

Financial Results for the Fiscal Year Ended March 31, 2020

Jun 5, 2020

MARUHAN Corporation

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020(April 1, 2019 to March 31, 2020)

(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, 2020	1,509,454	-2.6	32,090	-4.5	34,417	-11.3	13,082	-37.5
Fiscal year ended March 31, 2019	1,550,396	-0.0	33,611	6.3	38,794	16.0	22,086	59.0

(Note) Comprehensive income: Fiscal year ended March 31, 2020: 13,034 million yen (-36.8%)

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

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2020	933.63	—	4.7	5.8	2.1
Fiscal year ended March 31, 2019	1,456.34	—	7.8	7.2	2.2

(Reference) Equity in net income of affiliates: Fiscal year ended March 31, 2020: 944 million yen

Fiscal year ended March 31, 2019: 1,041million 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, 2020	622,969	302,114	48.5	20,436.93
Fiscal year ended March 31, 2019	557,903	290,642	52.1	19,653.17

(Reference) Shareholders' equity: Fiscal year ended March 31, 2020: 302,109 million yen

Fiscal year ended March 31, 2019: 290,641 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, 2020	29,955	-24,319	17,805	182,662
Fiscal year ended March 31, 2019	46,143	-19,118	-4,367	160,149

2. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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, 2020	1,463,270	-3.2	24,385	-12.4	25,628	-19.7	8,433	-51.1
Fiscal year ended March 31, 2019	1,511,250	-0.3	27,836	1.4	31,906	13.2	17,239	72.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2020	570.45	—
Fiscal year ended March 31, 2019	1,136.75	—

(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, 2020	396,532	273,581	69.0	18,507.06
Fiscal year ended March 31, 2019	382,730	267,010	69.8	18,055.24

(Reference) Shareholder's equity: Fiscal year ended March 31, 2020: 273,581 million yen
 Fiscal year ended March 31, 2019: 267,010 million yen

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	164,254	185,050
Accounts receivable-trade	1,157	1,079
Loans and bills discounted in banking business	125,962	161,335
Merchandise	1,920	2,058
Raw materials and supplies	1,386	1,195
Prepaid expenses	4,654	4,976
Accounts receivable-other	2,388	763
Other	3,477	4,363
Allowance for doubtful accounts	-2,401	-2,096
Total current assets	302,800	358,725
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	90,007	89,010
Tools, furniture and fixtures (net)	15,213	15,752
Land	56,325	58,514
Golf courses	12,067	13,123
Construction in progress	1,420	2,617
Other (net)	1,016	1,033
Total property, plant and equipment	176,051	180,051
Intangible assets		
Goodwill	5	531
Leasehold right	5,290	4,832
Software	863	1,076
Other	165	1,643
Total intangible assets	6,324	8,082
Investments and other assets		
Investment securities	7,509	8,035
Long-term loans receivable	20,681	20,457
Long-term prepaid expenses	1,148	908
Guarantee deposits	12,386	12,680
Construction assistance fund receivables	3,217	2,714
Deferred tax assets	26,153	29,595
Other	2,381	2,065
Allowance for doubtful accounts	-752	-348
Total investments and other assets	72,726	76,109
Total non-current assets	255,102	264,243
Total assets	557,903	622,969

(Unit: million yen)

	Previous Fiscal Year (as of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,953	5,080
Electronically recorded obligations-operating	13,710	20,168
Short-term loans payable	4,579	5,435
Current portion of bonds	222	219
Current portion of long-term loans payable	28,141	26,092
Lease obligations	229	552
Accounts payable-other	12,706	14,724
Accrued expenses	5,327	6,336
Income taxes payable	5,582	9,734
Accrued consumption taxes	2,727	1,725
Deposits received	9,893	9,813
Provision for bonuses	3,105	2,965
Notes payable-facilities	1,485	2,968
Asset retirement obligations	706	1,047
Deposits in banking business	89,579	107,243
Other	1,211	2,629
Total current liabilities	186,162	216,738
Non-current liabilities		
Bonds payable	1,443	4,382
Long-term loans payable	52,282	70,189
Lease obligations	4,238	5,239
Deferred tax liabilities	53	58
Provision for directors' retirement benefits	4,551	4,847
Net defined benefit liability	5,498	6,707
Asset retirement obligations	8,078	7,998
Other	4,952	4,693
Total non-current liabilities	81,098	104,116
Total liabilities	267,261	320,854
Net Assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	1,670	1,670
Retained earnings	280,576	292,851
Treasury shares	-3,681	-3,719
Total shareholders' equity	288,565	300,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-30	-171
Deferred gains or losses on hedges	-139	-99
Foreign currency translation adjustment	2,371	1,958
Remeasurements of defined benefit plans	-125	-380
Total accumulated other comprehensive income	2,076	1,307
Non-controlling interests	0	4
Total net assets	290,642	302,114
Total liabilities and net assets	557,903	622,969

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

Consolidated Statements of Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2018 to March 31, 2019)	Current Fiscal Year (From April 1, 2019 to March 31, 2020)
Net sales	1,550,396	1,509,454
Cost of sales	1,489,716	1,448,985
Gross profit	60,680	60,468
Selling, general and administrative expenses	27,069	28,377
Operating income	33,611	32,090
Non-operating income		
Interest and dividends income	524	425
Share of profit of entities accounted for using equity method	1,041	944
Foreign exchange gains	1,833	—
Gain on sales of investment securities	658	—
Rent income	1,297	1,352
Income from IC card receipts	325	286
Reversal of provision for doubtful accounts	101	—
Other	878	1,397
Total non-operating income	6,661	4,406
Non-operating expenses		
Interest expenses	945	1,081
Foreign exchange losses	—	576
Rent expenses	211	180
Commission fee	196	144
Other	125	97
Total non-operating expenses	1,478	2,079
Ordinary income	38,794	34,417
Extraordinary income		
Gain on change in equity	380	—
Gain on sales of non-current assets	34	6
Insurance income from loss on disaster	88	6
Other	—	5
Total extraordinary income	503	18
Extraordinary loss		
Impairment loss	5,588	9,848
Loss on disaster	94	219
Loss on abandonment of non-current assets	1,142	1,444
Loss on cancellation of rental contracts	73	14
Other	27	2
Total extraordinary loss	6,927	11,529
Income before income taxes	32,370	22,906
Income taxes-current	7,846	12,469
Income taxes-deferred	2,395	-3,367
Total income taxes	10,242	9,101
Net income	22,128	13,804
Profit attributable to non-controlling interests	42	1
Profit attributable to owners of parent	22,086	13,802

Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Previous Fiscal Year (From April 1, 2018 to March 31, 2019)	Current Fiscal Year (From April 1, 2019 to March 31, 2020)
Net income	22,128	13,804
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,086	-58
Deferred gains or losses on hedges	-55	40
Foreign currency translation adjustment	-676	-321
Remeasurements of defined benefit plans, net of tax	320	-260
Share of other comprehensive income of associates accounted for using equity method	-10	-169
Total other comprehensive income	-1,508	-769
Comprehensive income:	20,619	13,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,577	13,033
Comprehensive income attributable to non-controlling interests	42	1