

# Consolidated Financial Results for the Six Months Ended September 30, 2017 [Japanese GAAP]

November 29, 2017

MARUHAN Corporation

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

Consolidated Financial Results for the Six Months Ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(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, 2017	799,431	Δ7.7	17,828	Δ39.6	18,489	Δ37.4	11,300	Δ44.5
Six Months Ended September 30, 2016	865,951	Δ11.1	29,522	38.7	29,553	34.3	20,367	43.4

(Note) Comprehensive income: Six Months Ended September 30, 2017: 10,660 million yen (Δ33.9%)  
Six Months Ended September 30, 2016: 16,132 million yen (11.3%)

	Interim net income per share	Diluted interim net income per share
	Yen	Yen
Six Months Ended September 30, 2017	738.34	—
Six Months Ended September 30, 2016	1,330.64	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Six months ending September 30, 2017	498,917	271,385	54.4
Fiscal year ended March 31, 2017	499,484	261,664	52.4

(Reference) Shareholders' equity: Six months ended September 30, 2017: 271,327 million yen  
Fiscal year ended March 31, 2017: 261,613 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, 2017)	Current Interim Period (As of September 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	152,571	126,234
Accounts receivable-trade	1,085	1,151
Loans and bills discounted in banking business	74,380	82,607
Merchandise	2,120	2,004
Raw materials and supplies	2,905	1,581
Prepaid expenses	4,225	4,748
Deferred tax assets	18,994	20,169
Accounts receivable-other	1,331	1,988
Other	2,732	3,039
Allowance for doubtful accounts	△816	△1,161
<b>Total current assets</b>	<b>259,530</b>	<b>242,363</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	101,043	100,007
Tools, furniture and fixtures (net)	16,513	15,723
Land	57,799	57,908
Golf courses	11,687	11,695
Construction in progress	1,439	2,156
Other (net)	1,191	1,175
<b>Total property, plant and equipment</b>	<b>189,673</b>	<b>188,666</b>
Intangible assets		
Goodwill	709	431
Leasehold right	5,432	5,420
Software	906	912
Other	182	166
<b>Total intangible assets</b>	<b>7,231</b>	<b>6,931</b>
Investments and other assets		
Investment securities	8,388	8,779
Long-term loans receivable	804	20,773
Long-term prepaid expenses	1,493	1,558
Guarantee deposits	13,612	12,981
Construction assistance fund receivables	5,953	4,732
Deferred tax assets	11,407	10,738
Other	2,152	2,142
Allowance for doubtful accounts	△762	△751
<b>Total investments and other assets</b>	<b>43,049</b>	<b>60,955</b>
<b>Total non-current assets</b>	<b>239,954</b>	<b>256,553</b>
<b>Total assets</b>	<b>499,484</b>	<b>498,917</b>

(Unit: million yen)

	Previous Fiscal Year (As of March 31, 2017)	Current Interim Period (As of September 30, 2017)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	6,416	5,309
Electronically recorded obligations-Operating	17,855	20,221
Short-term loans payable	—	82
Current portion of bonds	232	224
Current portion of long-term loans payable	31,992	29,232
Lease obligations	289	302
Accounts payable-other	16,393	11,464
Accrued expenses	5,091	4,642
Income taxes payable	5,938	7,105
Accrued consumption taxes	2,102	2,689
Deposits received	8,563	8,911
Provision for bonuses	3,005	3,135
Notes payable-facilities	568	1,810
Asset retirement obligations	274	299
Deposits in banking business	65,386	66,427
Other	1,610	625
<b>Total current liabilities</b>	<b>165,722</b>	<b>162,486</b>
<b>Non-current liabilities</b>		
Bonds payable	1,084	896
Long-term loans payable	43,188	36,471
Lease obligations	4,673	4,517
Deferred tax liabilities	68	78
Provision for directors' retirement benefits	4,609	4,684
Net defined benefit liability	4,832	4,907
Asset retirement obligations	8,056	8,154
Other	5,583	5,336
<b>Total non-current liabilities</b>	<b>72,097</b>	<b>65,045</b>
<b>Total liabilities</b>	<b>237,820</b>	<b>227,531</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,000	10,000
Capital surplus	1,544	1,544
Retained earnings	246,432	256,815
Treasury shares	△466	△466
<b>Total shareholders' equity</b>	<b>257,510</b>	<b>267,893</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	736	768
Deferred gains or losses on hedges	△55	△35
Foreign currency translation adjustment	4,220	3,302
Remeasurements of defined benefit plans	△799	△600
<b>Total accumulated other comprehensive income</b>	<b>4,102</b>	<b>3,434</b>
<b>Non-controlling interests</b>	<b>51</b>	<b>57</b>
<b>Total net assets</b>	<b>261,664</b>	<b>271,385</b>
<b>Total liabilities and net assets</b>	<b>499,484</b>	<b>498,917</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, 2016 to September 30, 2016)	Current Interim Period (From April 1, 2017 to September 30, 2017)
Net sales	865,951	799,431
Cost of sales	824,201	769,050
Gross profit	41,750	30,380
Selling, general and administrative expenses	12,228	12,552
Operating income	29,522	17,828
Non-operating income		
Interest and dividends income	80	186
Share of profit of entities accounted for using equity method	482	465
Rent income	714	643
Income from IC card receipts	179	165
Other	530	387
Total non-operating income	1,987	1,847
Non-operating expenses		
Interest expenses	635	551
Foreign exchange losses	1,022	362
Rent expenses	121	118
Provision of allowance for doubtful accounts	—	1
Commission fee	150	128
Other	25	22
Total non-operating expenses	1,955	1,185
Ordinary income	29,553	18,489
Extraordinary income		
Gain on sales of non-current assets	5	90
Other	0	0
Total extraordinary income	6	90
Extraordinary loss		
Loss on sales of non-current assets	1	0
Loss on abandonment of noncurrent assets	216	252
Impairment loss	57	118
Loss on cancellation of leases	0	0
Loss on cancellation of rental contracts	—	929
Other	1	—
Total extraordinary loss	277	1,300
Interim income before income taxes	29,282	17,279
Income taxes-current	8,617	6,579
Income taxes-deferred	298	△600
Total income taxes	8,915	5,978
Interim net income	20,367	11,300
Interim net income attributable to owners of parent	20,367	11,300

## (Interim Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	Previous Interim Period (From April 1, 2016 to September 30, 2016)	Current Interim Period (From April 1, 2017 to September 30, 2017)
Interim net income	20,367	11,300
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ296	Δ8
Deferred gains or losses on hedges	26	19
Foreign currency translation adjustment	Δ4,084	Δ890
Remeasurements of defined benefit plans, net of tax	139	197
Share of other comprehensive income of associates accounted for using equity method	Δ20	42
Total other comprehensive income	Δ4,234	Δ640
Interim comprehensive income	16,132	10,660
Comprehensive income attributable to		
Interim comprehensive net income attributable to owners of the parent	16,184	10,653
Interim comprehensive net income attributable to minority interests	Δ52	6