

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	—	5.00	—	50.00	—
Fiscal year ending March 31, 2019	—				
Fiscal year ending March 31, 2019 (Forecast)		55.00	—	55.00	110.00

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

* As the Company conducted a consolidation of shares in which 10 common shares were consolidated into one share with an effective date of October 1, 2017, the amount shown as the year-end dividend per share for the fiscal year ended March 31, 2018 factors in the effect of the said consolidation of shares, and the total annual dividend is shown as “—.” Factoring in the consolidation of shares, the annual dividend per share for the fiscal year ended March 31, 2018 would be 100.00 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
Full year	560,000	7.4	12,000	18.5	11,500	15.0	5,700	(8.1)	404.45

(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

(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: 15,021,551 shares

March 31, 2018: 15,021,551 shares

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

June 30, 2018: 927,790 shares

March 31, 2018: 928,241 shares

3) Average number of shares during the period:

Three months ended June 30, 2018: 14,093,807 shares

Three months ended June 30, 2017: 14,630,526 shares

* The Company conducted a consolidation of shares in which 10 common shares were consolidated into one share with an effective date of October 1, 2017. Average number of shares during the period have been calculated under the assumption that the aforementioned consolidation of shares was conducted at the beginning of the consolidated fiscal year ended March 31, 2018.

*This report is not subject to quarterly reviews by certified public accountants or auditing firms.

* Explanation of the proper use of financial results forecast and other notes.

(Note Concerning Forward-Looking Statements)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2018	As of June 30,2018
Assets		
Current assets		
Cash and deposits	6,837	7,150
Notes and accounts receivable - trade	139,731	137,072
Inventories	36,250	34,387
Other	4,055	5,571
Allowance for doubtful accounts	(1,413)	(1,484)
Total current assets	185,461	182,695
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,282	46,395
Land	32,080	31,866
Other, net	34,945	28,382
Total property, plant and equipment	101,307	106,642
Intangible assets		
Goodwill	3,798	3,836
Other	1,987	1,908
Total intangible assets	5,785	5,744
Investments and other assets		
Investment securities	38,185	37,965
Other	9,692	9,479
Allowance for doubtful accounts	(3,164)	(3,105)
Total investments and other assets	44,714	44,339
Total non-current assets	151,806	156,726
Deferred assets	56	52
Total assets	337,323	339,473

(Million yen)

	As of March 31,2018	As of June 30,2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	100,012	97,717
Short-term loans payable	43,697	43,559
Current portion of long-term loans payable	11,142	10,936
Commercial papers	22,000	20,500
Income taxes payable	1,514	1,128
Provision	1,936	1,159
Other	10,484	17,668
Total current liabilities	190,784	192,667
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	21,341	20,758
Provision	848	862
Net defined benefit liability	4,725	4,746
Other	4,888	5,846
Total non-current liabilities	51,803	52,212
Total liabilities	242,587	244,879
Net assets		
Shareholders' equity		
Capital stock	16,649	16,649
Capital surplus	15,200	15,258
Retained earnings	48,503	49,317
Treasury shares	(3,623)	(3,622)
Total shareholders' equity	76,729	77,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,964	9,701
Deferred gains or losses on hedges	(3)	(1)
Foreign currency translation adjustment	1,195	338
Remeasurements of defined benefit plans	(918)	(855)
Total accumulated other comprehensive income	10,238	9,183
Share acquisition rights	217	217
Non-controlling interests	7,551	7,591
Total net assets	94,735	94,593
Total liabilities and net assets	337,323	339,473

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	122,308	127,903
Cost of sales	108,793	112,658
Gross profit	13,515	15,245
Selling, general and administrative expenses	11,233	12,852
Operating profit	2,282	2,393
Non-operating income		
Interest income	16	15
Dividend income	355	306
Share of profit of entities accounted for using equity method	90	132
Foreign exchange gains	16	159
Other	112	160
Total non-operating income	589	773
Non-operating expenses		
Interest expenses	334	437
Other	41	36
Total non-operating expenses	375	472
Ordinary profit	2,495	2,693
Extraordinary income		
Gain on sales of non-current assets	788	109
Gain on donation of non-current assets	-	38
Gain on bargain purchase	492	-
Gain on sales of investment securities	68	-
Total extraordinary income	1,348	148
Extraordinary losses		
Loss on disposal of non-current assets	94	16
Loss on sales of investment securities	3	-
Other	-	2
Total extraordinary losses	97	17
Profit before income taxes	3,747	2,824
Income taxes - current	605	732
Income taxes - deferred	403	171
Total income taxes	1,008	902
Profit	2,739	1,921
Profit attributable to non-controlling interests	174	395
Profit attributable to owners of parent	2,565	1,526

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	2,739	1,921
Other comprehensive income		
Valuation difference on available-for-sale securities	1,631	(245)
Deferred gains or losses on hedges	162	2
Foreign currency translation adjustment	(393)	(1,119)
Remeasurements of defined benefit plans, net of tax	31	63
Share of other comprehensive income of entities accounted for using equity method	160	(3)
Total other comprehensive income	1,592	(1,302)
Comprehensive income	4,331	620
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,319	472
Comprehensive income attributable to non-controlling interests	12	148

Information related to net sales, profit (loss) by reportable segment.

1. Three-months period ended June 30, 2017 (consolidated)

(Millions of yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Resources & Environment	Real Estate Leasing			
Net sales								
Sales to external customers	71,853	34,024	5,498	10,229	704	122,308	—	122,308
Intersegment sales/transfers	2,133	57	6,326	1,972	27	10,515	(10,515)	—
Total	73,986	34,081	11,824	12,200	730	132,822	(10,515)	122,308
Segment income (loss)	1,132	309	587	844	151	3,023	(527)	2,495

(Notes)

1. Segment income (loss) is adjusted with ordinary income in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.

2. Three-months period ended June 30, 2018 (consolidated)

(Millions of yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Resources & Environment	Real Estate Leasing			
Net sales								
Sales to external customers	71,433	40,959	6,018	8,780	713	127,903	—	127,903
Intersegment sales/transfers	2,017	64	6,275	1,774	31	10,162	(10,162)	—
Total	73,450	41,024	12,293	10,555	744	138,065	(10,162)	127,903
Segment income (loss)	1,157	769	1,107	256	132	3,422	(728)	2,693

(Notes)

1. Segment income (loss) is adjusted with ordinary income in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.

(Additional information)

"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No.28, February 16, 2018) and other standards have been adopted from the beginning of the current first quarter, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under Non-current liabilities.