



**Financial Results for 2Q of the Fiscal Year Ending (FYE) 06/20/2016  
[Japan GAAP] (Consolidated)**

02/03/2016

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)	Kenichiro Yagasaki
Contact	(Title) Managing Director and General Manager of Accounting Department	(Name)	Goro Yoshihara (TEL) 029 (822) 2215
Scheduled date for submission of quarterly report	02/03/2016	Scheduled commencement date of dividends payment	-
Preparation of supplementary materials for quarterly reports	:	None	
Convening quarterly results briefing	:	Yes (for institutional investors and analysts)	

(Amounts rounded down to the nearest millions of yen)

1. Consolidated Business Results for 2Q of FYE 06/20/2016 (06/21/2015 - 12/20/2015)

(1) Quarterly Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
2Q of FYE 06/20/2016	79,963	(2.6)	4,223	17.4	4,913	14.1	3,211	26.2
2Q of FYE 06/20/2015	82,077	(6.5)	3,596	(22.0)	4,304	(19.3)	2,544	(20.9)

(Note) Comprehensive income	2Q of FYE 06/20/2016	3,174 million yen	[21.4%]
	2Q of FYE 06/20/2015	2,615 million yen	[(19.3%)]

	Net income per share	Net income per share – fully diluted
	yen	yen
2Q of FYE 06/20/2016	62.21	-
2Q of FYE 06/20/2015	49.30	-

(Note) On 06/21/2015, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, net income 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 06/20/2015).

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
2Q of FYE 06/20/2016	183,474	151,707	82.7
FYE 06/20/2015	180,541	150,082	83.1

(Reference) Shareholders' equity:	2Q of FYE 06/20/2016	151,707 million yen
	FYE 06/20/2015	150,082 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 06/20/2015	-	0.00	-	60.00	60.00
FYE 06/20/2016	-	0.00	-	-	-
FYE 06/20/2016 (forecast)	-	-	-	31.00	31.00

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

(Note) On 06/21/2015, the company performed a stock split of common shares at a ratio of 2-1. The effective date of the stock split is 06/21/2015. End-of-the-year dividends for FYE 06/20/2015 was paid out based on pre-split shares. Furthermore, end-of-the-year dividends projected for FYE 06/20/2016 are recorded based on the number of shares after the stock split was performed.

3. Projected Consolidated Business Results for FYE 06/20/2016 (06/21/2015 - 06/20/2016)

(Percent represents comparison changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	163,800	0.9	7,300	7.5	8,400	4.1	5,300	16.2	102.69

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

\*NOTES

- (1) Significant movements 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 : Yes
  - 2) Change in accounting policies other than item 1) above : None
  - 3) Change in accounting estimates : None
  - 4) Retrospective restatement : None

(Note) For details, please see the P. 5 of the attached materials (2. Items concerning Summary Information (NOTES) (3) Changes in Accounting Policy/Changes in Accounting Estimates/Restatements)

(4) Number of outstanding shares (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	2Q of FYE 06/20/2016	51,612,880 shares	FYE 06/20/2015	51,612,880 shares
2) Number of treasury stock at the end of the period	2Q of FYE 06/20/2016	160 shares	FYE 06/20/2015	160 shares
3) Average number of shares issued during the period (cumulative for all quarters)	2Q of FYE 06/20/2016	51,612,720 shares	2Q of FYE 06/20/2015	51,612,720 shares

(Note) On 06/21/2015, 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 (cumulative) have been assessed based on the assumption of the stock split having been performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2015).

\* Indication of quarterly review procedure implementation status

While this quarterly earnings summary falls outside the scope of that which must be subject to quarterly review based on the Financial Instruments and Exchange Act, a quarterly review procedure has been conducted for the quarterly consolidated financial statements as of the time of disclosure of this quarterly earnings summary.

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

The 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2015)	Current 2Q Consolidated Accounting Period (12/20/2015)
<b>Assets</b>		
Current assets		
Cash and deposits	80,278	81,028
Accounts receivable-trade	2,280	2,769
Inventories	19,355	21,164
Other	1,575	1,514
Allowance for doubtful accounts	(1)	(1)
Total current assets	103,488	106,475
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	74,916	75,526
Machinery, equipment and vehicles	1,607	1,615
Land	33,128	33,128
Other	5,128	5,566
Accumulated depreciation	(47,413)	(48,564)
Total property, plant and equipment	67,367	67,271
Intangible assets	1,848	1,828
Investments and other assets		
Investment securities	1,200	1,143
Stocks of subsidiaries and affiliates	865	936
Deferred tax assets	2,534	2,587
Other	3,240	3,235
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	7,836	7,898
Total noncurrent assets	77,052	76,999
Total assets	180,541	183,474

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2015)	Current 2Q Consolidated Accounting Period (12/20/2015)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	10,102	12,320
Short-term loans payable	100	100
Current portion of long-term loans payable	301	211
Income taxes payable	1,292	1,709
Provision for bonuses	213	168
Provision for directors' bonuses	43	16
Other	7,650	6,450
Total current liabilities	19,703	20,977
Noncurrent liabilities		
Long-term loans payable	74	5
Liabilities related to employee retirement benefits	2,181	2,219
Asset retirement obligations	3,602	3,640
Long-term guarantee deposited	4,258	4,223
Other	637	700
Total noncurrent liabilities	10,755	10,789
Total liabilities	30,458	31,766
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,000	12,000
Capital surplus	12,503	12,503
Retained earnings	125,441	127,103
Treasury stock	(0)	(0)
Total shareholders' equity	149,944	151,607
Cumulative amount of other comprehensive income		
Valuation difference on available-for-sale securities	141	102
Deferred gains or losses on hedges	(0)	-
Adjusted cumulative amount of retirement benefits for employees	(3)	(1)
Total cumulative amount of other comprehensive income	137	100
Total net assets	150,082	151,707
Total liabilities and net assets	180,541	183,474

(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 06/21/2014 to 12/20/2014)	Current Consolidated Cumulative 2Q (From 06/21/2015 to 12/20/2015)
Net sales	82,077	79,963
Cost of sales	61,983	59,773
Gross profit	20,094	20,189
Operating revenue		
Rent income of real estate	1,874	1,923
Income from service fees	343	351
Insurance agent commission	15	18
Total operating revenue	2,233	2,293
Operating gross profit	22,328	22,483
Selling, general and administrative expenses	18,731	18,260
Operating income	3,596	4,223
Non-operating income		
Interest income	20	18
Dividends income	5	21
Equity in earnings of affiliates	66	70
Technical advisory fee	101	100
Commission fee	212	194
Other	343	288
Total non-operating income	748	693
Non-operating expenses		
Interest expenses	3	1
Commission fee	28	-
Other	9	1
Total non-operating expenses	40	3
Ordinary income	4,304	4,913
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Subsidy income	-	58
Total extraordinary income	-	58
Extraordinary loss		
Loss on sales of noncurrent assets	32	-
Loss on retirement of noncurrent assets	111	84
Loss on reduction of noncurrent assets	-	58
Loss on sales of investment securities	6	-
Other	-	0
Total extraordinary loss	150	143
Net income before taxes and other adjustments	4,153	4,828
Income taxes-current	1,585	1,657
Income taxes-deferred	24	(39)
Total income taxes	1,609	1,617
Net income	2,544	3,211
Net income attributable to parent company shareholders	2,544	3,211

Quarterly consolidated statement of comprehensive income  
 Consolidated Cumulative 2Q

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2014 to 12/20/2014)	Current Consolidated Cumulative 2Q (From 06/21/2015 to 12/20/2015)
Net income	2,544	3,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(38)
Adjusted amount of retirement benefits for employees	92	1
Share of other comprehensive income of associates accounted for using equity method	0	(0)
Total other comprehensive income	70	(36)
Comprehensive income	2,615	3,174
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,615	3,174

## (3) Quarterly consolidated statements of cash flows

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2014 to 12/20/2014)	Current Consolidated Cumulative 2Q (From 06/21/2015 to 12/20/2015)
Cash flows from operating activities		
Net income before taxes and other adjustments	4,153	4,828
Depreciation and amortization	1,797	1,781
Amortization of negative goodwill	(54)	-
Equity in (earnings) losses of affiliates	(66)	(70)
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	(53)	(44)
Increase (decrease) in provision for directors' bonuses	(24)	(27)
Increase (decrease) in liabilities for retirement benefits	201	40
Interest and dividends income	(25)	(39)
Interest expenses	3	1
Loss (gain) on sales of investment securities	6	-
Loss on retirement of noncurrent assets	111	84
Loss (gain) on sales of noncurrent assets	32	(0)
Decrease (increase) in notes and accounts receivable-trade	(680)	(488)
Decrease (increase) in inventories	(1,407)	(1,809)
Increase (decrease) in notes and accounts payable-trade	3,339	2,218
Increase (decrease) in accrued consumption taxes	252	(690)
Other	(357)	(118)
Subtotal	7,229	5,667
Interest and dividends income received	25	38
Interest expenses paid	(3)	(1)
Income taxes paid	(1,652)	(1,275)
Income taxes refund	22	61
Net cash provided by (used in) operating activities	5,621	4,490
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,500)	(3,000)
Proceeds from withdrawal of time deposits	2,500	2,500
Purchase of property, plant and equipment	(1,072)	(1,843)
Purchase of intangible assets	(26)	(34)
Payments for retirement of property, plant and equipment	(58)	(35)
Purchase of investment securities	(688)	-
Proceeds from sales of investment securities	498	-
Other	10	1
Net cash provided by (used in) investing activities	(1,337)	(2,412)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	200	200
Decrease in short-term loans payable	(200)	(200)
Repayment of long-term loans payable	(169)	(159)
Repayments of lease obligations	(112)	(120)
Cash dividends paid	(1,286)	(1,547)
Net cash provided by (used in) financing activities	(1,569)	(1,827)
Net increase (decrease) in cash and cash equivalents	2,714	250
Cash and cash equivalents at the beginning of the year	38,228	42,740
Cash and cash equivalents at the end of the quarter	40,943	42,990