



Financial Results for 2Q of the Fiscal Year Ending (FYE) 06/20/2018 [Japan GAAP] (Consolidated)

02/02/2018

Company Name	JOYFUL HONDA CO., LTD.	Exchange listed on	TSE-1
Security Code	3191	URL	http://www.joyfulhonda.com/
Representative	(Title) President and CEO	(Name)	Yukio Yaguchi
Contact	(Title) Managing Director and General Manager, Administration Group	(Name)	Goro Yoshihara (TEL) 029 (822) 2215
Scheduled date for submission of quarterly report	02/02/2018	Scheduled commencement date of dividend payment	03/08/2018

Preparation of supplementary materials for quarterly reports : None
 Convening quarterly results briefing : Yes (for institutional investors and analysts)
 (Amounts rounded down to the nearest million yen)

1. Consolidated Business Results for 2Q of FYE 06/20/2018 (06/21/2017 - 12/20/2017)

(1) Quarterly Operating Results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
2Q of FYE 06/20/2018	74,695	(3.2)	4,163	17.8	4,456	6.0	2,788	0.9
2Q of FYE 06/20/2017	77,144	(3.5)	3,534	(16.3)	4,204	(14.4)	2,762	(14.0)

(Note) Comprehensive income:
 2Q of FYE 06/20/2018 : 2,834 million yen [(11.6%)]
 2Q of FYE 06/20/2017 : 3,205 million yen [1.0%]

	Profit per share	Profit per share – fully diluted
	yen	yen
2Q of FYE 06/20/2018	73.05	-
2Q of FYE 06/20/2017	53.91	-

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
2Q of FYE 06/20/2018	156,700	101,738	64.9
FYE 06/20/2017	199,413	157,536	79.0

(Reference) Shareholders' equity: 2Q of FYE 06/20/2018 : 101,738 million yen
 FYE 06/20/2017 : 157,536 million yen

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total
	yen	yen	yen	yen	yen
FYE 06/20/2017	-	0.00	-	32.00	32.00
FYE 06/20/2018	-	24.00	-	-	-
FYE 06/20/2018 (forecast)	-	-	-	24.00	48.00

(Note) Modification of the dividends forecast released most recently: None

3. Projected Consolidated Business Results for FYE 06/20/2018 (06/21/2017 - 06/20/2018)

(Percent represents comparison changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	153,800	(0.7)	7,970	7.8	8,540	6.5	5,590	(8.8)	153.58

(Note) Modification of the business results forecast released most recently: None

* NOTES

- (1) Changes in major subsidiaries during the current consolidated quarter : None
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements : None
- (3) Change in accounting policies or estimates and retrospective restatements
 - 1) Change in accounting policies in accordance with revision of accounting standards : None
 - 2) Change in accounting policies other than item 1) above : None
 - 3) Change in accounting estimates : None
 - 4) Retrospective restatements : None

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)	2Q of FYE 06/20/2018	51,612,880 shares	FYE 06/20/2017	51,612,880 shares
2) Number of treasury stock at the end of the period	2Q of FYE 06/20/2018	17,000,140 shares	FYE 06/20/2017	700,740 shares
3) Average number of shares during the period (cumulative for all quarters)	2Q of FYE 06/20/2018	38,175,168 shares	2Q of FYE 06/20/2017	51,248,692 shares

* The quarterly financial results fall outside the scope of the quarterly review.

* Explanation for appropriate use of operating results forecasts and other special notes

The financial results forecasts and other figures contained herein concerning the future are based on current information in possession of the company pertaining thereto, and on certain presumptions that are assessed as rational; however, this information does not constitute a commitment to achieve the relevant figures. The actual results may vary greatly due to various factors. For the conditions that are a prerequisite to the earnings forecast and the way to use the forecasts, please refer to “(3) Explanation about future forecast information such as consolidated earnings forecasts” in "1. Qualitative information on the current quarterly results” on page 5 of the attached document.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2017)	Current 2Q Consolidated Accounting Period (12/20/2017)
Assets		
Current assets		
Cash and deposits	69,283	23,865
Accounts receivable-trade	2,580	3,268
Inventories	16,377	18,602
Other	2,035	2,368
Allowance for doubtful accounts	(1)	(2)
Total current assets	90,276	48,103
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	76,222	75,865
Machinery, equipment and vehicles	1,623	1,647
Land	61,129	61,114
Other	6,162	7,456
Accumulated depreciation	(50,680)	(51,524)
Total property, plant and equipment	94,457	94,559
Intangible assets	1,850	1,792
Investments and other assets		
Investment securities	6,994	7,486
Stocks of subsidiaries and affiliates	1,035	1,096
Deferred tax assets	1,867	2,101
Other	2,935	1,558
Allowance for doubtful accounts	(3)	-
Total investments and other assets	12,829	12,243
Total noncurrent assets	109,137	108,596
Total assets	199,413	156,700

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2017)	Current 2Q Consolidated Accounting Period (12/20/2017)
Liabilities		
Current liabilities		
Accounts payable-trade	7,974	12,320
Short-term loans payable	40	10,040
Current portion of long-term loans payable	1,662	1,662
Income taxes payable	1,298	1,351
Provision for bonuses	231	230
Provision for directors' bonuses	31	17
Provision for directors' retirement benefits	90	-
Other	7,246	6,720
Total current liabilities	18,574	32,342
Noncurrent liabilities		
Long-term loans payable	14,105	13,273
Liabilities related to employee retirement benefits	2,525	2,592
Asset retirement obligations	1,869	1,878
Long-term guarantee deposited	4,225	4,363
Stock benefit allowance	-	22
Other	577	487
Total noncurrent liabilities	23,302	22,618
Total liabilities	41,877	54,961
Net assets		
Shareholders' equity		
Capital stock	12,000	12,000
Capital surplus	12,503	12,503
Retained earnings	133,657	134,814
Treasury stock	(1,795)	(58,794)
Total shareholders' equity	156,366	100,522
Cumulative amount of other comprehensive income		
Valuation difference on available-for-sale securities	1,119	1,190
Adjusted cumulative amount of retirement benefits for employees	50	25
Total cumulative amount of other comprehensive income	1,170	1,216
Total net assets	157,536	101,738
Total liabilities and net assets	199,413	156,700

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Consolidated Cumulative 2Q

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2016 to 12/20/2016)	Current Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)
Net sales	77,144	74,695
Cost of sales	56,974	54,561
Gross profit	20,169	20,134
Operating revenue		
Rent income of real estate	1,919	2,015
Income from service fees	351	348
Insurance agent commission	24	28
Total operating revenue	2,295	2,392
Operating gross profit	22,465	22,527
Selling, general and administrative expenses	18,931	18,363
Operating income	3,534	4,163
Non-operating income		
Interest income	7	34
Dividends income	29	26
Equity in earnings of affiliates	66	60
Technical advisory fee	98	29
Commission fee	188	200
Other	286	228
Total non-operating income	676	580
Non-operating expenses		
Interest expenses	1	23
Commission fee	0	262
Other	5	1
Total non-operating expenses	7	287
Ordinary income	4,204	4,456
Extraordinary income		
Gain on sales of investment securities	-	3
Gain on sales of noncurrent assets	0	66
Compensation income	-	0
Total extraordinary income	0	69
Extraordinary loss		
Loss on retirement of noncurrent assets	132	126
Impairment loss	-	507
Loss on sales of investment securities	-	19
Other	0	1
Total extraordinary loss	133	654
Profit before taxes and other adjustments	4,071	3,871
Income taxes-current	1,394	1,294
Income taxes-deferred	(86)	(212)
Total income taxes	1,308	1,082
Profit	2,762	2,788
Profit attributable to parent company shareholders	2,762	2,788

Quarterly consolidated statement of comprehensive income
Consolidated Cumulative 2Q

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2016 to 12/20/2016)	Current Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)
Profit	2,762	2,788
Other comprehensive income		
Valuation difference on available-for-sale securities	358	71
Adjusted amount of retirement benefits for employees	84	(25)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	442	46
Comprehensive income	3,205	2,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,205	2,834

(3) Quarterly consolidated statements of cash flows

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2016 to 12/20/2016)	Current Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)
Net cash provided by (used in) operating activities		
Profit before taxes and other adjustments	4,071	3,871
Depreciation and amortization	1,800	1,563
Amortization of goodwill	2	2
Impairment loss	-	507
Equity in (earnings) losses of affiliates	(66)	(60)
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in provision for bonuses	(44)	(1)
Increase (decrease) in provision for directors' bonuses	(12)	(14)
Increase (decrease) in provision for directors' retirement benefits	-	(90)
Increase (decrease) in stock benefit allowance	-	24
Increase (decrease) in liabilities for retirement benefits	150	30
Interest and dividends income	(37)	(61)
Interest expenses	1	23
Loss (gain) on sales of investment securities	-	16
Loss on retirement of noncurrent assets	132	126
Loss (gain) on sales of noncurrent assets	(0)	(66)
Decrease (increase) in notes and accounts receivable-trade	(566)	(687)
Decrease (increase) in inventories	(2,385)	(2,225)
Increase (decrease) in notes and accounts payable-trade	4,028	4,346
Increase (decrease) in accrued consumption taxes	(371)	(86)
Other	184	(109)
Subtotal	6,885	7,107
Interest and dividends income received	34	62
Interest expenses paid	(1)	(23)
Income taxes paid	(1,714)	(1,160)
Other	-	0
Net cash provided by (used in) operating activities	5,203	5,986
Net cash provided by (used in) investing activities		
Payments into time deposits	(21,500)	(3,000)
Proceeds from withdrawal of time deposits	21,500	11,000
Purchase of property, plant and equipment	(1,070)	(1,828)
Purchase of intangible assets	(117)	(89)
Payments for retirement of property, plant and equipment	(92)	(111)
Purchase of investment securities	(1,000)	(5,200)
Proceeds from sales of investment securities	-	1,292
Proceeds from redemption of investment securities	-	3,500
Proceeds from collection of guarantee deposits	7	1,387
Other	(123)	113
Net cash provided by (used in) investing activities	(2,396)	7,063
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	30	36,000
Decrease in short-term loans payable	(120)	(26,000)
Repayments of long-term loans payable	(89)	(831)
Purchase of treasury shares	(1,795)	(57,001)
Repayments of lease obligations	(189)	(192)
Cash dividends paid	(1,599)	(1,632)
Net cash provided by (used in) financing activities	(3,764)	(49,657)
Net increase (decrease) in cash and cash equivalents	(957)	(36,607)
Cash and cash equivalents at the beginning of the year	40,088	56,748
Cash and cash equivalents at the end of the quarter	39,131	20,141