

# Consolidated Financial Results for the Six Months Ended September 30, 2018 [Japanese GAAP]

November 30, 2018

MARUHAN Corporation

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

Consolidated Financial Results for the Six Months Ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results

(% indicates changes from the previous interim period.)

	Net sales		Operating income		Ordinary income		Interim profit attributable to owners of profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Six Months Ended September 30, 2018	780,598	-2.4	18,500	3.8	22,835	23.5	15,560	37.7
Six Months Ended September 30, 2017	799,431	-7.7	17,828	-39.6	18,489	-37.4	11,300	-44.5

(Note) Comprehensive income: Six Months Ended September 30, 2018: 13,858 million yen (30.0%)

Six Months Ended September 30, 2017: 10,660 million yen (-33.9%)

	Interim net income per share	Diluted interim net income per share
	Yen	Yen
Six Months Ended September 30, 2018	1,016.86	—
Six Months Ended September 30, 2017	738.34	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Six months ending September 30, 2018	544,645	288,562	52.8
Fiscal year ended March 31, 2018	515,801	274,457	53.2

(Reference) Shareholders' equity: Six months ended September 30, 2018: 287,547 million yen

Fiscal year ended March 31, 2018: 274,359 million yen

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## Interim Consolidated Financial Statements

### (1) Interim Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (As of March 31, 2018)	Current Interim Period (As of September 30, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	137,386	160,222
Accounts receivable-trade	1,050	1,269
Loans and bills discounted in banking business	99,772	107,031
Merchandise	1,948	2,254
Raw materials and supplies	3,309	2,534
Prepaid expenses	4,580	5,436
Accounts receivable-other	1,618	2,679
Income taxes receivable	665	—
Other	3,272	3,332
Allowance for doubtful accounts	-1,740	-2,180
Total current assets	251,863	282,580
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	92,602	92,222
Tools, furniture and fixtures (net)	14,875	15,732
Land	56,390	56,855
Golf courses	11,696	12,023
Construction in progress	2,133	1,771
Other (net)	1,083	1,051
Total property, plant and equipment	178,782	179,657
Intangible assets		
Goodwill	160	82
Leasehold right	5,288	5,254
Software	890	850
Other	165	163
Total intangible assets	6,505	6,352
Investments and other assets		
Investment securities	9,773	6,464
Long-term loans receivable	20,743	20,713
Long-term prepaid expenses	1,413	1,215
Guarantee deposits	12,674	12,456
Construction assistance fund receivables	3,754	3,461
Deferred tax assets	28,746	30,218
Other	2,275	2,199
Allowance for doubtful accounts	-730	-672
Total investments and other assets	78,650	76,055
Total non-current assets	263,938	262,064
Total assets	515,801	544,645

(Unit: million yen)

	Previous Fiscal Year (As of March 31, 2018)	Current Interim Period (As of September 30, 2018)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	4,666	7,361
Electronically recorded obligations-Operating	16,829	15,702
Short-term loans payable	2,607	4,894
Current portion of bonds	226	221
Current portion of long-term loans payable	28,223	29,502
Lease obligations	263	218
Accounts payable-other	13,830	10,380
Accrued expenses	5,014	4,777
Income taxes payable	770	8,521
Accrued consumption taxes	2,608	2,573
Deposits received	8,856	9,498
Provision for bonuses	2,706	3,163
Notes payable-facilities	637	1,282
Asset retirement obligations	503	632
Deposits in banking business	68,218	77,130
Other	870	573
<b>Total current liabilities</b>	<b>156,833</b>	<b>176,435</b>
<b>Non-current liabilities</b>		
Bonds payable	678	663
Long-term loans payable	56,637	51,703
Lease obligations	4,410	4,298
Deferred tax liabilities	54	47
Provision for directors' retirement benefits	4,098	4,481
Net defined benefit liability	5,167	5,362
Asset retirement obligations	8,012	7,992
Other	5,452	5,097
<b>Total non-current liabilities</b>	<b>84,511</b>	<b>79,647</b>
<b>Total liabilities</b>	<b>241,344</b>	<b>256,083</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,000	10,000
Capital surplus	1,544	1,670
Retained earnings	259,408	274,050
Treasury shares	-466	-491
<b>Total shareholders' equity</b>	<b>270,486</b>	<b>285,229</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,070	18
Deferred gains or losses on hedges	-84	-63
Foreign currency translation adjustment	3,335	2,644
Remeasurements of defined benefit plans	-449	-280
<b>Total accumulated other comprehensive income</b>	<b>3,873</b>	<b>2,317</b>
<b>Non-controlling interests</b>	<b>97</b>	<b>1,014</b>
<b>Total net assets</b>	<b>274,457</b>	<b>288,562</b>
<b>Total liabilities and net assets</b>	<b>515,801</b>	<b>544,645</b>

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

(Unit: million yen)

	Previous Interim Period (From April 1, 2017 to September 30, 2017)	Current Interim Period (From April 1, 2018 to September 30, 2018)
Net sales	799,431	780,598
Cost of sales	769,050	749,106
Gross profit	30,380	31,491
Selling, general and administrative expenses	12,552	12,991
Operating income	17,828	18,500
Non-operating income		
Interest and dividends income	186	261
Foreign exchange gains	—	2,566
Gain on sales of investment securities	—	658
Rent income	643	638
Income from IC card receipts	165	174
Share of profit of entities accounted for using equity method	465	419
Other	387	398
Total non-operating income	1,847	5,117
Non-operating expenses		
Interest expenses	551	486
Foreign exchange losses	362	—
Rent expenses	118	120
Provision of allowance for doubtful accounts	1	—
Commission fee	128	99
Other	22	74
Total non-operating expenses	1,185	781
Ordinary income	18,489	22,835
Extraordinary income		
Gain on sales of non-current assets	90	32
Other	0	0
Total extraordinary income	90	32
Extraordinary loss		
Loss on sales of non-current assets	0	15
Loss on disaster	—	37
Loss on abandonment of non-current assets	252	720
Loss on cancellation of rental contracts	929	85
Impairment loss	118	97
Other	0	5
Total extraordinary loss	1,300	963
Interim income before income taxes	17,279	21,905
Income taxes-current	6,579	7,926
Income taxes-deferred	-600	-1,571
Total income taxes	5,978	6,355
Interim net income	11,300	15,549
Loss attributable to non-controlling interests	—	-10
Interim net income attributable to owners of parent	11,300	15,560

## (Interim Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	Previous Interim Period (From April 1, 2017 to September 30, 2017)	Current Interim Period (From April 1, 2018 to September 30, 2018)
Interim net income	11,300	15,549
Other comprehensive income		
Valuation difference on available-for-sale securities	-8	-1,050
Deferred gains or losses on hedges	19	20
Foreign currency translation adjustment	-890	-828
Remeasurements of defined benefit plans, net of tax	197	167
Share of other comprehensive income of associates accounted for using equity method	42	-0
Total other comprehensive income	-640	-1,691
Interim comprehensive income	10,660	13,858
Comprehensive income attributable to		
Interim comprehensive net income attributable to owners of the parent	10,653	13,885
Interim comprehensive net income attributable to minority interests	6	-27