



Financial Results for 3Q of the Fiscal Year Ending (FYE) 06/20/2020

[Japan GAAP] (Consolidated)

05/01/2020

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	05/01/2020	Scheduled commencement date of dividend payment	-
Preparation of supplementary materials for quarterly report	: None		
Convening quarterly results briefing	: None		

(Amounts rounded down to the nearest million yen)

1. Consolidated Business Results for 3Q of FYE 06/20/2020 (06/21/2019 - 03/20/2020)

(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	%
3Q of FYE 06/20/2020	112,213	1.7	7,381	29.6	8,319	25.4	(487)	-
3Q of FYE 06/20/2019	110,329	0.2	5,696	(0.9)	6,636	6.4	2,652	(32.8)

(Note) Comprehensive income:	3Q of FYE 06/20/2020	(164) million yen	[- %]
	3Q of FYE 06/20/2019	1,762 million yen	[(53.8)%]

	Profit per share	Profit per share - fully diluted
	yen	yen
3Q of FYE 06/20/2020	(7.05)	-
3Q of FYE 06/20/2019	38.32	-

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
3Q of FYE 06/20/2020	156,507	103,179	65.9
FYE 06/20/2019	161,739	105,132	65.0

(Reference) Shareholders' equity:	3Q of FYE 06/20/2020	103,179 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)

(Percentages represent 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	-	-	-	-	-	-	-	-	-

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

(Note) As stated in “Joyful Honda Announces Extraordinary Income due to Group Restructuring (Absorption-type Merger of Wholly Owned Subsidiaries and Transition to Non-consolidated Financial Statements)” released on February 14, 2020, Joyful Honda Co., Ltd. (the “Company”) implemented an absorption-type merger with an effective date of March 21, 2020 in which the Company was the absorbing company and Joyful Honda Reform Co., Ltd. (present Reform Division) and Honda Sangyo Co., Ltd. (present Art & Craft Division) were the absorbed companies. At the same time, the scope of consolidation was also revised, and Joyful Athletic Club Co., Ltd. and Joyful Shaken and Tire Center Co., Ltd. became non-consolidated subsidiaries on March 21, 2020, due to their minimal impact on the financial figures of the corporate group. As a result of the aforementioned, there were no longer any subsidiaries included in the scope of consolidation, and as the Company is a non-consolidated company as of the fourth quarter of FYE 06/20/2020, it will not publish a consolidated business results forecast for FYE 06/20/2020. Please see “Joyful Honda Announces Publication of Full-Year Non-consolidated Business Results Forecast Accompanying Transition to Non-consolidated Financial Statements” released on May 1, 2020 for the non-consolidated business results forecast for FYE 06/20/2020.

* 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)	3Q 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	3Q 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)	3Q of FYE 06/20/2020	69,251,075 shares	3Q of FYE 06/20/2019	69,226,796 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 3Q Consolidated Accounting Period (03/20/2020)
Assets		
Current assets		
Cash and deposits	32,488	35,737
Accounts receivable-trade	2,473	3,173
Inventories	16,478	16,228
Other	1,630	1,105
Allowance for doubtful accounts	(1)	(1)
Total current assets	53,068	56,243
Non-current assets		
Property, plant and equipment		
Buildings and structures	77,364	77,814
Machinery, equipment and vehicles	1,678	1,787
Land	60,995	56,302
Other	5,427	5,613
Accumulated depreciation	(51,749)	(53,411)
Total property, plant and equipment	93,716	88,106
Intangible assets	1,786	1,751
Investments and other assets		
Investment securities	7,371	4,615
Shares of subsidiaries and associates	761	821
Deferred tax assets	3,465	3,476
Other	1,570	1,493
Total investments and other assets	13,168	10,406
Total non-current assets	108,670	100,264
Total assets	161,739	156,507

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2019)	Current 3Q Consolidated Accounting Period (03/20/2020)
Liabilities		
Current liabilities		
Accounts payable-trade	8,140	9,330
Short-term borrowings	40	-
Current portion of long-term borrowings	4,450	4,442
Income taxes payable	1,844	1,089
Provision for bonuses	271	957
Provision for bonuses for directors (and other officers)	46	13
Other	7,556	6,603
Total current liabilities	22,350	22,437
Non-current liabilities		
Long-term borrowings	25,307	21,978
Retirement benefit liability	1,589	1,698
Asset retirement obligations	2,532	2,566
Long-term guarantee deposits	4,363	4,330
Provision for share-based remuneration for employees	30	49
Provision for share-based remuneration for directors (and other officers)	57	36
Other	375	230
Total non-current liabilities	34,255	30,890
Total liabilities	56,606	53,328
Net assets		
Shareholders' equity		
Share capital	12,000	12,000
Capital surplus	12,520	12,520
Retained earnings	139,465	137,142
Treasury shares	(58,798)	(58,751)
Total shareholders' equity	105,187	102,911
Cumulative amount of other comprehensive income		
Valuation difference on available-for-sale securities	4	282
Remeasurements of defined benefit plans	(59)	(14)
Total cumulative amount of other comprehensive income	(54)	268
Total net assets	105,132	103,179
Total liabilities and net assets	161,739	156,507

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Consolidated 3Q

(Unit: million yen)

	Previous Consolidated 3Q (From 06/21/2018 to 03/20/2019)	Current Consolidated 3Q (From 06/21/2019 to 03/20/2020)
Net sales	110,329	112,213
Cost of sales	80,080	80,803
Gross profit	30,248	31,409
Operating revenue		
Real estate lease revenue	3,162	3,191
Income from service fees	455	397
Insurance agent commission	45	45
Total operating revenue	3,664	3,635
Operating gross profit	33,912	35,045
Selling, general and administrative expenses	28,216	27,663
Operating profit	5,696	7,381
Non-operating income		
Interest income	155	127
Dividend income	33	21
Share of profit of entities accounted for using equity method	80	59
Technical advisory fee income	26	13
Commission income	291	298
Other	397	537
Total non-operating income	984	1,059
Non-operating expenses		
Interest expenses	40	35
Commission expenses	-	78
Other	3	7
Total non-operating expenses	44	121
Ordinary profit	6,636	8,319
Extraordinary income		
Gain on sales of investment securities	0	2
Gain on sales of non-current assets	0	0
Compensation income	-	5
Total extraordinary income	1	8
Extraordinary loss		
Loss on retirement of non-current assets	203	84
Impairment loss	2,472	4,833
Loss on sales of investment securities	0	526
Loss on valuation of investment securities	15	953
Other	0	0
Total extraordinary losses	2,693	6,398
Profit before income taxes	3,944	1,929
Income taxes-current	2,177	2,539
Income taxes-deferred	(885)	(121)
Total income taxes	1,291	2,417
Profit (loss)	2,652	(487)
Profit (loss) attributable to owners of parent	2,652	(487)

Quarterly Consolidated statement of comprehensive income
Consolidated 3Q

(Unit: million yen)

	Previous Consolidated 3Q (From 06/21/2018 to 03/20/2019)	Current Consolidated 3Q (From 06/21/2019 to 03/20/2020)
Profit (loss)	2,652	(487)
Other comprehensive income		
Valuation difference on available-for-sale securities	(903)	278
Remeasurements of defined benefit plans, net of tax	13	44
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	(890)	323
Comprehensive income	1,762	(164)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,762	(164)