

Consolidated Financial Results for the Six Months Ended September 30, 2019 [Japanese GAAP]

December 5, 2019

MARUHAN Corporation

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

Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(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, 2019	776,369	-0.5	25,785	39.4	26,114	14.4	17,548	12.8
Six Months Ended September 30, 2018	780,598	-2.4	18,500	3.8	22,835	23.5	15,560	37.7

(Note) Comprehensive income: Six Months Ended September 30, 2019: 16,473 million yen (18.9%)

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

	Interim net income per share	Diluted interim net income per share
	Yen	Yen
Six Months Ended September 30, 2019	1,186.85	—
Six Months Ended September 30, 2018	1,016.86	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Six months ending September 30, 2019	586,302	305,306	52.1
Fiscal year ended March 31, 2019	557,903	290,642	52.1

(Reference) Shareholders' equity: Six months ended September 30, 2019: 305,302 million yen

Fiscal year ended March 31, 2019: 290,641 million yen

Contents of Appendix

Interim Consolidated Financial Statements	2
(1) Interim Consolidated Balance Sheets	2
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income	4
(Interim Consolidated Statements of Income)	4
(Interim Consolidated Statements of Comprehensive Income)	5

Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Unit: million yen)

	Previous Fiscal Year (As of March 31, 2019)	Current Interim Period (As of September 30, 2019)
Assets		
Current assets		
Cash and deposits	164,254	178,090
Accounts receivable-trade	1,157	1,317
Loans and bills discounted in banking business	125,962	136,913
Merchandise	1,920	2,259
Raw materials and supplies	1,386	876
Prepaid expenses	4,654	5,639
Accounts receivable-other	2,388	870
Other	3,477	3,608
Allowance for doubtful accounts	-2,401	-2,778
Total current assets	302,800	326,798
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	90,007	87,829
Tools, furniture and fixtures (net)	15,213	15,344
Land	56,325	57,822
Golf courses	12,067	13,064
Construction in progress	1,420	3,435
Other (net)	1,016	1,070
Total property, plant and equipment	176,051	178,566
Intangible assets		
Goodwill	5	592
Leasehold right	5,290	5,343
Software	863	863
Other	165	172
Total intangible assets	6,324	6,972
Investments and other assets		
Investment securities	7,509	7,624
Long-term loans receivable	20,681	20,652
Long-term prepaid expenses	1,148	1,066
Guarantee deposits	12,386	12,843
Construction assistance fund receivables	3,217	2,986
Deferred tax assets	26,153	27,002
Other	2,381	2,511
Allowance for doubtful accounts	-752	-722
Total investments and other assets	72,726	73,964
Total non-current assets	255,102	259,503
Total assets	557,903	586,302

(Unit: million yen)

	Previous Fiscal Year (As of March 31, 2019)	Current Interim Period (As of September 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,953	5,103
Electronically recorded obligations-Operating	13,710	12,913
Short-term loans payable	4,579	6,326
Current portion of bonds	222	215
Current portion of long-term loans payable	28,141	24,212
Lease obligations	229	237
Accounts payable-other	12,706	10,245
Accrued expenses	5,327	5,087
Income taxes payable	5,582	9,092
Accrued consumption taxes	2,727	2,460
Deposits received	9,893	9,738
Provision for bonuses	3,105	3,104
Notes payable-facilities	1,485	1,222
Asset retirement obligations	706	819
Deposits in banking business	89,579	101,567
Other	1,211	1,107
Total current liabilities	186,162	193,455
Non-current liabilities		
Bonds payable	1,443	2,263
Long-term loans payable	52,282	57,732
Lease obligations	4,238	4,117
Deferred tax liabilities	53	55
Provision for directors' retirement benefits	4,551	4,772
Net defined benefit liability	5,498	5,528
Asset retirement obligations	8,078	8,073
Other	4,952	4,997
Total non-current liabilities	81,098	87,540
Total liabilities	267,261	280,995
Net assets		
Shareholders' equity		
Capital stock	10,000	10,000
Capital surplus	1,670	1,670
Retained earnings	280,576	296,350
Treasury shares	-3,681	-3,719
Total shareholders' equity	288,565	304,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-30	-54
Deferred gains or losses on hedges	-139	-138
Foreign currency translation adjustment	2,371	1,286
Remeasurements of defined benefit plans	-125	-91
Total accumulated other comprehensive income	2,076	1,001
Non-controlling interests	0	4
Total net assets	290,642	305,306
Total liabilities and net assets	557,903	586,302

(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, 2018 to September 30, 2018)	Current Interim Period (From April 1, 2019 to September 30, 2019)
Net sales	780,598	776,369
Cost of sales	749,106	736,591
Gross profit	31,491	39,778
Selling, general and administrative expenses	12,991	13,992
Operating income	18,500	25,785
Non-operating income		
Interest and dividends income	261	226
Foreign exchange gains	2,566	—
Gain on sales of investment securities	658	—
Rent income	638	670
Income from IC card receipts	174	148
Share of profit of entities accounted for using equity method	419	440
Other	398	536
Total non-operating income	5,117	2,022
Non-operating expenses		
Interest expenses	486	430
Foreign exchange losses	—	1,072
Rent expenses	120	93
Provision of allowance for doubtful accounts	—	1
Commission fee	99	63
Other	74	31
Total non-operating expenses	781	1,693
Ordinary income	22,835	26,114
Extraordinary income		
Gain on sales of non-current assets	32	0
Other	0	—
Total extraordinary income	32	0
Extraordinary loss		
Loss on sales of non-current assets	15	0
Loss on disaster	37	88
Loss on abandonment of non-current assets	720	270
Loss on cancellation of rental contracts	85	—
Impairment loss	97	792
Loss on cancellation of leases	5	0
Total extraordinary loss	963	1,152
Interim income before income taxes	21,905	24,962
Income taxes-current	7,926	8,286
Income taxes-deferred	-1,571	-872
Total income taxes	6,355	7,413
Interim net income	15,549	17,549
Profit (loss) attributable to non-controlling interests	-10	0
Interim net income attributable to owners of parent	15,560	17,548

(Interim Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	Previous Interim Period (From April 1, 2018 to September 30, 2018)	Current Interim Period (From April 1, 2019 to September 30, 2019)
Interim net income	15,549	17,549
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,050	-6
Deferred gains or losses on hedges	20	1
Foreign currency translation adjustment	-828	-973
Remeasurements of defined benefit plans, net of tax	167	31
Share of other comprehensive income of associates accounted for using equity method	-0	-127
Total other comprehensive income	-1,691	-1,075
Interim comprehensive income	13,858	16,473
Comprehensive income attributable to		
Interim comprehensive net income attributable to owners of the parent	13,885	16,472
Interim comprehensive net income attributable to minority interests	-27	0