensive income		
Unrealized gains (losses) on securities	(1,661)	1,702
Deferred gains (losses) on hedges	(241)	64
Foreign currency translation adjustments	(747)	(412)
Remeasurements of defined benefit plans, net of tax	6	(23)
Share of other comprehensive income of associates accounted for using equity method	(82)	26
Total other comprehensive income	(2,726)	1,357
Comprehensive income	(600)	4,049
Comprehensive income attributable to:		
Owners of the parent	(767)	3,846
Non-controlling interests	167	202

Additional Information

Results for 1Q FY 2017

Consolidated

(1) Consolidated Statements of Income

(Unit: billion yen)

	1Q FY2017	1Q FY2016	Change	Rate
	Apr-Jun 2017	Apr-Jun 2016		
Net sales	144.3	131.5	12.8	9.7 %
Gross profit	37.6	36.7	0.8	2.4 %
Operating income	3.4	3.0	0.4	13.4 %
Ordinary income	4.3	3.1	1.1	37.0 %
Profit attributable to owners of parent	2.4	1.8	0.5	31.0 %

(2) Segment Information

(Unit: billion yen)

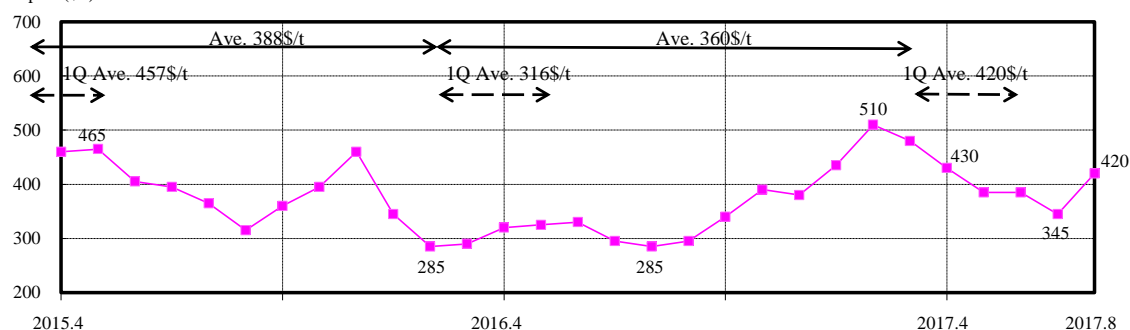
		1Q FY2017	1Q FY2016	Change	Rate
		Apr-Jun 2017	Apr-Jun 2016		
Energy	Net sales (Sales to outside customers)	68.3	58.5	9.8	16.8 %
	Operating income	1.0	1.9	(0.8)	(43.9) %
Industrial Gases & Machinery	Net sales (Sales to outside customers)	39.4	38.0	1.3	3.6 %
	Operating income	1.0	0.6	0.4	65.6 %
Materials	Net sales (Sales to outside customers)	27.0	26.4	0.5	2.2 %
	Operating income	0.7	0.5	0.2	54.2 %
Agri-Bio & Foods	Net sales (Sales to outside customers)	7.4	6.1	1.2	21.0 %
	Operating income	0.3	0.2	0.0	21.0 %
Others, Adjustments	Net sales (Sales to outside customers)	2.0	2.3	(0.2)	(11.6) %
	Operating income	0.1	(0.3)	0.5	- %

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

	Sales volume (thousand tons)				Net sales (billion yen)			
	1Q FY2017	1Q FY2016	Change	Rate	1Q FY2017	1Q FY2016	Change	Rate
Domestic residential use	344	331	13	4.1 %	33.9	30.4	3.4	11.4 %
Domestic industrial use	68	64	4	7.1 %	4.7	3.7	1.0	28.5 %
Overseas	233	152	80	53.1 %	10.2	5.3	4.8	89.8 %
LPG total	646	547	98	18.1 %	49.0	39.6	9.3	23.7 %
Various Industrial gases	—	—	—	—	22.1	21.6	0.4	2.2 %

(4) LPG Import Price (CP)

Propane(\$/t)



(5) Financial Position (Unit: billion yen)

	1Q FY2017 end	FY2016 end	Change
Total assets	424.4	434.6	(10.2)
Equity capital	136.3	134.4	1.9
Interest-bearing debt, gross*	140.7	135.2	5.4
Interest-bearing debt, net*	120.5	113.6	6.9
Equity capital ratio	32.1%	30.9%	1.2pt
Ratio of interest-bearing debt to total assets	33.2%	31.1%	2.1pt
Debt-to-equity ratio, gross	1.03	1.00	0.03pt
Debt-to-equity ratio, net	0.88	0.84	0.04pt

* Interest-bearing debt include lease liabilities in the amount of ¥5.5 billion.

(6) Capital Expenditure (Unit: billion yen)

	1Q FY2017	FY2017 (Plan)
Energy	1.0	6.8
Industrial Gases & Machinery	2.8	16.0
Materials	0.8	3.0
Agri-bio & Foods	0.06	0.2
Others, Adjustments	1.4	5.0
Capital expenditure	6.2	31.0
Depreciation expense	3.8	16.9

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

Non-consolidated**(7) Non-consolidated Statements of Income (Unit: billion yen)**

	1Q FY2017	1Q FY2016	Change	Rate
	(Apr-Jun 2017)	(Apr-Jun 2016)		
Net sales	100.8	86.2	14.6	17.0 %
Operating income	0.3	(0.5)	0.8	— %
Ordinary income	3.4	1.4	1.9	133.7 %
Net income	3.0	1.4	1.6	114.6 %

(8) Financial Position (Unit: billion yen)

	1Q FY2017	FY2016 end	Change
Total assets	305.0	315.1	(10.0)
Equity capital	93.8	91.1	2.7
Equity capital ratio	30.8%	28.9%	1.9pt