

Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2019 (Based on Japanese GAAP)

April 10, 2019

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
 Inquiries: IR Department Manager Toshiyuki Fujinami TEL 03(6892)0304
 Scheduled date of ordinary general meeting of shareholders: May 28, 2019
 Scheduled date to file Securities Report: May 28, 2019
 Scheduled date to commence dividend payments: May 10, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2019 (from March 1, 2018 to February 28, 2019)

(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, 2019 | 153,914 | 5.6 | (501) | — | 143 | (97.3) | (2,926) | — |
| Year ended February 28, 2018 | 145,709 | 3.4 | 4,979 | (30.8) | 5,261 | (31.0) | 2,351 | (41.7) |

| | 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, 2019 | (76.42) | — | (4.7) | 0.2 | (0.3) |
| Year ended February 28, 2018 | 61.43 | 61.19 | 3.6 | 5.7 | 3.4 |

(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, 2019 | 87,387 | 60,623 | 68.6 | 1,565.04 |
| As of February 28, 2018 | 91,499 | 66,098 | 71.6 | 1,710.66 |

(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, 2019 | 6,114 | (9,170) | (945) | 7,221 |
| Year ended February 28, 2018 | 6,466 | (8,432) | (2,383) | 11,181 |

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, 2018 | — | 30.00 | — | 30.00 | 60.00 | 2,297 | 97.7 | 3.5 |
| Year ended February 28, 2019 | — | 30.00 | — | 30.00 | 60.00 | 2,297 | — | 3.7 |
| Year ending February 29, 2020 (Forecast) | — | 30.00 | — | 30.00 | 60.00 | | 956.9 | |

3. Forecast of consolidated financial results for the year ending February 29, 2020 (from March 1, 2019 to February 29, 2020)

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, 2019 | 78,730 | 2.7 | 390 | — | 620 | 111.6 | (200) | — | (5.22) |
| Full year | 159,250 | 3.5 | 2,130 | — | 2,640 | — | 240 | — | 6.27 |

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2019

(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, 2019 | 44,392,680 shares | As of February 28, 2018 | 44,392,680 shares |
|-------------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------------|-------------------------|------------------|
| As of February 28, 2019 | 6,103,709 shares | As of February 28, 2018 | 6,103,702 shares |
|-------------------------|------------------|-------------------------|------------------|

Average number of shares during the period

| | | | |
|------------------------------|-------------------|------------------------------|-------------------|
| Year ended February 28, 2019 | 38,288,972 shares | Year ended February 28, 2018 | 38,288,091 shares |
|------------------------------|-------------------|------------------------------|-------------------|

Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

| | As of February 28, 2018 | As of February 28, 2019 |
|--|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,372 | 7,447 |
| Notes and accounts receivable - trade | 2,786 | 2,377 |
| Merchandise and finished goods | 5,263 | 5,368 |
| Raw materials and supplies | 62 | 163 |
| Deferred tax assets | 345 | 356 |
| Other | 2,561 | 2,805 |
| Allowance for doubtful accounts | (135) | (303) |
| Total current assets | 25,256 | 18,215 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 32,347 | 35,381 |
| Machinery, equipment and vehicles, net | 425 | 4,456 |
| Land | 7,632 | 7,468 |
| Leased assets, net | 110 | 91 |
| Construction in progress | 5,068 | 103 |
| Other, net | 2,705 | 2,677 |
| Total property, plant and equipment | 48,289 | 50,179 |
| Intangible assets | | |
| Goodwill | 1,337 | 1,086 |
| Other | 1,051 | 1,834 |
| Total intangible assets | 2,389 | 2,921 |
| Investments and other assets | | |
| Investment securities | 987 | 309 |
| Long-term loans receivable | 2,544 | 2,393 |
| Deferred tax assets | 1,393 | 2,141 |
| Guarantee deposits | 7,230 | 7,411 |
| Real estate for investment, net | 2,236 | 2,234 |
| Other | 1,276 | 1,612 |
| Allowance for doubtful accounts | (61) | (31) |
| Allowance for investment loss | (45) | — |
| Total investments and other assets | 15,563 | 16,070 |
| Total non-current assets | 66,243 | 69,171 |
| Total assets | 91,499 | 87,387 |

(Millions of yen)

| | As of February 28, 2018 | As of February 28, 2019 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 6,097 | 6,229 |
| Short-term loans payable | 53 | 317 |
| Lease obligations | 15 | 26 |
| Income taxes payable | 762 | 545 |
| Provision for bonuses | 328 | 335 |
| Provision for directors' bonuses | 3 | — |
| Provision for point card certificates | 114 | 186 |
| Provision for shareholder benefit program | 157 | 162 |
| Asset retirement obligations | 161 | 22 |
| Other | 9,056 | 8,736 |
| Total current liabilities | 16,751 | 16,562 |
| Non-current liabilities | | |
| Long-term loans payable | 98 | 1,299 |
| Lease obligations | 104 | 104 |
| Long-term guarantee deposited | 3,021 | 2,895 |
| Asset retirement obligations | 5,215 | 5,671 |
| Net defined benefit liability | 55 | 81 |
| Other | 155 | 148 |
| Total non-current liabilities | 8,649 | 10,201 |
| Total liabilities | 25,401 | 26,763 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,461 | 3,461 |
| Capital surplus | 4,828 | 4,777 |
| Retained earnings | 68,913 | 63,537 |
| Treasury shares | (11,897) | (11,897) |
| Total shareholders' equity | 65,305 | 59,878 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 54 | 22 |
| Foreign currency translation adjustment | 138 | 22 |
| Total accumulated other comprehensive income | 193 | 44 |
| Share acquisition rights | 237 | 266 |
| Non-controlling interests | 361 | 433 |
| Total net assets | 66,098 | 60,623 |
| Total liabilities and net assets | 91,499 | 87,387 |

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

(Millions of yen)

| | Fiscal year ended February 28, 2018 | Fiscal year ended February 28, 2019 |
|---|--|--|
| Net sales | 145,709 | 153,914 |
| Cost of sales | 67,743 | 76,501 |
| Gross profit | 77,965 | 77,413 |
| Selling, general and administrative expenses | | |
| Distribution expenses | 6,097 | 6,032 |
| Directors' compensations | 280 | 276 |
| Salaries and bonuses | 27,332 | 29,561 |
| Provision for bonuses | 311 | 344 |
| Rent expenses | 9,563 | 10,248 |
| Depreciation | 5,372 | 5,622 |
| Utilities expenses | 3,613 | 3,701 |
| Other | 20,413 | 22,127 |
| Total selling, general and administrative expenses | 72,985 | 77,914 |
| Operating profit (loss) | 4,979 | (501) |
| Non-operating income | | |
| Interest income | 44 | 33 |
| Dividend income | 3 | 3 |
| Rent income on non-current assets | 137 | 137 |
| Compensation income | 33 | 42 |
| Insurance income | 124 | 313 |
| Share of profit of entities accounted for using equity method | — | 48 |
| Other | 152 | 213 |
| Total non-operating income | 497 | 792 |
| Non-operating expenses | | |
| Rent expenses on non-current assets | 22 | 8 |
| Loss on cancellation of leasehold contracts | 7 | 19 |
| Foreign exchange losses | 53 | 42 |
| Provision of allowance for doubtful accounts | 29 | 18 |
| Share of loss of entities accounted for using equity method | 38 | — |
| Other | 63 | 59 |
| Total non-operating expenses | 215 | 147 |
| Ordinary profit | 5,261 | 143 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 4 | 36 |
| Gain on sales of investment securities | 6 | — |
| Total extraordinary income | 10 | 36 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 236 | 410 |
| Impairment loss | 691 | 2,490 |
| Provision of allowance for investment loss | 45 | — |
| Other | 8 | 161 |
| Total extraordinary losses | 981 | 3,062 |
| Profit (loss) before income taxes | 4,291 | (2,882) |
| Income taxes - current | 1,974 | 794 |
| Income taxes - deferred | (91) | (748) |
| Total income taxes | 1,883 | 46 |
| Profit (loss) | 2,408 | (2,929) |
| Profit (loss) attributable to non-controlling interests | 56 | (2) |
| Profit (loss) attributable to owners of parent | 2,351 | (2,926) |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended February 28, 2018 | Fiscal year ended February 28, 2019 |
|--|--|--|
| Profit (loss) | 2,408 | (2,929) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18 | (32) |
| Foreign currency translation adjustment | 72 | (96) |
| Share of other comprehensive income of entities accounted for using equity method | 12 | (26) |
| Total other comprehensive income | 103 | (155) |
| Comprehensive income | 2,512 | (3,085) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,455 | (3,081) |
| Comprehensive income attributable to non-controlling interests | 56 | (3) |

Consolidated statements of changes in equity

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 (loss) 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 | | | | | — |
| Effect of change In closing dates 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 | | | Share acquisition rights | 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 (loss) 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 | | | | | | — |
| Effect of change In closing dates 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 |

Fiscal year ended February 28, 2019

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 3,461 | 4,828 | 68,913 | (11,897) | 65,305 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (2,297) | | (2,297) |
| Profit (loss) attributable to owners of parent | | | (2,926) | | (2,926) |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | | | | — |
| Change of scope of consolidation | | | (129) | | (129) |
| Change of scope of equity method | | | | | — |
| Capital increase of consolidated subsidiaries | | (51) | | | (51) |
| Effect of change In closing dates of consolidated subsidiaries | | | (23) | | (23) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | — | (51) | (5,375) | (0) | (5,426) |
| Balance at end of current period | 3,461 | 4,777 | 63,537 | (11,897) | 59,878 |

| | Accumulated other comprehensive income | | | Share acquisition rights | 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 | 54 | 138 | 193 | 237 | 361 | 66,098 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (2,297) |
| Profit (loss) attributable to owners of parent | | | | | | (2,926) |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | – |
| Change of scope of consolidation | | | | | | (129) |
| Change of scope of equity method | | | | | | – |
| Capital increase of consolidated subsidiaries | | | | | | (51) |
| Effect of change In closing dates of consolidated subsidiaries | | | | | | (23) |
| Net changes of items other than shareholders' equity | (32) | (115) | (148) | 28 | 71 | (48) |
| Total changes of items during period | (32) | (115) | (148) | 28 | 71 | (5,475) |
| Balance at end of current period | 22 | 22 | 44 | 266 | 433 | 60,623 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended February 28, 2018 | Fiscal year ended February 28, 2019 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit (loss) before income taxes | 4,291 | (2,882) |
| Depreciation | 5,572 | 6,250 |
| Impairment loss | 691 | 2,490 |
| Amortization of goodwill | 220 | 220 |
| Loss on retirement of property, plant and equipment and intangible assets | 236 | 410 |
| Increase (decrease) in allowance for doubtful accounts | 93 | 189 |
| Increase (decrease) in provision for bonuses | (36) | (29) |
| Increase (decrease) in provision for directors' bonuses | (55) | (3) |
| Increase (decrease) in net defined benefit liability | (3) | 23 |
| Increase (decrease) in provision for point card certificates | (3) | 71 |
| Increase (decrease) in provision for shareholder benefit program | 26 | 4 |
| Increase (decrease) in allowance for investment loss | 45 | — |
| Interest and dividend income | (48) | (37) |
| Foreign exchange losses (gains) | 45 | 14 |
| Share of loss (profit) of entities accounted for using equity method | 38 | (48) |
| Loss (gain) on sales of property, plant and equipment and intangible assets | 9 | (36) |
| Decrease (increase) in notes and accounts receivable - trade | 255 | 463 |
| Decrease (increase) in inventories | (1,030) | (199) |
| Increase (decrease) in notes and accounts payable - trade | (242) | 86 |
| Increase (decrease) in accounts payable - other | (241) | (47) |
| Increase (decrease) in accrued expenses | 49 | 181 |
| Increase (decrease) in deposits received | 40 | 136 |
| Other, net | (218) | (232) |
| Subtotal | 9,737 | 7,025 |
| Interest and dividend income received | 43 | 37 |
| Interest expenses paid | (1) | (7) |
| Income taxes paid | (3,313) | (941) |
| Net cash provided by (used in) operating activities | 6,466 | 6,114 |
| Cash flows from investing activities | | |
| Payments into time deposits | (10,046) | (3,547) |
| Proceeds from withdrawal of time deposits | 15,036 | 6,512 |
| Purchase of property, plant and equipment | (12,352) | (11,206) |
| Payments for retirement of property, plant and equipment | (142) | (85) |
| Proceeds from sales of property, plant and equipment | 41 | 446 |
| Purchase of intangible assets | (535) | (980) |
| Proceeds from sales of investment securities | 13 | 509 |
| Payments of loans receivable | (479) | (312) |
| Collection of loans receivable | 301 | 286 |
| Payments for guarantee deposits | (433) | (289) |
| Proceeds from collection of guarantee deposits | 258 | 142 |
| Payments for investments in capital of subsidiaries and associates | (80) | (680) |
| Other, net | (13) | 34 |
| Net cash provided by (used in) investing activities | (8,432) | (9,170) |

(Millions of yen)

| | Fiscal year ended February 28, 2018 | Fiscal year ended February 28, 2019 |
|--|--|--|
| Cash flows from financing activities | | |
| Increase in short-term loans payable | — | 1,040 |
| Decrease in short-term loans payable | — | (908) |
| Proceeds from long-term loans payable | — | 1,273 |
| Repayments of long-term loans payable | (69) | (30) |
| Purchase of treasury shares | (0) | (0) |
| Cash dividends paid | (2,297) | (2,297) |
| Other, net | (16) | (23) |
| Net cash provided by (used in) financing activities | (2,383) | (945) |
| Effect of exchange rate change on cash and cash equivalents | 2 | (23) |
| Net increase (decrease) in cash and cash equivalents | (4,347) | (4,025) |
| 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 | 11,181 | 7,221 |