

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2017 (Based on Japanese GAAP)

October 11, 2017

Company name: Plenus Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9945 URL <https://www.plenus.co.jp/>
 Representative: President and Representative Director Tatsuo Shioi
 General Manager, Office of the Control Administration Toshiya Maruyama TEL 03(6892)0304
 Inquiries: Administration
 Scheduled date to file Quarterly Securities Report: October 13, 2017
 Scheduled date to commence dividend payments: November 8, 2017
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2017 (from March 1, 2017 to August 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2017	73,551	3.2	3,177	8.6	3,315	9.4	1,764	17.9
Six months ended August 31, 2016	71,249	(2.5)	2,925	(4.4)	3,031	(6.7)	1,496	(19.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2017	46.09		46.01	
Six months ended August 31, 2016	39.10		39.03	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2017	92,972	66,525	71.0
As of February 28, 2017	92,736	66,151	70.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2017	–	30.00	–	30.00	60.00
Year ending February 28, 2018	–	30.00			
Year ending February 28, 2018 (Forecast)			–	30.00	60.00

3. Forecast of consolidated financial results for the year ending February 28, 2018 (from March 1, 2017 to February 28, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	150,300	6.6	7,500	4.3	7,700	1.0	4,300	6.5	112.31

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2017
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of August 31, 2017	44,392,680 shares	As of February 28, 2017	44,392,680 shares
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Number of treasury shares at the end of the period

As of August 31, 2017	6,103,682 shares	As of February 28, 2017	6,111,176 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2017	38,287,208 shares	Six months ended August 31, 2016	38,277,802 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2017	As of August 31, 2017
Assets		
Current assets		
Cash and deposits	23,607	21,920
Notes and accounts receivable - trade	3,037	2,702
Merchandise and finished goods	4,217	5,533
Raw materials and supplies	73	277
Other	3,198	2,623
Allowance for doubtful accounts	(71)	(87)
Total current assets	34,062	32,969
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,103	31,113
Other, net	10,830	11,640
Total property, plant and equipment	40,933	42,754
Intangible assets		
Goodwill	1,558	1,448
Other	656	803
Total intangible assets	2,215	2,251
Investments and other assets		
Other	15,563	15,041
Allowance for doubtful accounts	(38)	(44)
Total investments and other assets	15,524	14,997
Total non-current assets	58,673	60,003
Total assets	92,736	92,972
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,306	7,162
Short-term loans payable	43	21
Income taxes payable	2,028	1,431
Provision for bonuses	364	580
Provision for directors' bonuses	59	33
Provision for point card certificates	117	114
Provision for shareholder benefit program	131	55
Asset retirement obligations	54	21
Other	8,963	8,436
Total current liabilities	18,069	17,859
Non-current liabilities		
Long-term loans payable	167	154
Net defined benefit liability	58	62
Asset retirement obligations	4,902	5,084
Other	3,386	3,285
Total non-current liabilities	8,514	8,586
Total liabilities	26,584	26,446

(Millions of yen)

	As of February 28, 2017	As of August 31, 2017
Net assets		
Shareholders' equity		
Capital stock	3,461	3,461
Capital surplus	4,827	4,828
Retained earnings	69,134	69,474
Treasury shares	(11,910)	(11,897)
Total shareholders' equity	65,513	65,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36	42
Foreign currency translation adjustment	102	55
Total accumulated other comprehensive income	138	98
Subscription rights to shares	195	237
Non-controlling interests	304	322
Total net assets	66,151	66,525
Total liabilities and net assets	92,736	92,972

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2016	Six months ended August 31, 2017
Net sales	71,249	73,551
Cost of sales	32,366	33,865
Gross profit	38,883	39,685
Selling, general and administrative expenses	35,958	36,507
Operating income	2,925	3,177
Non-operating income		
Interest income	26	23
Dividend income	2	2
Rent income on non-current assets	76	69
Compensation income	15	33
Share of profit of entities accounted for using equity method	7	–
Other	67	110
Total non-operating income	197	238
Non-operating expenses		
Rent expenses on non-current assets	18	14
Share of loss of entities accounted for using equity method	–	44
Foreign exchange losses	19	0
Provision of allowance for doubtful accounts	13	7
Other	39	34
Total non-operating expenses	90	100
Ordinary income	3,031	3,315
Extraordinary income		
Gain on sales of non-current assets	20	2
loss	2	–
Gain on sales of investment securities	–	1
Total extraordinary income	23	4
Extraordinary losses		
Loss on disposal of non-current assets	164	119
Impairment loss	125	131
contribution	30	–
Loss on disaster	22	–
Other	46	0
Total extraordinary losses	389	252
Profit before income taxes	2,666	3,067
Income taxes	1,181	1,284
Profit	1,484	1,783
Profit (loss) attributable to non-controlling interests	(11)	18
Profit attributable to owners of parent	1,496	1,764

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2016	Six months ended August 31, 2017
Profit	1,484	1,783
Other comprehensive income		
Valuation difference on available-for-sale securities	1	6
Foreign currency translation adjustment	(42)	2
Share of other comprehensive income of entities accounted for using equity method	–	(1)
Total other comprehensive income	(41)	8
Comprehensive income	1,443	1,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,460	1,773
Comprehensive income attributable to non-controlling interests	(17)	17

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2016	Six months ended August 31, 2017
Cash flows from operating activities		
Profit before income taxes	2,666	3,067
Depreciation	2,489	2,607
Impairment loss	125	131
Amortization of goodwill	–	110
Loss on retirement of property, plant and equipment and intangible assets	144	119
Increase (decrease) in allowance for doubtful accounts	16	22
Increase (decrease) in provision for bonuses	180	216
Increase (decrease) in provision for directors' bonuses	–	(26)
Increase (decrease) in provision for point card certificates	2	(3)
Increase (decrease) in provision for shareholder benefit program	(79)	(75)
Interest and dividend income	(29)	(25)
Foreign exchange losses (gains)	13	2
Share of (profit) loss of entities accounted for using equity method	(7)	44
Loss (gain) on sales of property, plant and equipment and intangible assets	–	(2)
Decrease (increase) in notes and accounts receivable - trade	229	339
Decrease (increase) in inventories	770	(1,516)
Increase (decrease) in notes and accounts payable - trade	236	824
Other, net	(419)	215
Subtotal	6,339	6,052
Interest and dividend income received	30	19
Interest expenses paid	(0)	(0)
Income taxes paid	(1,323)	(2,008)
Net cash provided by (used in) operating activities	5,046	4,061
Cash flows from investing activities		
Payments into time deposits	(6,000)	(7,019)
Proceeds from withdrawal of time deposits	6,000	9,000
Purchase of property, plant and equipment	(4,000)	(4,300)
Payments for retirement of property, plant and equipment	(201)	(74)
Proceeds from sales of property, plant and equipment	57	34
Purchase of intangible assets	(57)	(207)
Payments of loans receivable	(697)	(202)
Collection of loans receivable	147	137
Payments for guarantee deposits	(230)	(195)
Proceeds from collection of guarantee deposits	347	142
Other, net	7	(9)
Net cash provided by (used in) investing activities	(4,627)	(2,695)
Cash flows from financing activities		
Purchase of treasury shares	–	(0)
Proceeds from disposal of treasury shares	–	14
Cash dividends paid	(1,148)	(1,148)
Other, net	(3)	(39)
Net cash provided by (used in) financing activities	(1,151)	(1,173)

(Millions of yen)

	Six months ended August 31, 2016	Six months ended August 31, 2017
Effect of exchange rate change on cash and cash equivalents	(13)	(2)
Net increase (decrease) in cash and cash equivalents	(746)	190
Cash and cash equivalents at beginning of period	15,827	15,425
Increase in cash and cash equivalents from newly consolidated subsidiary	136	103
Cash and cash equivalents at end of period	15,216	15,719