

Translation

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**Summary of Consolidated Financial Results
for the Year Ended February 28, 2018
(Based on Japanese GAAP)**

April 11, 2018

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
 Inquiries: Toshiya Maruyama TEL 03(6892)0304
 Scheduled date of ordinary general meeting of shareholders: May 25, 2018
 Scheduled date to file Securities Report: May 25, 2018
 Scheduled date to commence dividend payments: May 8, 2018
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2018 (from March 1, 2017 to February 28, 2018)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2018	145,709	3.4	4,979	(30.8)	5,261	(31.0)	2,351	(41.7)
Year ended February 28, 2017	140,972	(3.3)	7,193	10.9	7,622	13.4	4,037	11.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2018	61.43	61.19	3.6	5.7	3.4
Year ended February 28, 2017	105.46	105.09	6.2	8.4	5.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2018	91,499	66,098	71.6	1,710.66
As of February 28, 2017	92,736	66,151	70.8	1,714.97

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2018	6,466	(8,432)	(2,383)	11,181
Year ended February 28, 2017	11,604	(11,011)	(2,299)	15,425

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2017	–	30.00	–	30.00	60.00	2,297	56.9	3.5
Year ended February 28, 2018	–	30.00	–	30.00	60.00	2,297	97.7	3.5
Year ending February 28, 2019 (Forecast)	–	30.00	–	30.00	60.00		143.6	

3. Forecast of consolidated financial results for the year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2018	76,200	3.6	800	(74.8)	950	(71.3)	300	(83.0)	7.84
Full year	159,300	9.3	3,700	(25.7)	4,100	(22.1)	1,600	(32.0)	41.79

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of February 28, 2018	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 February 28, 2018	6,103,702 shares	As of February 28, 2017	6,111,176 shares
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Average number of shares during the period

Year ended February 28, 2018	38,288,091 shares	Year ended February 28, 2017	38,283,369 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2017	As of February 28, 2018
Assets		
Current assets		
Cash and deposits	23,607	14,372
Notes and accounts receivable - trade	3,037	2,786
Merchandise and finished goods	4,217	5,263
Raw materials and supplies	73	62
Deferred tax assets	518	345
Other	2,679	2,561
Allowance for doubtful accounts	(71)	(135)
Total current assets	34,062	25,256
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	30,103	32,347
Machinery, equipment and vehicles, net	509	425
Land	7,691	7,632
Leased assets, net	51	110
Construction in progress	426	5,068
Other, net	2,150	2,705
Total property, plant and equipment	40,933	48,289
Intangible assets		
Goodwill	1,558	1,337
Other, net	656	1,051
Total intangible assets	2,215	2,389
Investments and other assets		
Investment securities	964	987
Long-term loans receivable	2,646	2,544
Deferred tax assets	1,137	1,393
Guarantee deposits	7,029	7,230
Real estate for investment, net	2,235	2,236
Other, net	1,549	1,276
Allowance for doubtful accounts	(38)	(61)
Allowance for investment loss	-	(45)
Total investments and other assets	15,524	15,563
Total non-current assets	58,673	66,243
Total assets	92,736	91,499

(Millions of yen)

	As of February 28, 2017	As of February 28, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,306	6,097
Short-term loans payable	43	53
Lease obligations	8	15
Income taxes payable	2,028	762
Provision for bonuses	364	328
Provision for directors' bonuses	59	3
Provision for point card certificates	117	114
Provision for shareholder benefit program	131	157
Asset retirement obligations	54	161
Other	8,955	9,056
Total current liabilities	18,069	16,751
Non-current liabilities		
Long-term loans payable	167	98
Lease obligations	46	104
Long-term guarantee deposited	3,187	3,021
Asset retirement obligations	4,902	5,215
Net defined benefit liability	58	55
Other	151	155
Total non-current liabilities	8,514	8,649
Total liabilities	26,584	25,401
Net assets		
Shareholders' equity		
Capital stock	3,461	3,461
Capital surplus	4,827	4,828
Retained earnings	69,134	68,913
Treasury shares	(11,910)	(11,897)
Total shareholders' equity	65,513	65,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36	54
Foreign currency translation adjustment	102	138
Total accumulated other comprehensive income	138	193
Subscription rights to shares	195	237
Non-controlling interests	304	361
Total net assets	66,151	66,098
Total liabilities and net assets	92,736	91,499

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018
Net sales	140,972	145,709
Cost of sales	63,269	67,743
Gross profit	77,702	77,965
Selling, general and administrative expenses		
Distribution expenses	6,141	6,097
Directors' compensations	204	280
Salaries and bonuses	27,432	27,332
Provision for bonuses	345	311
Rent expenses	9,079	9,563
Depreciation	5,059	5,372
Utilities expenses	3,544	3,613
Other	18,701	20,413
Total selling, general and administrative expenses	70,509	72,985
Operating profit	7,193	4,979
Non-operating income		
Interest income	52	44
Dividend income	4	3
Foreign exchange gains	21	–
Rent income on non-current assets	143	137
Compensation income	156	33
Insurance income	62	124
Other	111	152
Total non-operating income	552	497
Non-operating expenses		
Rent expenses on non-current assets	26	22
Loss on cancellation of leasehold contracts	15	7
Foreign exchange losses	–	53
Provision of allowance for doubtful accounts	13	29
Share of loss of entities accounted for using equity method	31	38
Other	36	63
Total non-operating expenses	123	215
Ordinary profit	7,622	5,261
Extraordinary income		
Gain on sales of non-current assets	43	4
Gain on step acquisitions	127	–
Gain on sales of investment securities	0	6
Other	2	–
Total extraordinary income	173	10

(Millions of yen)

	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018
Extraordinary losses		
Loss on disposal of non-current assets	335	236
Impairment loss	448	691
Provision of allowance for investment loss	–	45
Other	146	8
Total extraordinary losses	930	981
Profit before income taxes	6,865	4,291
Income taxes - current	2,869	1,974
Income taxes - deferred	1	(91)
Total income taxes	2,871	1,883
Profit	3,994	2,408
Profit (loss) attributable to non-controlling interests	(43)	56
Profit attributable to owners of parent	4,037	2,351

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018
Profit	3,994	2,408
Other comprehensive income		
Valuation difference on available-for-sale securities	28	18
Foreign currency translation adjustment	(17)	72
Share of other comprehensive income of entities accounted for using equity method	(24)	12
Total other comprehensive income	(13)	103
Comprehensive income	3,980	2,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,030	2,455
Comprehensive income attributable to non-controlling interests	(49)	56

Consolidated statements of changes in equity

Fiscal year ended February 28, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,461	4,888	67,685	(11,940)	64,095
Changes of items during period					
Dividends of surplus	–	–	(2,296)	–	(2,296)
Profit attributable to owners of parent	–	–	4,037	–	4,037
Purchase of treasury shares	–	–	–	(13)	(13)
Disposal of treasury shares	–	(11)	–	43	31
Change of scope of consolidation	–	(22)	(125)	–	(148)
Change of scope of equity method	–	–	(165)	–	(165)
Capital increase of consolidated subsidiaries	–	(26)	–	–	(26)
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	(60)	1,449	29	1,418
Balance at end of current period	3,461	4,827	69,134	(11,910)	65,513

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	7	35	43	200	41	64,379
Changes of items during period						
Dividends of surplus	–	–	–	–	–	(2,296)
Profit attributable to owners of parent	–	–	–	–	–	4,037
Purchase of treasury shares	–	–	–	–	–	(13)
Disposal of treasury shares	–	–	–	–	–	31
Change of scope of consolidation	–	–	–	–	–	(148)
Change of scope of equity method	–	–	–	–	–	(165)
Capital increase of consolidated subsidiaries	–	–	–	–	–	(26)
Net changes of items other than shareholders' equity	28	66	94	(4)	263	353
Total changes of items during period	28	66	94	(4)	263	1,772
Balance at end of current period	36	102	138	195	304	66,151

Fiscal year ended February 28, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,461	4,827	69,134	(11,910)	65,513
Changes of items during period					
Dividends of surplus	–	–	(2,297)	–	(2,297)
Profit attributable to owners of parent	–	–	2,351	–	2,351
Purchase of treasury shares	–	–	–	(0)	(0)
Disposal of treasury shares	–	1	–	13	14
Change of scope of consolidation	–	–	(276)	–	(276)
Change of scope of equity method	–	–	–	–	–
Capital increase of consolidated subsidiaries	–	–	–	–	–
Net changes of items other than shareholders' equity	–	–	–	–	–
Total changes of items during period	–	1	(221)	13	(207)
Balance at end of current period	3,461	4,828	68,913	(11,897)	65,305

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	36	102	138	195	304	66,151
Changes of items during period						
Dividends of surplus	–	–	–	–	–	(2,297)
Profit attributable to owners of parent	–	–	–	–	–	2,351
Purchase of treasury shares	–	–	–	–	–	(0)
Disposal of treasury shares	–	–	–	–	–	14
Change of scope of consolidation	–	–	–	–	–	(276)
Change of scope of equity method	–	–	–	–	–	–
Capital increase of consolidated subsidiaries	–	–	–	–	–	–
Net changes of items other than shareholders' equity	18	36	55	42	56	153
Total changes of items during period	18	36	55	42	56	(53)
Balance at end of current period	54	138	193	237	361	66,098

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018
Cash flows from operating activities		
Profit before income taxes	6,865	4,291
Depreciation	5,243	5,572
Impairment loss	448	691
Amortization of goodwill	–	220
Loss on retirement of property, plant and equipment and intangible assets	335	236
Increase (decrease) in allowance for doubtful accounts	28	93
Increase (decrease) in provision for bonuses	34	(36)
Increase (decrease) in provision for directors' bonuses	59	(55)
Increase (decrease) in net defined benefit liability	–	(3)
Increase (decrease) in provision for point card certificates	8	(3)
Increase (decrease) in provision for shareholder benefit program	(17)	26
Increase (decrease) in allowance for investment loss	–	45
Interest and dividend income	(57)	(48)
Foreign exchange losses (gains)	10	45
Share of (profit) loss of entities accounted for using equity method	31	38
Loss (gain) on sales of property, plant and equipment and intangible assets	(43)	9
Loss (gain) on step acquisitions	(127)	–
Decrease (increase) in notes and accounts receivable - trade	604	255
Decrease (increase) in inventories	1,308	(1,030)
Increase (decrease) in notes and accounts payable - trade	(518)	(242)
Increase (decrease) in accounts payable - other	304	(241)
Increase (decrease) in accrued expenses	(209)	49
Other, net	(403)	(177)
Subtotal	13,907	9,737
Interest and dividend income received	54	43
Interest expenses paid	(0)	(1)
Income taxes (paid) refund	(2,356)	(3,313)
Net cash provided by (used in) operating activities	11,604	6,466

(Millions of yen)

	Fiscal year ended February 28, 2017	Fiscal year ended February 28, 2018
Cash flows from investing activities		
Payments into time deposits	(10,000)	(10,046)
Proceeds from withdrawal of time deposits	9,000	15,036
Purchase of property, plant and equipment	(7,518)	(12,352)
Payments for retirement of property, plant and equipment	(351)	(142)
Proceeds from sales of property, plant and equipment	173	41
Purchase of intangible assets	(279)	(535)
Payments of loans receivable	(856)	(479)
Collection of loans receivable	361	301
Payments for guarantee deposits	(389)	(433)
Proceeds from collection of guarantee deposits	502	258
Payments for investments in capital of subsidiaries and associates	–	(80)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,653)	–
Other, net	(1)	0
Net cash provided by (used in) investing activities	(11,011)	(8,432)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,296)	(2,297)
Other, net	(3)	(86)
Net cash provided by (used in) financing activities	(2,299)	(2,383)
Effect of exchange rate change on cash and cash equivalents	(61)	2
Net increase (decrease) in cash and cash equivalents	(1,768)	(4,347)
Cash and cash equivalents at beginning of period	16,827	15,425
Increase in cash and cash equivalents from newly consolidated subsidiary	367	103
Cash and cash equivalents at end of period	15,425	11,181