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Consolidated Financial Results for the Six Months Ended September 30, 2019 [Japanese GAAP]



November 11, 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
 Contact: Masanobu Kamiike, Managing Director and Chief Director of Business Management
 Phone: +81-49-246-7000
 Scheduled date of filing quarterly securities report: November 11, 2019
 Scheduled date of commencing dividend payments: December 5, 2019
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 to September 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	%
Six months ended September 30, 2019	225,293	4.4	10,868	0.2	10,787	1.4	7,161	3.1
September 30, 2018	215,889	5.9	10,845	7.9	10,641	7.9	6,947	4.0

(Note) Comprehensive income: Six months ended September 30, 2019: ¥7,231 million [3.1 %]

Six months ended September 30, 2018: ¥7,013 million [2.9 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2019	184.44	177.98
September 30, 2018	178.93	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2019	237,501	100,013	42.1	2,575.64
As of March 31, 2019	224,315	94,055	41.9	2,422.24

(Reference) Equity: As of September 30, 2019: ¥100,013 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	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 six months ended September 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):

September 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:

September 30, 2019: 1,183,270 shares

March 31, 2019: 1,183,649 shares

3) Average number of shares during the period:

Six months ended September 30, 2019: 38,830,386 shares

Six months ended September 30, 2018: 38,829,311 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 September 30, 2019
Assets		
Current assets		
Cash and bank deposits	15,693	24,325
Accounts receivable—trade	4,355	4,824
Merchandise and finished products	7,525	7,654
Raw materials and supplies	218	234
Other	10,714	9,835
Total current assets	38,507	46,875
Non-current assets		
Tangible fixed assets		
Buildings and structures	69,249	68,496
Land	63,556	68,204
Other (net)	16,190	17,069
Total tangible fixed assets	148,997	153,770
Intangible fixed assets		
Goodwill	3,047	2,539
Other	8,161	8,115
Total intangible fixed assets	11,208	10,655
Investments and other assets		
Deferred tax assets	6,172	6,045
Guarantee deposits paid	16,828	17,569
Other	2,599	2,541
Total investments and other assets	25,600	26,156
Total non-current assets	185,807	190,582
Deferred assets	-	44
Total assets	224,315	237,501

(Millions of Yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable—trade	25,803	26,582
Current portion of long-term loans payable	11,562	10,235
Income taxes payable	4,110	3,981
Provision for bonuses for employees	2,386	2,940
Provision for loss on future collection of gift certificates	38	39
Provision for point card certificates	1,477	715
Other	13,991	11,230
Total current liabilities	59,369	55,724
Long-term liabilities		
Bonds payable	-	15,070
Long-term loans payable	50,523	46,379
Deferred tax liabilities	1,145	1,095
Deferred tax liabilities on revaluation	34	34
Provision for retirement benefits for directors	191	194
Provision for retirement benefits for executive officers	27	28
Provision for stock compensation for employees	1,399	1,371
Provision for stock compensation for directors	115	137
Liability for retirement benefits	3,639	3,728
Asset retirement obligations	3,996	4,057
Other	9,815	9,667
Total long-term liabilities	70,889	81,764
Total liabilities	130,259	137,488
Net assets		
Shareholders' equity		
Common stock	4,199	4,199
Capital surplus	5,361	5,361
Retained earnings	91,921	97,806
Treasury stock	(3,134)	(3,132)
Total shareholders' equity	98,348	104,236
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	139	141
Revaluation reserve for land	(3,534)	(3,534)
Remeasurements of defined benefit plans	(897)	(829)
Total accumulated other comprehensive income	(4,292)	(4,222)
Total net assets	94,055	100,013
Total liabilities and net assets	224,315	237,501

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

(Millions of Yen)

	Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 – September 30, 2019)
Net sales	207,246	216,368
Cost of sales	153,465	160,520
Gross profit	53,780	55,847
Operating revenue	8,643	8,925
Operating gross profit	62,424	64,772
Selling, general and administrative expenses	51,578	53,904
Operating income	10,845	10,868
Non-operating income		
Interest income	47	50
Dividend income	4	4
Subsidy income	29	133
Other	34	42
Total non-operating income	115	229
Non-operating expenses		
Interest expenses	308	289
Other	10	21
Total non-operating expenses	318	310
Ordinary income	10,641	10,787
Extraordinary income		
Penalty income on lease contracts	10	-
Total extraordinary income	10	-
Extraordinary losses		
Loss on disposal of fixed assets	92	28
Loss on impairment	132	-
Total extraordinary losses	225	28
Income before income taxes	10,426	10,758
Income taxes - current	3,590	3,554
Income taxes - deferred	(110)	42
Total income taxes	3,479	3,596
Net income	6,947	7,161
Net income attributable to owners of parent	6,947	7,161

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)	Six months ended September 30, 2019 (April 1, 2019 – September 30, 2019)
Net income	6,947	7,161
Other comprehensive income		
Unrealized gains on available-for-sale securities	(5)	2
Remeasurements of defined benefit plans	70	67
Total other comprehensive income	65	69
Comprehensive income	7,013	7,231
Comprehensive income attributable to		
Owners of parent	7,013	7,231

(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.