

Financial Results for the Fiscal Year Ended March 31, 2018

June 1, 2018

MARUHAN Corporation

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018(April 1, 2017 to March 31, 2018)

(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, 2018	1,550,934	-7.6	31,611	-10.5	33,445	-10.5	13,894	-30.3
Fiscal year ended March 31, 2017	1,678,820	-11.6	35,327	-11.1	37,376	-7.8	19,931	14.6

(Note) Comprehensive income: Fiscal year ended March 31, 2018: 13,862 million yen (-27.8%)
Fiscal year ended March 31, 2017: 19,197 million yen (22.3%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	907.78	—	5.2	6.6	2.0
Fiscal year ended March 31, 2017	1,302.17	—	7.9	7.7	2.1

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2018: 1,219 million yen
Fiscal year ended March 31, 2017: 1,021 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, 2018	515,801	274,457	53.2	17,925.07
Fiscal year ended March 31, 2017	499,484	261,664	52.4	17,092.30

(Reference) Shareholders' equity: Fiscal year ended March 31, 2018: 274,359 million yen
Fiscal year ended March 31, 2017: 261,613 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, 2018	8,037	-31,334	11,301	137,273
Fiscal year ended March 31, 2017	52,921	-9,748	-11,903	151,007

2.Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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, 2018	1,515,809	-7.8	27,452	-9.7	28,188	-11.8	9,977	-39.8
Fiscal year ended March 31, 2017	1,644,170	-11.9	30,412	-13.0	31,946	-9.3	16,581	16.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2018	651.89	—
Fiscal year ended March 31, 2017	1,083.31	—

(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, 2018	372,765	254,978	68.4	16,658.85
Fiscal year ended March 31, 2017	386,371	245,607	63.6	16,046.55

(Reference) Shareholder's equity: Fiscal year ended March 31, 2018: 254,978 million yen
 Fiscal year ended March 31, 2017: 245,607 million yen

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	152,571	137,386
Accounts receivable-trade	1,085	1,050
Loans and bills discounted in banking business	74,380	99,772
Merchandise	2,120	1,948
Raw materials and supplies	2,905	3,309
Prepaid expenses	4,225	4,580
Deferred tax assets	18,994	15,488
Accounts receivable-other	1,331	1,618
Income taxes receivable	—	665
Other	2,732	3,272
Allowance for doubtful accounts	-816	-1,740
Total current assets	259,530	267,352
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	101,043	92,602
Tools, furniture and fixtures (net)	16,513	14,875
Land	57,799	56,390
Golf courses	11,687	11,696
Construction in progress	1,439	2,133
Other (net)	1,191	1,083
Total property, plant and equipment	189,673	178,782
Intangible assets		
Goodwill	709	160
Leasehold right	5,432	5,288
Software	906	890
Other	182	165
Total intangible assets	7,231	6,505
Investments and other assets		
Investment securities	8,388	9,773
Long-term loans receivable	804	20,743
Long-term prepaid expenses	1,493	1,413
Guarantee deposits	13,612	12,674
Construction assistance fund receivables	5,953	3,754
Deferred tax assets	11,407	13,257
Other	2,152	2,275
Allowance for doubtful accounts	-762	-730
Total investments and other assets	43,049	63,162
Total non-current assets	239,954	248,449
Total assets	499,484	515,801

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,416	4,666
Electronically recorded obligations-operating	17,855	16,829
Short-term loans payable	—	2,607
Current portion of bonds	232	226
Current portion of long-term loans payable	31,992	28,223
Lease obligations	289	263
Accounts payable-other	16,393	13,830
Accrued expenses	5,091	5,014
Income taxes payable	5,938	770
Accrued consumption taxes	2,102	2,608
Deposits received	8,563	8,856
Provision for bonuses	3,005	2,706
Notes payable-facilities	568	637
Asset retirement obligations	274	503
Deposits in banking business	65,386	68,218
Other	1,610	870
Total current liabilities	165,722	156,833
Non-current liabilities		
Bonds payable	1,084	678
Long-term loans payable	43,188	56,637
Lease obligations	4,673	4,410
Deferred tax liabilities	68	54
Provision for directors' retirement benefits	4,609	4,098
Net defined benefit liability	4,832	5,167
Asset retirement obligations	8,056	8,012
Other	5,583	5,452
Total non-current liabilities	72,097	84,511
Total liabilities	237,820	241,344
Net Assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	1,544	1,544
Retained earnings	246,432	259,408
Treasury shares	-466	-466
Total shareholders' equity	257,510	270,486
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	736	1,070
Deferred gains or losses on hedges	-55	-84
Foreign currency translation adjustment	4,220	3,335
Remeasurements of defined benefit plans	-799	-449
Total accumulated other comprehensive income	4,102	3,873
Non-controlling interests	51	97
Total net assets	261,664	274,457
Total liabilities and net assets	499,484	515,801

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

Consolidated Statements of Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net sales	1,678,820	1,550,934
Cost of sales	1,618,589	1,493,908
Gross profit	60,231	57,026
Selling, general and administrative expenses	24,903	25,414
Operating income	35,327	31,611
Non-operating income		
Interest and dividends income	252	383
Foreign exchange gains	141	—
Rent income	1,459	1,262
Income from IC card receipts	350	303
Share of profit of entities accounted for using equity method	1,021	1,219
Other	767	858
Total non-operating income	3,992	4,026
Non-operating expenses		
Interest expenses	1,187	1,064
Foreign exchange losses	—	543
Rent expenses	337	219
Provision of allowance for doubtful accounts	17	3
Commission fee	310	298
Other	90	62
Total non-operating expenses	1,942	2,193
Ordinary income	37,376	33,445
Extraordinary income		
Gain on sales of non-current assets	202	163
Reversal of provision for directors' retirement benefits	—	543
Total extraordinary income	202	707
Extraordinary loss		
Loss on sales of non-current assets	163	264
Loss on abandonment of non-current assets	450	575
Loss on cancellation of rental contracts	—	1,848
Impairment loss	4,317	9,748
Loss on valuation of shares of subsidiaries and associates	—	68
Other	0	0
Total extraordinary loss	4,932	12,506
Income before income taxes	32,646	21,646
Income taxes-current	14,003	6,241
Income taxes-deferred	-1,288	1,510
Total income taxes	12,714	7,751
Net income	19,931	13,894
Profit attributable to non-controlling interests	—	0
Profit attributable to owners of parent	19,931	13,894

Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net income	19,931	13,894
Other comprehensive income		
Valuation difference on available-for-sale securities	414	278
Deferred gains or losses on hedges	29	-28
Foreign currency translation adjustment	-1,275	-686
Remeasurements of defined benefit plans, net of tax	77	344
Share of other comprehensive income of associates accounted for using equity method	18	61
Total other comprehensive income	-734	-31
Comprehensive income:	19,197	13,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	19,214	13,816
Comprehensive income attributable to non-controlling interests	-16	46