

Financial Results for the Fiscal Year Ended March 31, 2017

May 30, 2017

MARUHAN Corporation

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017(April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2017	1,678,820	-11.6	35,327	-11.1	37,376	-7.8	19,931	14.6
Fiscal year ended March 31, 2016	1,898,870	-4.0	39,748	-35.4	40,528	-36.5	17,398	-42.0

(Note) Comprehensive income: Fiscal year ended March 31, 2017: 19,197 million yen (22.3%)
Fiscal year ended March 31, 2016: 15,700 million yen (-51.6%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	1,302.17	—	7.9	7.7	2.1
Fiscal year ended March 31, 2016	1,136.59	—	7.3	8.7	2.1

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2017: 1,021 million yen
Fiscal year ended March 31, 2016: 900 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
Fiscal year ended March 31, 2017	499,484	261,664	52.4	17,092.30
Fiscal year ended March 31, 2016	466,578	244,177	52.3	15,947.56

(Reference) Shareholders' equity: Fiscal year ended March 31, 2017: 261,613 million yen
Fiscal year ended March 31, 2016: 244,109 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of year
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2017	52,921	-9,748	-11,903	151,007
Fiscal year ended March 31, 2016	14,954	-14,342	-14,800	120,219

2.Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Non-consolidated Operating Results

(% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2017	1,644,170	-11.9	30,412	-13.0	31,946	-9.3	16,581	16.8
Fiscal year ended March 31, 2016	1,867,075	-4.4	34,937	-40.2	35,224	-42.2	14,195	-51.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2017	1,083.31	—
Fiscal year ended March 31, 2016	927.37	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
Fiscal year ended March 31, 2017	386,371	245,607	63.6	16,046.55
Fiscal year ended March 31, 2016	380,022	230,424	60.6	15,053.56

(Reference) Shareholder's equity: Fiscal year ended March 31, 2017: 245,607 million yen
 Fiscal year ended March 31, 2016: 230,424 million yen

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2016)	Current Fiscal Year (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	122,012	152,571
Accounts receivable-trade	1,009	1,085
Loans and bills discounted in banking business	68,752	74,380
Merchandise	1,787	2,120
Raw materials and supplies	1,360	2,905
Prepaid expenses	4,237	4,225
Deferred tax assets	18,155	18,994
Accounts receivable-other	1,432	1,331
Other	5,218	2,732
Allowance for doubtful accounts	-369	-816
Total current assets	223,599	259,530
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	105,846	101,043
Tools, furniture and fixtures (net)	16,566	16,513
Land	56,817	57,799
Golf courses	11,648	11,687
Construction in progress	494	1,439
Other (net)	1,206	1,191
Total property, plant and equipment	192,579	189,673
Intangible assets		
Goodwill	1,293	709
Leasehold right	5,271	5,432
Software	643	906
Other	358	182
Total intangible assets	7,567	7,231
Investments and other assets		
Investment securities	7,029	8,388
Long-term loans receivable	834	804
Long-term prepaid expenses	1,873	1,493
Guarantee deposits	14,466	13,612
Construction assistance fund receivables	6,554	5,953
Deferred tax assets	10,990	11,407
Other	1,844	2,152
Allowance for doubtful accounts	-762	-762
Total investments and other assets	42,831	43,049
Total non-current assets	242,978	239,954
Total assets	466,578	499,484

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2016)	Current Fiscal Year (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,418	6,416
Electronically recorded obligations-operating	12,400	17,855
Short-term loans payable	1,990	-
Current portion of bonds	120	232
Current portion of long-term loans payable	31,966	31,992
Lease obligations	255	289
Accounts payable-other	22,394	16,393
Accrued expenses	4,509	5,091
Income taxes payable	8,299	5,938
Accrued consumption taxes	2,505	2,102
Deferred tax liabilities	2	-
Deposits received	7,483	8,563
Provision for bonuses	2,886	3,005
Notes payable-facilities	648	568
Asset retirement obligations	361	274
Deposits in banking business	40,661	65,386
Other	1,260	1,610
Total current liabilities	142,164	165,722
Non-current liabilities		
Bonds payable	1,364	1,084
Long-term loans payable	51,568	43,188
Lease obligations	5,003	4,673
Deferred tax liabilities	56	68
Provision for directors' retirement benefits	4,318	4,609
Net defined benefit liability	4,343	4,832
Asset retirement obligations	7,852	8,056
Other	5,729	5,583
Total non-current liabilities	80,236	72,097
Total liabilities	222,400	237,820
Net Assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	1,544	1,544
Retained earnings	228,340	246,432
Treasury shares	-459	-466
Total shareholders' equity	239,425	257,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	306	736
Deferred gains or losses on hedges	-84	-55
Foreign currency translation adjustment	5,343	4,220
Remeasurements of defined benefit plans	-881	-799
Total accumulated other comprehensive income	4,683	4,102
Non-controlling interests	68	51
Total net assets	244,177	261,664
Total liabilities and net assets	466,578	499,484

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2015 to March 31, 2016)	Current Fiscal Year (From April 1, 2016 to March 31, 2017)
Net sales	1,898,870	1,678,820
Cost of sales	1,835,074	1,618,589
Gross profit	63,795	60,231
Selling, general and administrative expenses	24,047	24,903
Operating income	39,748	35,327
Non-operating income		
Interest and dividends income	150	252
Foreign exchange gains	—	141
Rent income	1,359	1,459
Income from IC card receipts	355	350
Share of profit of entities accounted for using equity method	900	1,021
Other	580	767
Total non-operating income	3,346	3,992
Non-operating expenses		
Interest expenses	1,474	1,187
Foreign exchange losses	277	-
Rent expenses	166	337
Provision of allowance for doubtful accounts	107	17
Commission fee	332	310
Other	206	90
Total non-operating expenses	2,566	1,942
Ordinary income	40,528	37,376
Extraordinary income		
Gain on sales of non-current assets	16	202
Total extraordinary income	16	202
Extraordinary loss		
Loss on sales of non-current assets	2	163
Loss on abandonment of non-current assets	526	450
Impairment loss	5,548	4,317
Other	2	0
Total extraordinary loss	6,079	4,932
Income before income taxes	34,466	32,646
Income taxes-current	18,043	14,003
Income taxes-deferred	-1,091	-1,288
Total income taxes	16,952	12,714
Net income	17,513	19,931
Profit attributable to non-controlling interests	115	-
Profit attributable to owners of parent	17,398	19,931

Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2015 to March 31, 2016)	Current Fiscal Year (From April 1, 2016 to March 31, 2017)
Net income	17,513	19,931
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,037	414
Deferred gains or losses on hedges	15	29
Foreign currency translation adjustment	-26	-1,275
Remeasurements of defined benefit plans	-682	77
Share of other comprehensive income of associates accounted for using equity method	-82	18
Total other comprehensive income	-1,813	-734
Comprehensive income:	15,700	19,197
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	15,624	19,214
Comprehensive income attributable to non-controlling interests	75	-16