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## Consolidated Financial Results for the Nine Months Ended December 31, 2019 [Japanese GAAP]



February 10, 2020

Company name: YAOKO CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 8279  
 URL: <https://www.yaoko-net.com/>  
 Representative: Sumito Kawano, President and Representative Director  
 Contact: Masanobu Kamiike, Managing Director and Chief Director of Business Management  
 Phone: +81-49-246-7000  
 Scheduled date of filing quarterly securities report: February 10, 2020  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2019	345,349	4.3	18,078	5.8	17,896	6.6	11,930	(6.5)
December 31, 2018	331,138	5.5	17,091	6.1	16,789	6.3	12,765	19.8

(Note) Comprehensive income: Nine months ended December 31, 2019: ¥12,047 million [(5.9) %]

Nine months ended December 31, 2018: ¥12,802 million [17.6 %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2019	307.26	293.85
December 31, 2018	328.76	-

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2019	243,085	103,654	42.6	2,669.36
As of March 31, 2019	224,315	94,055	41.9	2,422.24

(Reference) Equity: As of December 31, 2019: ¥103,654 million

As of March 31, 2019: ¥94,055 million

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen -	Yen 27.50	Yen -	Yen 32.50	Yen 60.00
Fiscal year ending March 31, 2020	-	30.00	-		
Fiscal year ending March 31, 2020 (Forecast)				30.00	60.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Total revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	448,000	3.0	18,300	2.2	17,950	2.6	11,850	0.4	305.18

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2019 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: - company (Name of company)                      Exclusion: - company (Name of company)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stocks):

December 31, 2019: 40,013,722 shares

March 31, 2019: 40,013,722 shares

2) Total number of treasury stocks at the end of the period:

December 31, 2019: 1,182,670 shares

March 31, 2019: 1,183,649 shares

3) Average number of shares during the period:

Nine months ended December 31, 2019: 38,830,546 shares

Nine months ended December 31, 2018: 38,829,440 shares

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on certain assumptions in light of information currently available and deemed reasonable and are not a guarantee of future performance. Actual results may differ significantly from these forecasts due to a wide range of factors. For details on conditions for the assumptions of financial results forecasts and notes for the use of financial results forecasts, please refer to page 3 of the Japanese version of the Attachment, “(3) Explanation of financial results forecast and forward-looking information.”

An absorption-type merger between consolidated subsidiaries of YAOKO CO., LTD. was conducted on April 1, 2019, with Ave Co., Ltd. as the surviving company and ave development co., ltd. as the absorbed company.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2019	As of December 31, 2019
<b>Assets</b>		
Current assets		
Cash and bank deposits	15,693	21,968
Accounts receivable—trade	4,355	7,631
Merchandise and finished products	7,525	8,597
Raw materials and supplies	218	241
Other	10,714	12,495
Total current assets	38,507	50,934
Non-current assets		
Tangible fixed assets		
Buildings and structures	69,249	67,952
Land	63,556	71,502
Other (net)	16,190	16,759
Total tangible fixed assets	148,997	156,214
Intangible fixed assets		
Goodwill	3,047	2,285
Other	8,161	7,975
Total intangible fixed assets	11,208	10,260
Investments and other assets		
Deferred tax assets	6,172	5,490
Guarantee deposits paid	16,828	17,634
Other	2,599	2,508
Total investments and other assets	25,600	25,633
Total non-current assets	185,807	192,108
Deferred assets	-	41
<b>Total assets</b>	<b>224,315</b>	<b>243,085</b>

(Millions of Yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	25,803	32,599
Current portion of long-term loans payable	11,562	9,567
Income taxes payable	4,110	2,327
Provision for bonuses for employees	2,386	1,362
Provision for loss on future collection of gift certificates	38	39
Provision for point card certificates	1,477	850
Other	13,991	12,979
Total current liabilities	59,369	59,726
Long-term liabilities		
Bonds payable	-	15,066
Long-term loans payable	50,523	44,187
Deferred tax liabilities	1,145	1,123
Deferred tax liabilities on revaluation	34	34
Provision for retirement benefits for directors	191	195
Provision for retirement benefits for executive officers	27	28
Provision for stock compensation for employees	1,399	1,364
Provision for stock compensation for directors	115	147
Liability for retirement benefits	3,639	3,782
Asset retirement obligations	3,996	4,084
Other	9,815	9,688
Total long-term liabilities	70,889	79,704
Total liabilities	130,259	139,431
<b>Net assets</b>		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	5,361	5,361
Retained earnings	91,921	101,397
Treasury stock	(3,134)	(3,129)
Total shareholders' equity	98,348	107,829
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	139	154
Revaluation reserve for land	(3,534)	(3,534)
Remeasurements of defined benefit plans	(897)	(795)
Total accumulated other comprehensive income	(4,292)	(4,175)
Total net assets	94,055	103,654
<b>Total liabilities and net assets</b>	<b>224,315</b>	<b>243,085</b>

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

(Millions of Yen)

	Nine months ended December 31, 2018 (April 1, 2018 – December 31, 2018)	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)
Net sales	317,972	331,678
Cost of sales	235,222	245,684
Gross profit	82,750	85,993
Operating revenue	13,165	13,671
Operating gross profit	95,916	99,665
Selling, general and administrative expenses	78,824	81,586
Operating income	17,091	18,078
Non-operating income		
Interest income	71	76
Dividend income	7	8
Subsidy income	39	133
Other	54	58
Total non-operating income	174	276
Non-operating expenses		
Interest expenses	459	430
Other	15	28
Total non-operating expenses	475	458
Ordinary income	16,789	17,896
Extraordinary income		
Gain on sales of fixed assets	2,542	-
Penalty income on lease contracts	18	-
Other	46	-
Total extraordinary income	2,607	-
Extraordinary losses		
Loss on sales of fixed assets	12	-
Loss on disposal of fixed assets	351	56
Loss on impairment	132	1
Total extraordinary losses	496	57
Income before income taxes	18,900	17,838
Income taxes - current	5,286	5,300
Income taxes - deferred	848	606
Total income taxes	6,134	5,907
Net income	12,765	11,930
Net income attributable to owners of parent	12,765	11,930

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2018 (April 1, 2018 – December 31, 2018)	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)
Net income	12,765	11,930
Other comprehensive income		
Unrealized gains on available-for-sale securities	(69)	15
Remeasurements of defined benefit plans	106	101
Total other comprehensive income	36	116
Comprehensive income	12,802	12,047
Comprehensive income attributable to		
Owners of parent	12,802	12,047

(3) Notes to the Consolidated Financial Statements

***Notes on going concern assumption***

Not applicable.

***Notes in the Event of Material Changes in the Amount of Shareholders' Equity***

Not applicable.