



Financial Results for the Fiscal Year Ended (FYE) 06/20/2018 [Japan GAAP] (Consolidated)

08/03/2018

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 Managing Director	(Name)	Goro Yoshihara (TEL) 029 (822) 2215
Scheduled date of ordinary shareholders' meeting			09/19/2018
Scheduled filing date of the securities report			09/20/2018
Scheduled commencement date of dividends payment			09/20/2018
Preparation of supplementary materials for financial results report	:	None	
Convening financial results briefing	:	Yes (for institutional investors and analysts)	

(Amounts rounded down to the nearest million yen)

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

(1) Consolidated Operating Results (Percent represents comparison changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
FYE 06/20/2018	148,676	(4.0)	7,981	7.9	8,800	9.7	5,594	(8.7)
FYE 06/20/2017	154,934	(2.4)	7,395	(4.0)	8,021	(10.3)	6,130	12.4

(Note) Comprehensive income: FYE 06/20/2018 5,669 million yen [(17.7%)]
 FYE 06/20/2017 6,886 million yen [20.2%]

	Profit per share	Profit per share - fully diluted	Profit to shareholders equity	Ordinary income to Assets	Operating income to Net sales
	yen	yen	%	%	%
FYE 06/20/2018	76.85	-	4.3	5.0	5.4
FYE 06/20/2017	60.01	-	3.9	4.2	4.8

(Reference) Equity method investment gain (loss): FYE 06/20/2018 73 million yen
 FYE 06/20/2017 53 million yen

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, profit per share has been calculated on the assumption that the relevant stock split was performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2017).

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
FYE 06/20/2018	152,187	103,741	68.2	1,498.59
FYE 06/20/2017	199,413	157,536	79.0	1,547.14

(Reference) Shareholders' equity: FYE 06/20/2018 103,741 million yen
 FYE 06/20/2017 157,536 million yen

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, net assets per share has been calculated on the assumption that the relevant stock split was performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2017).

(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 the end of the year
	million yen	million yen	million yen	million yen
FYE 06/20/2018	7,456	4,097	(51,897)	16,405
FYE 06/20/2017	9,346	(4,104)	11,417	56,748

2. Dividends

	Annual dividends					Amount of annual dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FYE 06/20/2017	-	0.00	-	32.00	32.00	1,632	26.6	1.0
FYE 06/20/2018	-	24.00	-	24.00	48.00	1,669	29.8	1.6
FYE 06/20/2019 (forecast)	-	12.50	-	12.50	25.00		30.0	

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. The effective date of the stock split is 06/21/2018. End-of-the-year dividends for FYE 06/20/2018 will be paid out based on pre-split shares. Thus, end-of-the-year dividends for FYE 06/20/2018 are recorded based on the number of shares before the stock split. Interim dividends and end-of-the-year dividends projected for FYE 06/20/2019 are recorded based on the number of shares after the stock split.

3. Projected Consolidated Business Results for FYE 06/20/2019 (06/21/2018 - 06/20/2019)

(Percentages represent changes from the previous year for the full year, and on a year-on-year basis for quarterly results)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2Q (cumulative)	76,370	2.2	4,328	3.9	4,833	8.4	2,961	6.2	42.77
Full year	152,200	2.4	8,390	5.1	9,320	5.9	5,800	3.7	83.78

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, the profit per share in the projected consolidated business results has been assessed based on the number of outstanding shares after the performed stock split (excluding treasury stock).

*NOTES

- (1) Changes in major subsidiaries during the fiscal year under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) : None

Newly consolidated: company (companies) (name of company)

Excluded company (companies) (name of company)

- (2) 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

- (3) Number of outstanding shares (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)	FYE 06/20/2018	103,225,760 shares	FYE 06/20/2017	103,225,760 shares
2) Number of treasury stock at the end of the period	FYE 06/20/2018	34,000,146 shares	FYE 06/20/2017	1,401,480 shares
3) Average number of shares during the period	FYE 06/20/2018	72,797,654 shares	FYE 06/20/2017	102,161,754 shares

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, the number of outstanding shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares during the period have been assessed based on the assumption of the stock split having been performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2017).

* The financial results fall outside the scope of the review by a certified public accountant or an audit corporation.

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

Statements concerning the future such as forecasts for business results contained in this document have been prepared based on information that was obtainable as of the day in which the document was presented and on the assumption that various factors of uncertainty exists. Thus, actual business results may vary.

For items concerning the business results forecast (consolidated business results forecast for FYE 06/20/2019), please refer to attachment P. 5 (Forecasts for the Next Term).

Consolidated Financial Statement and Main Notes

(1) Consolidated Balance Sheets

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2017)	Current Consolidated Accounting Year (06/20/2018)
Assets		
Current assets		
Cash and deposits	69,283	19,938
Accounts receivable-trade	2,580	2,535
Inventories	16,377	16,315
Other	2,035	2,042
Allowance for doubtful accounts	(1)	(0)
Total current assets	90,276	40,830
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	76,222	78,204
Machinery, equipment and vehicles	1,623	1,665
Land	61,129	60,995
Other	6,162	6,545
Accumulated depreciation	(50,680)	(51,418)
Total property, plant and equipment	94,457	95,992
Intangible assets	1,850	1,831
Investments and other assets		
Investment securities	6,994	8,905
Stocks of subsidiaries and affiliates	1,035	1,109
Deferred tax assets	1,867	1,843
Other	2,935	1,674
Allowance for doubtful accounts	(3)	-
Total investments and other assets	12,829	13,532
Total noncurrent assets	109,137	111,356
Total assets	199,413	152,187

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2017)	Current Consolidated Accounting Year (06/20/2018)
Liabilities		
Current liabilities		
Accounts payable-trade	7,974	7,460
Short-term loans payable	40	40
Current portion of long-term loans payable	1,662	2,675
Income taxes payable	1,298	1,238
Provision for bonuses	231	219
Provision for directors' bonuses	31	35
Provision for directors' retirement benefits	90	-
Other	7,246	7,346
Total current liabilities	18,574	19,015
Noncurrent liabilities		
Long-term loans payable	14,105	21,044
Liabilities related to employee retirement benefits	2,525	1,335
Asset retirement obligations	1,869	2,213
Long-term guarantee deposited	4,225	4,405
Stock benefit allowance	-	22
Other	577	408
Total noncurrent liabilities	23,302	29,430
Total liabilities	41,877	48,445
Net assets		
Shareholders' equity		
Capital stock	12,000	12,000
Capital surplus	12,503	12,520
Retained earnings	133,657	136,787
Treasury stock	(1,795)	(58,811)
Total shareholders' equity	156,366	102,496
Cumulative amount of other comprehensive income		
Valuation difference on available-for-sale securities	1,119	1,263
Adjusted cumulative amount of retirement benefits for employees	50	(18)
Total cumulative amount of other comprehensive income	1,170	1,244
Total net assets	157,536	103,741
Total liabilities and net assets	199,413	152,187

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

(Unit: million yen)

	Previous Consolidated Accounting Year (From 06/21/2016 to 06/20/2017)	Current Consolidated Accounting Year (From 06/21/2017 to 06/20/2018)
Net sales	154,934	148,676
Cost of sales	113,893	108,186
Gross profit	41,041	40,489
Operating revenue		
Rent income of real estate	3,881	4,071
Income from service fees	686	659
Insurance agent commission	42	50
Total operating revenue	4,610	4,781
Operating gross profit	45,652	45,270
Selling, general and administrative expenses	38,256	37,288
Operating income	7,395	7,981
Non-operating income		
Interest income	27	101
Dividends income	47	45
Equity in earnings of affiliates	53	73
Commission fee	361	393
Technical advisory fee	133	50
Other	510	477
Total non-operating income	1,134	1,141
Non-operating expenses		
Interest expenses	10	52
Commission fee	428	262
Other	68	8
Total non-operating expenses	508	323
Ordinary income	8,021	8,800
Extraordinary income		
Gain on sales of noncurrent assets	1	71
Subsidy income	26	152
Compensation income	-	83
Asset retirement obligations	1,608	-
Gain on sales of investment securities	-	55
Total extraordinary income	1,635	363
Extraordinary loss		
Loss on retirement of noncurrent assets	422	348
Loss on reduction of noncurrent assets	-	152
Impairment loss	223	507
Loss on sales of investment securities	-	24
Other	15	4
Total extraordinary loss	660	1,036
Profit before taxes and other adjustments	8,996	8,127
Income taxes-current	2,650	2,463
Income taxes-deferred	215	68
Total income taxes	2,865	2,532
Profit	6,130	5,594
Profit attributable to parent company shareholders	6,130	5,594

Consolidated statement of comprehensive income

(Unit: million yen)

	Previous Consolidated Accounting Year (From 06/21/2016 to 06/20/2017)	Current Consolidated Accounting Year (From 06/21/2017 to 06/20/2018)
Net income	6,130	5,594
Other comprehensive income		
Valuation difference on available-for-sale securities	535	143
Adjusted amount of retirement benefits for employees	220	(69)
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total other comprehensive income	755	74
Comprehensive income	6,886	5,669
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,886	5,669

(3) Consolidated statements of changes in net assets

Previous Consolidated Accounting Year (From 06/21/2016 to 06/20/2017)

(Unit: million yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	
Balance at the beginning of this period	12,000	12,503	129,127	(0)	153,630
Changes of items during the period					
Dividends from surplus			(1,599)		(1,599)
Profit attributable to parent company shareholders			6,130		6,130
Disposal of treasury stock					-
Purchase of treasury stock				(1,795)	(1,795)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	4,530	(1,795)	2,735
Balance for the end of this period	12,000	12,503	133,657	(1,795)	156,366

	Cumulative amount of other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Adjusted cumulative amount of retirement benefits for employees	Total cumulative amount of other comprehensive income	
Balance at the beginning of this period	583	(169)	414	154,045
Changes of items during the period				
Dividends from surplus				(1,599)
Profit attributable to parent company shareholders				6,130
Disposal of treasury stock				-
Purchase of treasury stock				(1,795)
Net changes of items other than shareholders' equity	535	220	755	755
Total changes of items during the period	535	220	755	3,490
Balance for the end of this period	1,119	50	1,170	157,536

Current Consolidated Accounting Year (From 06/21/2017 to 06/20/2018)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of this period	12,000	12,503	133,657	(1,795)	156,366
Changes of items during the period					
Dividends from surplus			(2,465)		(2,465)
Profit attributable to parent company shareholders			5,594		5,594
Disposal of treasury stock		17		407	424
Purchase of treasury stock				(57,423)	(57,423)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	17	3,129	(57,016)	(53,869)
Balance for the end of this period	12,000	12,520	136,787	(58,811)	102,496

	Cumulative amount of other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Adjusted cumulative amount of retirement benefits for employees	Total cumulative amount of other comprehensive income	
Balance at the beginning of this period	1,119	50	1,170	157,536
Changes of items during the period				
Dividends from surplus				(2,465)
Profit attributable to parent company shareholders				5,594
Disposal of treasury stock				424
Purchase of treasury stock				(57,423)
Net changes of items other than shareholders' equity	144	(69)	74	74
Total changes of items during the period	144	(69)	74	(53,794)
Balance for the end of this period	1,263	(18)	1,244	103,741

(4) Consolidated statements of cash flows

(Unit: million yen)

	Previous Consolidated Accounting Year (From 06/21/2016 to 06/20/2017)	Current Consolidated Accounting Year (From 06/21/2017 to 06/20/2018)
Net cash provided by (used in) operating activities		
Profit before taxes and other adjustments	8,996	8,127
Depreciation and amortization	3,543	3,256
Impairment loss	223	507
Loss on reduction of noncurrent assets	-	152
Subsidy income	(26)	(152)
Compensation income	-	(83)
Equity in (earnings) losses of affiliates	(53)	(73)
Increase (decrease) in allowance for doubtful accounts	0	(4)
Increase (decrease) in provision for bonuses	8	(12)
Increase (decrease) in provision for directors' bonuses	(1)	3
Increase (decrease) in provision for directors' retirement benefits	90	(90)
Increase (decrease) in provision for stock benefit allowance	-	24
Increase (decrease) in liabilities for retirement benefits	335	(1,289)
Interest and dividends income	(74)	(147)
Interest expenses	10	52
Loss (gain) on sales of investment securities	-	(31)
Loss on retirement of noncurrent assets	422	348
Loss (gain) on sales of noncurrent assets	(1)	(71)
Asset retirement obligations	(1,608)	-
Decrease (increase) in notes and accounts receivable-trade	(170)	45
Decrease (increase) in inventories	1,143	61
Increase (decrease) in notes and accounts payable-trade	(492)	(514)
Increase (decrease) in accrued consumption taxes	(261)	(95)
Other	435	(411)
Subtotal	12,518	9,601
Interest and dividends income received	68	142
Interest expenses paid	(13)	(53)
Proceeds from subsidy income	26	152
Proceeds from compensation	-	83
Income taxes paid	(3,253)	(2,469)
Net cash provided by (used in) operating activities	9,346	7,456
Net cash provided by (used in) investing activities		
Payments into time deposits	(49,500)	(3,500)
Proceeds from withdrawal of time deposits	69,000	12,500
Purchase of property, plant and equipment	(19,920)	(4,985)
Proceeds from sales of property, plant and equipment	2	334
Purchase of intangible assets	(276)	(157)
Purchase of investment securities	(5,000)	(9,034)
Proceeds from sales of investment securities	5	2,560
Proceeds from redemption of investment securities	1,600	5,400
Proceeds from collection of guarantee deposits	459	1,391
Payments for retirement of property, plant and equipment	(326)	(223)
Other	(146)	(187)
Net cash provided by (used in) investing activities	(4,104)	4,097
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	30	66,530
Decrease in short-term loans payable	(130)	(66,530)
Proceeds from long-term loans payable	16,000	10,000
Repayments of long-term loans payable	(698)	(2,047)
Proceeds from disposal of treasury stock	-	422

Purchase of treasury stock	(1,795)	(57,423)
Repayments of lease obligations	(388)	(383)
Cash dividends paid	(1,600)	(2,465)
Net cash provided by (used in) financing activities	11,417	(51,897)
Net increase (decrease) in cash and cash equivalents	16,659	(40,343)
Cash and cash equivalents at the beginning of the year	40,088	56,748
Cash and cash equivalents at the end of the year	56,748	16,405