



Financial Results for 2Q of the Fiscal Year Ending (FYE) 06/20/2020

[Japan GAAP] (Consolidated)

02/03/2020

Company Name	JOYFUL HONDA CO., LTD.	Exchange listed on	TSE-1
Security Code	3191	URL	http://www.joyfulhonda.com/
Representative	(Title) Representative Director, President & CEO	(Name)	Taketoshi Hosoya
Contact	(Title) Director, Senior Executive Officer, General Manager, Administration Group	(Name)	Ikuo Hirayama (TEL) 029 (822) 2215
Scheduled date for submission of quarterly report	02/03/2020	Scheduled commencement date of dividend payment	03/10/2020

Preparation of supplementary materials for quarterly report : 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 06/20/2020 (06/21/2019 - 12/20/2019)

(1) Quarterly Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
2Q of FYE 06/20/2020	76,087	1.6	5,617	34.1	6,205	27.6	3,852	156.0
2Q of FYE 06/20/2019	74,892	0.3	4,190	0.7	4,863	9.1	1,504	(46.0)

(Note) Comprehensive income:	2Q of FYE 06/20/2020	4,724 million yen	[725.3%]
	2Q of FYE 06/20/2019	572 million yen	[(79.8%)]

	Profit per share	Profit per share - fully diluted
	yen	yen
2Q of FYE 06/20/2020	55.64	-
2Q of FYE 06/20/2019	21.74	-

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
2Q of FYE 06/20/2020	165,505	109,033	65.9
FYE 06/20/2019	161,739	105,132	65.0

(Reference) Shareholders' equity:	2Q of FYE 06/20/2020	109,033 million yen	
	FYE 06/20/2019	105,132 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 06/20/2019	-	12.50	-	12.50	25.00
FYE 06/20/2020	-	13.00			
FYE 06/20/2020 (forecast)			-	13.00	26.00

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

3. Projected Consolidated Business Results for FYE 06/20/2020 (06/21/2019 - 06/20/2020)

(Percent represents comparison changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	147,600	(0.4)	9,520	13.3	10,490	7.6	7,300	66.5	105.41

(Note) Modification of the business results forecast released most recently: Yes

* 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 shares)	2Q of FYE 06/20/2020	103,225,760 shares	FYE 06/20/2019	103,225,760 shares
2) Number of treasury shares at the end of the period	2Q of FYE 06/20/2020	33,960,306 shares	FYE 06/20/2019	33,991,666 shares
3) Average number of shares during the period (cumulative for all quarters)	2Q of FYE 06/20/2020	69,244,003 shares	2Q of FYE 06/20/2019	69,225,707 shares

(Note)

* 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

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 4 of the attached document.

Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2019)	Current 2Q Consolidated Accounting Period (12/20/2019)
Assets		
Current assets		
Cash and deposits	32,488	35,721
Accounts receivable-trade	2,473	3,298
Inventories	16,478	18,280
Other	1,630	1,155
Allowance for doubtful accounts	(1)	(0)
Total current assets	53,068	58,455
Non-current assets		
Property, plant and equipment		
Buildings and structures	77,364	77,813
Machinery, equipment and vehicles	1,678	1,784
Land	60,995	60,995
Other	5,427	5,663
Accumulated depreciation	(51,749)	(52,780)
Total property, plant and equipment	93,716	93,476
Intangible assets	1,786	1,760
Investments and other assets		
Investment securities	7,371	6,382
Shares of subsidiaries and associates	761	826
Deferred tax assets	3,465	3,073
Other	1,570	1,529
Total investments and other assets	13,168	11,812
Total non-current assets	108,670	107,049
Total assets	161,739	165,505

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2019)	Current 2Q Consolidated Accounting Period (12/20/2019)
Liabilities		
Current liabilities		
Accounts payable-trade	8,140	11,292
Short-term borrowings	40	40
Current portion of long-term borrowings	4,450	4,442
Income taxes payable	1,844	1,815
Provision for bonuses	271	246
Provision for bonuses for directors (and other officers)	46	16
Other	7,556	6,599
Total current liabilities	22,350	24,452
Non-current liabilities		
Long-term borrowings	25,307	23,087
Retirement benefit liability	1,589	1,671
Asset retirement obligations	2,532	2,560
Long-term guarantee deposits	4,363	4,334
Provision for share-based remuneration for employees	30	53
Provision for share-based remuneration for directors (and other officers)	57	37
Other	375	274
Total non-current liabilities	34,255	32,019
Total liabilities	56,606	56,471
Net assets		
Shareholders' equity		
Share capital	12,000	12,000
Capital surplus	12,520	12,520
Retained earnings	139,465	142,447
Treasury shares	(58,798)	(58,751)
Total shareholders' equity	105,187	108,216
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	846
Remeasurements of defined benefit plans	(59)	(29)
Total accumulated other comprehensive income	(54)	816
Total net assets	105,132	109,033
Total liabilities and net assets	161,739	165,505

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

(Unit: million yen)

	Previous Consolidated 2Q (From 06/21/2018 to 12/20/2018)	Current Consolidated 2Q (From 06/21/2019 to 12/20/2019)
Net sales	74,892	76,087
Cost of sales	54,316	54,606
Gross profit	20,576	21,481
Operating revenue		
Real estate lease revenue	2,093	2,119
Income from service fees	315	278
Insurance agent commission	34	33
Total operating revenue	2,443	2,431
Operating gross profit	23,020	23,913
Selling, general and administrative expenses	18,829	18,295
Operating profit	4,190	5,617
Non-operating income		
Interest income	100	92
Dividend income	31	19
Share of profit of entities accounted for using equity method	91	65
Technical advisory fee income	20	10
Commission income	199	204
Other	259	286
Total non-operating income	702	678
Non-operating expenses		
Interest expenses	27	24
Commission expenses	-	63
Other	2	3
Total non-operating expenses	29	90
Ordinary profit	4,863	6,205
Extraordinary income		
Gain on sales of investment securities	0	-
Gain on sales of non-current assets	0	0
Compensation income	-	5
Total extraordinary income	1	5
Extraordinary loss		
Loss on retirement of non-current assets	130	66
Impairment loss	2,472	-
Loss on sales of investment securities	0	526
Other	0	0
Total extraordinary losses	2,603	593
Profit before income taxes	2,260	5,617
Income taxes-current	1,510	1,754
Income taxes-deferred	(754)	10
Total income taxes	755	1,764
Profit	1,504	3,852
Profit attributable to owners of parent	1,504	3,852

Quarterly Consolidated statement of comprehensive income
Consolidated 2Q

(Unit: million yen)

	Previous Consolidated 2Q (From 06/21/2018 to 12/20/2018)	Current Consolidated 2Q (From 06/21/2019 to 12/20/2019)
Profit	1,504	3,852
Other comprehensive income		
Valuation difference on available-for-sale securities	(941)	842
Remeasurements of defined benefit plans, net of tax	9	29
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	(932)	871
Comprehensive income	572	4,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	572	4,724

(3) Quarterly consolidated statements of cash flows

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)	Current Consolidated Cumulative 2Q (From 06/21/2019 to 12/20/2019)
Net cash provided by (used in) operating activities		
Profit before income taxes	2,260	5,617
Depreciation	1,639	1,441
Impairment loss	2,472	-
Compensation income	-	(5)
Share of loss (profit) of entities accounted for using equity method	(91)	(65)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	27	(24)
Increase (decrease) in provision for bonuses for directors (and other officers)	(2)	(30)
Increase (decrease) in employees' stock benefit allowance	34	24
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	44	24
Increase (decrease) in retirement benefit liability	81	125
Interest and dividend income	(131)	(112)
Interest expenses	27	24
Loss (gain) on sales of investment securities	(0)	526
Loss on retirement of non-current assets	130	66
Loss (gain) on sales of non-current assets	(0)	(0)
Decrease (increase) in trade receivables	(563)	(825)
Decrease (increase) in inventories	(2,363)	(1,802)
Increase (decrease) in trade payables	3,969	3,151
Increase (decrease) in accrued consumption taxes	145	(475)
Other	880	460
Subtotal	8,560	8,119
Interest and dividends received	122	126
Interest paid	(28)	(24)
Proceeds from compensation	-	5
Income taxes paid	(1,175)	(1,784)
Income taxes refund	38	15
Net cash provided by (used in) operating activities	7,517	6,458
Net cash provided by (used in) investing activities		
Payments into time deposits	(4,000)	-
Proceeds from withdrawal of time deposits	3,000	3,000
Purchase of property, plant and equipment	(992)	(1,520)
Purchase of intangible assets	(161)	(122)
Payments for retirement of property, plant and equipment	(94)	(47)
Purchase of investment securities	(2,211)	-
Proceeds from sales of investment securities	15	673
Proceeds from redemption of investment securities	800	1,000
Proceeds from refund of guarantee deposits	5	5
Other	0	(1)
Net cash provided by (used in) investing activities	(3,638)	2,986

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)	Current Consolidated Cumulative 2Q (From 06/21/2019 to 12/20/2019)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	20,780	-
Repayments of short-term borrowings	(20,750)	-
Proceeds from long-term borrowings	10,000	-
Repayments of long-term borrowings	(1,734)	(2,227)
Proceeds from sales of treasury shares	-	0
Purchase of treasury shares	-	(0)
Repayments of lease obligations	(179)	(118)
Dividends paid	(835)	(870)
Net cash provided by (used in) financing activities	7,279	(3,215)
Net increase (decrease) in cash and cash equivalents	11,158	6,229
Cash and cash equivalents at beginning of period	16,405	27,458
Cash and cash equivalents at end of period	27,564	33,688