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## Consolidated Financial Results for the Three Months Ended June 30, 2018 [Japanese GAAP]

August 08, 2018

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 8088

URL: <http://www.iwatani.co.jp/>

Representative: Mitsuhiro Tanimoto

President

Contact: Itaru Ookawa

Director, General Manager Accounting Dept.

Phone: 06-7637-3325

Scheduled date of filing quarterly securities report: August 13, 2018

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2018 (April 01, 2018 to June 30, 2018)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2018	162,886	12.8	4,323	26.5	5,247	20.2	3,462	40.4
June 30, 2017	144,369	9.7	3,417	13.4	4,365	37.0	2,466	31.0

(Note) Comprehensive income: Three months ended June 30, 2018: ¥ 3,538 million [ (12.6)%]  
Three months ended June 30, 2017: ¥ 4,049 million [ -%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	70.37		60.30	
June 30, 2017	50.12		42.94	

#### (2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of June 30, 2018	439,375		166,506		35.3	
March 31, 2018	453,518		165,901		34.0	

(Reference) Equity: As of June 30, 2018: ¥ 155,038 million  
As of March 31, 2018: ¥ 154,409 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	-	-	-	55.00	55.00
Fiscal year ending March 31, 2019	-				
Fiscal year ending March 31, 2019 (Forecast)		-	-	55.00	55.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2019 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019(April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2018	335,000	12.4	8,500	20.9	9,500	16.7	5,500	19.9	111.78
Full year	735,000	9.6	28,400	4.4	30,000	2.0	18,000	2.4	365.82

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2018: 50,273,005 shares

March 31, 2018: 50,273,005 shares

2) Total number of treasury shares at the end of the period:

June 30, 2018: 1,063,060 shares

March 31, 2018: 1,068,451 shares

3) Average number of shares during the period:

Three months ended June 30, 2018: 49,206,307 shares

Three months ended June 30, 2017: 49,212,186 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of June 30,2018
<b>Assets</b>		
Current assets		
Cash and deposits	18,233	18,035
Notes and accounts receivable - trade	121,698	109,370
Merchandise and finished goods	32,167	29,450
Work in process	3,176	4,514
Raw materials and supplies	4,023	4,051
Other	12,230	12,980
Allowance for doubtful accounts	(328)	(292)
Total current assets	191,202	178,110
Non-current assets		
Property, plant and equipment		
Land	61,104	61,737
Other, net	99,145	99,531
Total property, plant and equipment	160,249	161,268
Intangible assets		
Goodwill	14,313	14,419
Other	3,339	3,363
Total intangible assets	17,653	17,783
Investments and other assets		
Investment securities	69,741	68,073
Other	15,257	14,737
Allowance for doubtful accounts	(585)	(598)
Total investments and other assets	84,413	82,213
Total non-current assets	262,315	261,265
Total assets	453,518	439,375

(Million yen)

	As of March 31,2018	As of June 30,2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	71,782	61,176
Electronically recorded obligations - operating	23,076	24,556
Short-term loans payable	26,667	28,453
Income taxes payable	6,369	1,409
Provision for bonuses	4,909	3,214
Other	45,714	46,251
Total current liabilities	178,519	165,061
Non-current liabilities		
Bonds payable	35,076	35,069
Long-term loans payable	48,761	47,374
Provision for directors' retirement benefits	1,538	1,475
Net defined benefit liability	5,843	5,643
Other	17,876	18,245
Total non-current liabilities	109,097	107,807
Total liabilities	287,617	272,869
Net assets		
Shareholders' equity		
Capital stock	20,096	20,096
Capital surplus	18,077	18,089
Retained earnings	96,455	97,209
Treasury shares	(1,508)	(1,509)
Total shareholders' equity	133,121	133,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,593	19,923
Deferred gains or losses on hedges	(58)	270
Foreign currency translation adjustment	1,548	692
Remeasurements of defined benefit plans	203	266
Total accumulated other comprehensive income	21,287	21,152
Non-controlling interests	11,491	11,468
Total net assets	165,901	166,506
Total liabilities and net assets	453,518	439,375

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2017	For the three months ended June 30,2018
Net sales	144,369	162,886
Cost of sales	106,742	123,255
Gross profit	37,626	39,630
Selling, general and administrative expenses		
Haulage expenses	5,616	5,981
Provision of allowance for doubtful accounts	(10)	(24)
Salaries, allowances and bonuses	8,216	8,388
Provision for bonuses	2,287	2,374
Retirement benefit expenses	473	426
Provision for directors' retirement benefits	58	74
Other	17,569	18,086
Total selling, general and administrative expenses	34,209	35,307
Operating profit	3,417	4,323
Non-operating income		
Interest income	56	68
Dividend income	487	585
Foreign exchange gains	126	82
Share of profit of entities accounted for using equity method	47	115
Other	669	604
Total non-operating income	1,387	1,455
Non-operating expenses		
Interest expenses	264	239
Sales discounts	103	116
Other	71	175
Total non-operating expenses	439	531
Ordinary profit	4,365	5,247
Extraordinary income		
Gain on sales of non-current assets	44	22
Subsidy income	672	8
Total extraordinary income	716	31
Extraordinary losses		
Loss on sales of non-current assets	1	8
Loss on retirement of non-current assets	27	47
Loss on sales of investment securities	1	-
Loss on valuation of investments in capital	-	0
Directors' retirement benefits	15	1
Loss on reduction of non-current assets	627	3
Total extraordinary losses	671	60
Profit before income taxes	4,410	5,218
Income taxes	1,719	1,519
Profit	2,691	3,698
Profit attributable to non-controlling interests	225	236
Profit attributable to owners of parent	2,466	3,462

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2017	For the three months ended June 30,2018
Profit	2,691	3,698
Other comprehensive income		
Valuation difference on available-for-sale securities	1,702	321
Deferred gains or losses on hedges	64	326
Foreign currency translation adjustment	(412)	(841)
Remeasurements of defined benefit plans, net of tax	(23)	64
Share of other comprehensive income of entities accounted for using equity method	26	(31)
Total other comprehensive income	1,357	(160)
Comprehensive income	4,049	3,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,846	3,327
Comprehensive income attributable to non-controlling interests	202	210

**Additional Information**
**Results for 1Q FY2018**
**(1) Consolidated Statements of Income**

(Unit: 100 million yen)

	1Q FY2018 Apr-Jun 2018	1Q FY2017 Apr-Jun 2017	Change	Rate	FY2018 (Forecast)
Net sales	1,628	1,443	185	12.8%	7,350
Gross profit	396	376	20	5.3%	-
Operating income	43	34	9	26.5%	284
Ordinary income	52	43	8	20.2%	300
Profit attributable to owners of parent	34	24	9	40.4%	180

**(2) Segment Information**

(Unit: 100 million yen)

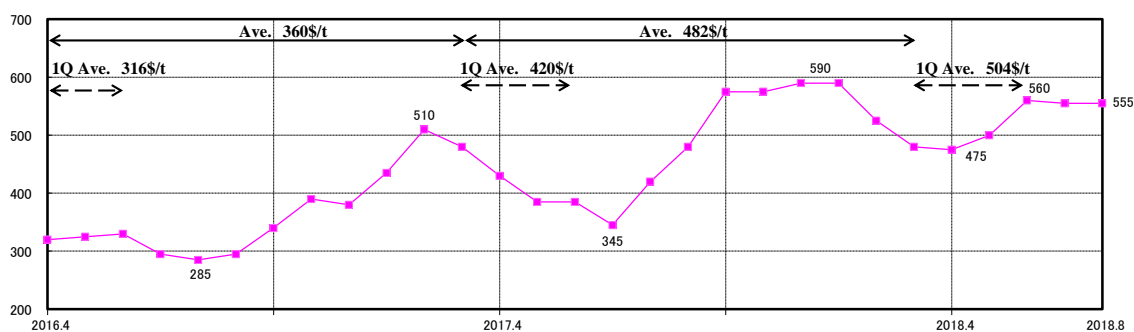
		1Q FY2018 Apr-Jun 2018	1Q FY2017 Apr-Jun 2017	Change	Rate
Energy	Net sales	749	695	54	7.9%
	Operating income	12	11	1	8.7%
Industrial Gases & Machinery	Net sales	426	383	43	11.3%
	Operating income	20	10	10	98.6%
Materials	Net sales	370	277	93	33.6%
	Operating income	10	7	2	30.3%
Agri-Bio & Foods	Net sales	69	76	(6)	(7.9%)
	Operating income	2	3	(0)	(17.9%)
Others, Adjustments	Net sales	11	11	0	1.2%
	Operating income	(2)	0	(3)	-

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

	Sales volume (thousand tons)				Net sales (100 million yen)			
	1Q FY2018 Apr-Jun 2018	1Q FY2017 Apr-Jun 2017	Change	Rate	1Q FY2018 Apr-Jun 2018	1Q FY2017 Apr-Jun 2017	Change	Rate
Domestic residential use	350	344	5	1.6%	357	339	17	5.3%
Domestic industrial use	75	68	6	9.9%	58	47	10	22.3%
Overseas	196	238	(41)	(17.5%)	110	106	3	3.3%
LPG total	622	651	(29)	(4.5%)	526	494	32	6.5%
Various Industrial gases	-	-	-	-	243	227	16	7.3%

**(4) LPG Import Price (CP)**

Propane (\$/t)



**(5) Financial Position**

(Unit: 100 million yen)

	1Q FY2018 end	FY2017 end	Change
Total assets	4,393	4,535	(141)
Equity capital	1,550	1,544	6
Interest-bearing debt, gross	1,329	1,320	9
Interest-bearing debt, net	1,149	1,138	11
Equity capital ratio	35.3%	34.0%	1.3pt
Ratio of interest-bearing debt to total assets	30.3%	29.1%	1.2pt
Debt-to-equity ratio, gross	0.85	0.85	0.00pt
Debt-to-equity ratio, net	0.74	0.73	0.01pt

\* Interest-bearing debt include lease liabilities in the amount of ¥4.6 billion.

**(6) Capital Expenditure**

(Unit: 100 million yen)

	1Q FY2018 end	FY2018 (Forecast)
Energy	27	98
Industrial Gases & Machinery	15	165
Materials	3	22
Agri-Bio & Foods	0	3
Others, Adjustments	5	22
Capital expenditure	52	310
Depreciation expense	40	175

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

**(7) Non-consolidated****Non-consolidated Statements of Income**

(Unit: 100 million yen)

	1Q FY2018 Apr-Jun 2018	1Q FY2017 Apr-Jun 2017	Change	Rate
Net sales	1,152	1,008	143	14.2%
Operating income	5	3	2	79.3%
Ordinary income	39	34	5	15.7%
Net income	35	30	4	14.6%

**Financial Position**

(Unit: 100 million yen)

	1Q FY2018 end	FY2017 end	Change
Total assets	3,101	3,193	(92)
Equity capital	1,058	1,044	13
Equity capital ratio	34.1%	32.7%	1.4pt