



## Financial Results for 2Q of the Fiscal Year Ending (FYE) 06/20/2019 [Japan GAAP] (Consolidated)

02/01/2019

Company Name	JOYFUL HONDA CO., LTD.	Exchange listed on	TSE-1
Security Code	3191	URL	<a href="http://www.joyfulhonda.com/">http://www.joyfulhonda.com/</a>
Representative	(Title) President and CEO	(Name)	Yukio Yaguchi
Contact	(Title) Managing Director and General Manager, Administration Group	(Name)	Goro Yoshihara (TEL) 029 (822) 2215
Scheduled date for submission of quarterly report	02/01/2019	Scheduled commencement date of dividend payment	03/08/2019

Preparation of supplementary materials for quarterly reports : 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 06/20/2019 (06/21/2018 - 12/20/2018)

#### (1) Quarterly Operating Results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
2Q of FYE 06/20/2019	74,892	0.3	4,190	0.7	4,863	9.1	1,504	(46.0)
2Q of FYE 06/20/2018	74,695	(3.2)	4,163	17.8	4,456	6.0	2,788	0.9

(Note) Comprehensive income:  
 2Q of FYE 06/20/2019 : 572 million yen [(79.8%)]  
 2Q of FYE 06/20/2018 : 2,834 million yen [(11.6%)]

	Profit per share	Profit per share – fully diluted
	yen	yen
2Q of FYE 06/20/2019	21.74	-
2Q of FYE 06/20/2018	36.52	-

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, profit per share has been calculated on the assumption that the relevant stock split was performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2018).

#### (2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
2Q of FYE 06/20/2019	165,334	103,478	62.6
FYE 06/20/2018	152,187	103,741	68.2

(Reference) Shareholders' equity:  
 2Q of FYE 06/20/2019 : 103,478 million yen  
 FYE 06/20/2018 : 103,741 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 06/20/2018	-	24.00	-	24.00	48.00
FYE 06/20/2019	-	12.50	-	-	-
FYE 06/20/2019 (forecast)	-	-	-	12.50	25.00

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

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. The effective date of the stock split is 06/21/2018. End-of-the-year dividends for FYE 06/20/2018 were paid out based on pre-split shares. Thus, end-of-the-year dividends for FYE 06/20/2018 are recorded based on the number of shares before the stock split. Interim dividends for FYE 06/20/2019 and end-of-the-year dividends projected for FYE 06/20/2019 are recorded based on the number of shares after the stock split.

3. Projected Consolidated Business Results for FYE 06/20/2019 (06/21/2018 - 06/20/2019)

(Percent represents comparison changes from the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to parent company shareholders		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	149,560	0.6	8,300	4.0	9,460	7.5	4,360	(22.1)	62.98

(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 stock)	2Q of FYE 06/20/2019	103,225,760 shares	FYE 06/20/2018	103,225,760 shares
2) Number of treasury stock at the end of the period	2Q of FYE 06/20/2019	33,999,846 shares	FYE 06/20/2018	34,000,146 shares
3) Average number of shares during the period (cumulative for all quarters)	2Q of FYE 06/20/2019	69,225,707 shares	2Q of FYE 06/20/2018	76,350,337 shares

(Note) On 06/21/2018, the company performed a stock split of common shares at a ratio of 2-1. In parallel with this, the number of outstanding shares at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares during the period (cumulative for all quarters) have been assessed based on the assumption of the stock split having been performed at the beginning of the previous consolidated fiscal year (FYE 06/20/2018).

- \* The quarterly financial results fall outside the scope of the quarterly 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 5 of the attached document.

Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2018)	Current 2Q Consolidated Accounting Period (12/20/2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,938	32,095
Accounts receivable-trade	2,535	3,099
Inventories	16,315	18,679
Other	1,591	1,071
Allowance for doubtful accounts	(0)	(0)
Total current assets	40,380	54,944
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	78,204	76,131
Machinery, equipment and vehicles	1,665	1,652
Land	60,995	60,995
Other	6,545	7,959
Accumulated depreciation	(51,418)	(52,625)
Total property, plant and equipment	95,992	94,112
Intangible assets	1,831	1,638
<b>Investments and other assets</b>		
Investment securities	8,905	8,348
Stocks of subsidiaries and affiliates	1,109	1,200
Deferred tax assets	2,293	3,457
Other	1,674	1,632
Total investments and other assets	13,982	14,638
Total noncurrent assets	111,806	110,389
Total assets	152,187	165,334

(Unit: million yen)

	Previous Consolidated Accounting Year (06/20/2018)	Current 2Q Consolidated Accounting Period (12/20/2018)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	7,460	11,429
Short-term loans payable	40	70
Current portion of long-term loans payable	2,675	4,455
Income taxes payable	1,238	1,599
Provision for bonuses	219	247
Provision for directors' bonuses	35	32
Other	7,346	7,921
Total current liabilities	19,015	25,756
Noncurrent liabilities		
Long-term loans payable	21,044	27,529
Liabilities related to employee retirement benefits	1,335	1,404
Asset retirement obligations	2,213	2,226
Long-term guarantee deposited	4,405	4,386
Employees' stock benefit allowance	—	34
Directors' stock benefit allowance	22	66
Other	408	452
Total noncurrent liabilities	29,430	36,099
Total liabilities	48,445	61,856
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,000	12,000
Capital surplus	12,520	12,520
Retained earnings	136,787	137,455
Treasury stock	(58,811)	(58,811)
Total shareholders' equity	102,496	103,165
Cumulative amount of other comprehensive income		
Valuation difference on available-for-sale securities	1,263	321
Adjusted cumulative amount of retirement benefits for employees	(18)	(9)
Total cumulative amount of other comprehensive income	1,244	312
Total net assets	103,741	103,478
<b>Total liabilities and net assets</b>	<b>152,187</b>	<b>165,334</b>

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

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)	Current Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)
Net sales	74,695	74,892
Cost of sales	54,561	54,316
Gross profit	20,134	20,576
Operating revenue		
Rent income of real estate	2,015	2,093
Income from service fees	348	315
Insurance agent commission	28	34
Total operating revenue	2,392	2,443
Operating gross profit	22,527	23,020
Selling, general and administrative expenses	18,363	18,829
Operating income	4,163	4,190
Non-operating income		
Interest income	34	100
Dividends income	26	31
Equity in earnings of affiliates	60	91
Technical advisory fee	29	20
Commission fee	200	199
Other	228	259
Total non-operating income	580	702
Non-operating expenses		
Interest expenses	23	27
Commission fee	262	—
Other	1	2
Total non-operating expenses	287	29
Ordinary income	4,456	4,863
Extraordinary income		
Gain on sales of investment securities	3	0
Gain on sales of noncurrent assets	66	0
Compensation income	0	—
Total extraordinary income	69	1
Extraordinary loss		
Loss on retirement of noncurrent assets	126	130
Impairment loss	507	2,472
Loss on sales of investment securities	19	0
Other	1	0
Total extraordinary loss	654	2,603
Profit before taxes and other adjustments	3,871	2,260
Income taxes-current	1,294	1,510
Income taxes-deferred	(212)	(754)
Total income taxes	1,082	755
Profit	2,788	1,504
Profit attributable to parent company shareholders	2,788	1,504

Quarterly consolidated statement of comprehensive income  
Consolidated Cumulative 2Q

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)	Current Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)
Profit	2,788	1,504
Other comprehensive income		
Valuation difference on available-for-sale securities	71	(941)
Adjusted amount of retirement benefits for employees	(25)	9
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total other comprehensive income	46	(932)
Comprehensive income	2,834	572
Comprehensive income attributable to Comprehensive income attributable to owners of the parent	2,834	572

## (3) Quarterly consolidated statements of cash flows

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)	Current Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)
<b>Net cash provided by (used in) operating activities</b>		
Profit before taxes and other adjustments	3,871	2,260
Depreciation and amortization	1,563	1,639
Amortization of goodwill	2	—
Impairment loss	507	2,472
Equity in (earnings) losses of affiliates	(60)	(91)
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Increase (decrease) in provision for bonuses	(1)	27
Increase (decrease) in provision for directors' bonuses	(14)	(2)
Increase (decrease) in provision for directors' retirement benefits	(90)	—
Increase (decrease) in employees' stock benefit allowance	—	34
Increase (decrease) in directors' stock benefit allowance	24	44
Increase (decrease) in liabilities for retirement benefits	30	81
Interest and dividends income	(61)	(131)
Interest expenses	23	27
Loss (gain) on sales of investment securities	16	(0)
Loss on retirement of noncurrent assets	126	130
Loss (gain) on sales of noncurrent assets	(66)	(0)
Decrease (increase) in notes and accounts receivable-trade	(687)	(563)
Decrease (increase) in inventories	(2,225)	(2,363)
Increase (decrease) in notes and accounts payable-trade	4,346	3,969
Increase (decrease) in accrued consumption taxes	(86)	145
Other	(109)	880
Subtotal	7,107	8,560
Interest and dividends income received	62	122
Interest expenses paid	(23)	(28)
Income taxes paid	(1,160)	(1,175)
Income taxes refund	0	38
Other	0	—
Net cash provided by (used in) operating activities	5,986	7,517
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(3,000)	(4,000)
Proceeds from withdrawal of time deposits	11,000	3,000
Purchase of property, plant and equipment	(1,828)	(992)
Purchase of intangible assets	(89)	(161)
Payments for retirement of property, plant and equipment	(111)	(94)
Purchase of investment securities	(5,200)	(2,211)
Proceeds from sales of investment securities	1,292	15
Proceeds from redemption of investment securities	3,500	800
Proceeds from collection of guarantee deposits	1,387	5
Other	113	0
Net cash provided by (used in) investing activities	7,063	(3,638)

(Unit: million yen)

	Previous Consolidated Cumulative 2Q (From 06/21/2017 to 12/20/2017)	Current Consolidated Cumulative 2Q (From 06/21/2018 to 12/20/2018)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	36,000	20,780
Decrease in short-term loans payable	(26,000)	(20,750)
Proceeds from long -term loans payable	—	10,000
Repayments of long-term loans payable	(831)	(1,734)
Purchase of treasury shares	(57,001)	—
Repayments of lease obligations	(192)	(179)
Cash dividends paid	(1,632)	(835)
Net cash provided by (used in) financing activities	(49,657)	7,279
Net increase (decrease) in cash and cash equivalents	(36,607)	11,158
Cash and cash equivalents at the beginning of the year	56,748	16,405
Cash and cash equivalents at the end of the quarter	20,141	27,564