

Financial Results for the Fiscal Year Ended March 31, 2019

May 30, 2019

MARUHAN Corporation

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019(April 1, 2018 to March 31, 2019)

(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, 2019	1,550,396	-0.0	33,611	6.3	38,794	16.0	22,086	59.0
Fiscal year ended March 31, 2018	1,550,934	-7.6	31,611	-10.5	33,445	-10.5	13,894	-30.3

(Note) Comprehensive income: Fiscal year ended March 31, 2019: 20,619 million yen (48.7%)

Fiscal year ended March 31, 2018: 13,862 million yen (-27.8%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	1,456.34	—	7.8	7.2	2.2
Fiscal year ended March 31, 2018	907.78	—	5.2	6.6	2.0

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2019: 1,041 million yen

Fiscal year ended March 31, 2018: 1,219 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, 2019	557,903	290,642	52.1	19,653.17
Fiscal year ended March 31, 2018	515,801	274,457	53.2	17,925.07

(Reference) Shareholders' equity: Fiscal year ended March 31, 2019: 290,641 million yen

Fiscal year ended March 31, 2018: 274,359 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, 2019	46,143	-19,118	-4,367	160,149
Fiscal year ended March 31, 2018	8,037	-31,334	11,301	137,273

2. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(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, 2019	1,511,250	-0.3	27,836	1.4	31,906	13.2	17,239	72.8
Fiscal year ended March 31, 2018	1,515,809	-7.8	27,452	-9.7	28,188	-11.8	9,977	-39.8

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended March 31, 2019	1,136.75		—	
Fiscal year ended March 31, 2018	651.89		—	

(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, 2019	382,730		267,010		69.8		18,055.24	
Fiscal year ended March 31, 2018	372,765		254,978		68.4		16,658.85	

(Reference) Shareholder's equity: Fiscal year ended March 31, 2019: 267,010 million yen
 Fiscal year ended March 31, 2018: 254,978 million yen

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2018)	Current Fiscal Year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	137,386	164,254
Accounts receivable-trade	1,050	1,157
Loans and bills discounted in banking business	99,772	125,962
Merchandise	1,948	1,920
Raw materials and supplies	3,309	1,386
Prepaid expenses	4,580	4,654
Accounts receivable-other	1,618	2,388
Income taxes receivable	665	—
Other	3,272	3,477
Allowance for doubtful accounts	-1,740	-2,401
Total current assets	251,863	302,800
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	92,602	90,007
Tools, furniture and fixtures (net)	14,875	15,213
Land	56,390	56,325
Golf courses	11,696	12,067
Construction in progress	2,133	1,420
Other (net)	1,083	1,016
Total property, plant and equipment	178,782	176,051
Intangible assets		
Goodwill	160	5
Leasehold right	5,288	5,290
Software	890	863
Other	165	165
Total intangible assets	6,505	6,324
Investments and other assets		
Investment securities	9,773	7,509
Long-term loans receivable	20,743	20,681
Long-term prepaid expenses	1,413	1,148
Guarantee deposits	12,674	12,386
Construction assistance fund receivables	3,754	3,217
Deferred tax assets	28,746	26,153
Other	2,275	2,381
Allowance for doubtful accounts	-730	-752
Total investments and other assets	78,650	72,726
Total non-current assets	263,938	255,102
Total assets	515,801	557,903

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2018)	Current Fiscal Year (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,666	6,953
Electronically recorded obligations-operating	16,829	13,710
Short-term loans payable	2,607	4,579
Current portion of bonds	226	222
Current portion of long-term loans payable	28,223	28,141
Lease obligations	263	229
Accounts payable-other	13,830	12,706
Accrued expenses	5,014	5,327
Income taxes payable	770	5,582
Accrued consumption taxes	2,608	2,727
Deposits received	8,856	9,893
Provision for bonuses	2,706	3,105
Notes payable-facilities	637	1,485
Asset retirement obligations	503	706
Deposits in banking business	68,218	89,579
Other	870	1,211
Total current liabilities	156,833	186,162
Non-current liabilities		
Bonds payable	678	1,443
Long-term loans payable	56,637	52,282
Lease obligations	4,410	4,238
Deferred tax liabilities	54	53
Provision for directors' retirement benefits	4,098	4,551
Net defined benefit liability	5,167	5,498
Asset retirement obligations	8,012	8,078
Other	5,452	4,952
Total non-current liabilities	84,511	81,098
Total liabilities	241,344	267,261
Net Assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	1,544	1,670
Retained earnings	259,408	280,576
Treasury shares	-466	-3,681
Total shareholders' equity	270,486	288,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,070	-30
Deferred gains or losses on hedges	-84	-139
Foreign currency translation adjustment	3,335	2,371
Remeasurements of defined benefit plans	-449	-125
Total accumulated other comprehensive income	3,873	2,076
Non-controlling interests	97	0
Total net assets	274,457	290,642
Total liabilities and net assets	515,801	557,903

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

Consolidated Statements of Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2017 to March 31, 2018)	Current Fiscal Year (From April 1, 2018 to March 31, 2019)
Net sales	1,550,934	1,550,396
Cost of sales	1,493,908	1,489,716
Gross profit	57,026	60,680
Selling, general and administrative expenses	25,414	27,069
Operating income	31,611	33,611
Non-operating income		
Interest and dividends income	383	524
Share of profit of entities accounted for using equity method	1,219	1,041
Foreign exchange gains	—	1,833
Gain on sales of investment securities	—	658
Rent income	1,262	1,297
Income from IC card receipts	303	325
Reversal of provision for doubtful accounts	—	101
Other	858	878
Total non-operating income	4,026	6,661
Non-operating expenses		
Interest expenses	1,064	945
Foreign exchange losses	543	—
Rent expenses	219	211
Provision of allowance for doubtful accounts	3	—
Commission fee	298	196
Other	62	125
Total non-operating expenses	2,193	1,478
Ordinary income	33,445	38,794
Extraordinary income		
Gain on change in equity	—	380
Gain on sales of non-current assets	163	34
Reversal of provision for directors' retirement benefits	543	—
Insurance income from loss on disaster	—	88
Total extraordinary income	707	503
Extraordinary loss		
Loss on sales of non-current assets	264	15
Impairment loss	9,748	5,588
Loss on disaster	—	94
Loss on abandonment of non-current assets	575	1,142
Loss on valuation of shares of subsidiaries and associates	68	—
Loss on cancellation of rental contracts	1,848	73
Loss on cancellation of leases	0	12
Total extraordinary loss	12,506	6,927
Income before income taxes	21,646	32,370
Income taxes-current	6,241	7,846
Income taxes-deferred	1,510	2,395
Total income taxes	7,751	10,242
Net income	13,894	22,128
Profit attributable to non-controlling interests	0	42
Profit attributable to owners of parent	13,894	22,086

Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2017 to March 31, 2018)	Current Fiscal Year (From April 1, 2018 to March 31, 2019)
Net income	13,894	22,128
Other comprehensive income		
Valuation difference on available-for-sale securities	278	-1,086
Deferred gains or losses on hedges	-28	-55
Foreign currency translation adjustment	-686	-676
Remeasurements of defined benefit plans, net of tax	344	320
Share of other comprehensive income of associates accounted for using equity method	61	-10
Total other comprehensive income	-31	-1,508
Comprehensive income:	13,862	20,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	13,816	20,577
Comprehensive income attributable to non-controlling interests	46	42