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Consolidated Financial Results for the Three Months Ended June 30, 2019 [Japanese GAAP]



August 9, 2019

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
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 Phone: +81-49-246-7000
 Scheduled date of filing quarterly securities report: August 9, 2019
 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 Three Months Ended June 30, 2019 (April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	110,729	5.2	5,200	(0.5)	5,226	1.6	3,463	2.9
June 30, 2018	105,300	4.5	5,228	4.9	5,146	4.9	3,367	3.8

(Note) Comprehensive income: Three months ended June 30, 2019: ¥3,498 million [3.2 %]

Three months ended June 30, 2018: ¥3,389 million [1.7 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2019	89.20	88.50
June 30, 2018	86.73	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2019	231,920	96,279	41.5	2,479.49
As of March 31, 2019	224,315	94,055	41.9	2,422.24

(Reference) Equity: As of June 30, 2019: ¥96,279 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	-				
Fiscal year ending March 31, 2020 (Forecast)		30.00	-	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 three months ended June 30, 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):

June 30, 2019: 40,013,722 shares

March 31, 2019: 40,013,722 shares

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

June 30, 2019: 1,183,272 shares

March 31, 2019: 1,183,649 shares

3) Average number of shares during the period:

Three months ended June 30, 2019: 38,830,336 shares

Three months ended June 30, 2018: 38,829,095 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 June 30, 2019
Assets		
Current assets		
Cash and bank deposits	15,693	25,199
Accounts receivable—trade	4,355	4,241
Merchandise and finished products	7,525	7,835
Raw materials and supplies	218	234
Other	10,714	9,584
Total current assets	38,507	47,095
Non-current assets		
Tangible fixed assets		
Buildings and structures	69,249	68,575
Land	63,556	63,602
Other (net)	16,190	16,589
Total tangible fixed assets	148,997	148,767
Intangible fixed assets		
Goodwill	3,047	2,793
Other	8,161	8,086
Total intangible fixed assets	11,208	10,880
Investments and other assets		
Deferred tax assets	6,172	5,339
Guarantee deposits paid	16,828	17,218
Other	2,599	2,573
Total investments and other assets	25,600	25,131
Total non-current assets	185,807	184,778
Deferred assets	-	46
Total assets	224,315	231,920

(Millions of Yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable—trade	25,803	25,029
Current portion of long-term loans payable	11,562	10,783
Income taxes payable	4,110	1,141
Provision for bonuses for employees	2,386	1,467
Provision for loss on future collection of gift certificates	38	39
Provision for point card certificates	1,477	663
Other	13,991	12,488
Total current liabilities	59,369	51,614
Long-term liabilities		
Bonds payable	-	15,073
Long-term loans payable	50,523	48,621
Deferred tax liabilities	1,145	1,132
Deferred tax liabilities on revaluation	34	34
Provision for retirement benefits for directors	191	193
Provision for retirement benefits for executive officers	27	27
Provision for stock compensation for employees	1,399	1,380
Provision for stock compensation for directors	115	126
Liability for retirement benefits	3,639	3,697
Asset retirement obligations	3,996	4,023
Other	9,815	9,715
Total long-term liabilities	70,889	84,026
Total liabilities	130,259	135,640
Net assets		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	5,361	5,361
Retained earnings	91,921	94,108
Treasury stock	(3,134)	(3,132)
Total shareholders' equity	98,348	100,537
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	139	140
Revaluation reserve for land	(3,534)	(3,534)
Remeasurements of defined benefit plans	(897)	(863)
Total accumulated other comprehensive income	(4,292)	(4,258)
Total net assets	94,055	96,279
Total liabilities and net assets	224,315	231,920

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

(Millions of Yen)

	Three months ended June 30, 2018 (April 1, 2018 - June 30, 2018)	Three months ended June 30, 2019 (April 1, 2019 - June 30, 2019)
Net sales	101,053	106,298
Cost of sales	74,904	78,971
Gross profit	26,149	27,327
Operating revenue	4,246	4,430
Operating gross profit	30,396	31,758
Selling, general and administrative expenses	25,167	26,557
Operating income	5,228	5,200
Non-operating income		
Interest income	24	23
Dividend income	4	4
Subsidy income	28	133
Other	21	24
Total non-operating income	77	185
Non-operating expenses		
Interest expenses	154	145
Other	4	13
Total non-operating expenses	159	159
Ordinary income	5,146	5,226
Extraordinary losses		
Loss on disposal of fixed assets	80	1
Total extraordinary losses	80	1
Income before income taxes	5,066	5,225
Income taxes - current	1,041	958
Income taxes - deferred	657	802
Total income taxes	1,698	1,761
Net income	3,367	3,463
Net income attributable to owners of parent	3,367	3,463

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended June 30, 2018 (April 1, 2018 - June 30, 2018)	Three months ended June 30, 2019 (April 1, 2019 - June 30, 2019)
Net income	3,367	3,463
Other comprehensive income		
Unrealized gains on available-for-sale securities	(13)	0
Remeasurements of defined benefit plans	35	33
Total other comprehensive income	21	34
Comprehensive income	3,389	3,498
Comprehensive income attributable to		
Owners of parent	3,389	3,498

(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.