

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2018 (Based on Japanese GAAP)

October 10, 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 Toshiya Maruyama TEL 03(6892)0304
 Inquiries: Administration
 Scheduled date to file Quarterly Securities Report: October 12, 2018
 Scheduled date to commence dividend payments: November 7, 2018
 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, 2018 (from March 1, 2018 to August 31, 2018)

(1) Consolidated operating results (cumulative)

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	%
Six months ended August 31, 2018	76,687	4.3	17	(99.5)	293	(91.1)	(358)	–
Six months ended August 31, 2017	73,551	3.2	3,177	8.6	3,315	9.4	1,764	17.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2018	(9.35)	–
Six months ended August 31, 2017	46.09	46.01

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2018	92,948	64,396	68.5
As of February 28, 2018	91,499	66,098	71.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2018	–	30.00	–	30.00	60.00
Year ending February 28, 2019	–	30.00	–	–	–
Year ending February 28, 2019 (Forecast)	–	–	–	30.00	60.00

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
Full year	158,700	8.9	1,300	(73.9)	1,700	(67.7)	0	–	0.00

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 31, 2018
 (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, 2018	44,392,680 shares	As of February 28, 2018	44,392,680 shares
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Number of treasury shares at the end of the period

As of August 31, 2018	6,103,709 shares	As of February 28, 2018	6,103,702 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, 2018	38,288,973 shares	Six months ended August 31, 2017	38,287,208 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2018	As of August 31, 2018
Assets		
Current assets		
Cash and deposits	14,372	11,838
Notes and accounts receivable - trade	2,786	2,694
Merchandise and finished goods	5,263	5,863
Raw materials and supplies	62	64
Other	2,907	2,725
Allowance for doubtful accounts	(135)	(239)
Total current assets	25,256	22,947
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,347	37,925
Other, net	15,942	14,302
Total property, plant and equipment	48,289	52,227
Intangible assets		
Goodwill	1,337	1,196
Other	1,051	1,377
Total intangible assets	2,389	2,574
Investments and other assets		
Other	15,670	15,261
Allowance for doubtful accounts	(61)	(31)
Allowance for investment loss	(45)	(31)
Total investments and other assets	15,563	15,199
Total non-current assets	66,243	70,001
Total assets	91,499	92,948
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,097	7,739
Short-term loans payable	53	166
Income taxes payable	762	479
Provision for bonuses	328	365
Provision for directors' bonuses	3	–
Provision for point card certificates	114	115
Provision for shareholder benefit program	157	94
Asset retirement obligations	161	11
Other	9,071	9,325
Total current liabilities	16,751	18,297
Non-current liabilities		
Long-term loans payable	98	1,429
Net defined benefit liability	55	74
Asset retirement obligations	5,215	5,551
Other	3,281	3,198
Total non-current liabilities	8,649	10,253
Total liabilities	25,401	28,551

(Millions of yen)

	As of February 28, 2018	As of August 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,461	3,461
Capital surplus	4,828	4,777
Retained earnings	68,913	67,254
Treasury shares	(11,897)	(11,897)
Total shareholders' equity	65,305	63,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54	39
Foreign currency translation adjustment	138	55
Total accumulated other comprehensive income	193	95
Subscription rights to shares	237	266
Non-controlling interests	361	439
Total net assets	66,098	64,396
Total liabilities and net assets	91,499	92,948

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, 2017	Six months ended August 31, 2018
Net sales	73,551	76,687
Cost of sales	33,865	37,186
Gross profit	39,685	39,500
Selling, general and administrative expenses	36,507	39,483
Operating profit	3,177	17
Non-operating income		
Interest income	23	17
Dividend income	2	2
Rent income on non-current assets	69	68
Compensation income	33	20
Insurance income	63	116
Other	47	123
Total non-operating income	238	348
Non-operating expenses		
Rent expenses on non-current assets	14	3
Share of loss of entities accounted for using equity method	44	19
Foreign exchange losses	0	12
Provision of allowance for doubtful accounts	7	1
Other	34	34
Total non-operating expenses	100	72
Ordinary profit	3,315	293
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on sales of investment securities	1	–
Total extraordinary income	4	0
Extraordinary losses		
Loss on disposal of non-current assets	119	240
Impairment loss	131	73
Other	0	4
Total extraordinary losses	252	317
Profit (loss) before income taxes	3,067	(24)
Income taxes	1,284	332
Profit (loss)	1,783	(356)
Profit attributable to non-controlling interests	18	1
Profit (loss) attributable to owners of parent	1,764	(358)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2017	Six months ended August 31, 2018
Profit (loss)	1,783	(356)
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(15)
Foreign currency translation adjustment	2	(77)
Share of other comprehensive income of entities accounted for using equity method	(1)	(11)
Total other comprehensive income	8	(103)
Comprehensive income	1,791	(460)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,773	(463)
Comprehensive income attributable to non-controlling interests	17	3

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2017	Six months ended August 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	3,067	(24)
Depreciation	2,607	2,771
Impairment loss	131	73
Amortization of goodwill	110	110
Loss on retirement of property, plant and equipment and intangible assets	119	240
Increase (decrease) in allowance for doubtful accounts	22	59
Increase (decrease) in provision for bonuses	216	0
Increase (decrease) in provision for directors' bonuses	(26)	(3)
Increase (decrease) in net defined benefit liability	3	20
Increase (decrease) in provision for point card certificates	(3)	0
Increase (decrease) in provision for shareholder benefit program	(75)	(63)
Interest and dividend income	(25)	(19)
Foreign exchange losses (gains)	2	9
Share of (profit) loss of entities accounted for using equity method	44	19
Loss (gain) on sales of property, plant and equipment and intangible assets	(2)	(0)
Decrease (increase) in notes and accounts receivable - trade	339	146
Decrease (increase) in inventories	(1,516)	(594)
Increase (decrease) in notes and accounts payable - trade	824	1,595
Increase (decrease) in accounts payable - other	(341)	142
Increase (decrease) in accrued expenses	155	338
Increase (decrease) in deposits received	85	456
Other, net	312	(113)
Subtotal	6,052	5,165
Interest and dividend income received	19	19
Interest expenses paid	(0)	(3)
Income taxes paid	(2,008)	(566)
Net cash provided by (used in) operating activities	4,061	4,615
Cash flows from investing activities		
Payments into time deposits	(7,019)	(3,532)
Proceeds from withdrawal of time deposits	9,000	6,012
Purchase of property, plant and equipment	(4,300)	(6,709)
Payments for retirement of property, plant and equipment	(74)	(44)
Proceeds from sales of property, plant and equipment	34	12
Purchase of intangible assets	(207)	(479)
Payments of loans receivable	(202)	(169)
Collection of loans receivable	137	143
Payments for guarantee deposits	(195)	(220)
Proceeds from collection of guarantee deposits	142	86
Other, net	(9)	(2)
Net cash provided by (used in) investing activities	(2,695)	(4,903)

(Millions of yen)

	Six months ended August 31, 2017	Six months ended August 31, 2018
Cash flows from financing activities		
Increase in short-term loans payable	–	956
Decrease in short-term loans payable	(21)	(856)
Proceeds from long-term loans payable	–	1,273
Repayments of long-term loans payable	(13)	(16)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	14	–
Cash dividends paid	(1,148)	(1,149)
Other, net	(4)	(12)
Net cash provided by (used in) financing activities	(1,173)	195
Effect of exchange rate change on cash and cash equivalents	(2)	(27)
Net increase (decrease) in cash and cash equivalents	190	(119)
Cash and cash equivalents at beginning of period	15,425	11,181
Increase in cash and cash equivalents from newly consolidated subsidiary	103	128
Increase (decrease) in cash and cash equivalents resulting from change of accounting period of consolidated subsidiaries	–	(62)
Cash and cash equivalents at end of period	15,719	11,126