

Translation

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**Summary of Consolidated Financial Results
for the Year Ended February 29, 2020
(Based on Japanese GAAP)**

April 10, 2020

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 26, 2020
 Scheduled date to file Securities Report: May 26, 2020
 Scheduled date to commence dividend payments: May 11, 2020
 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 29, 2020 (from March 1, 2019 to February 29, 2020)

(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 29, 2020	149,572	(2.8)	348	–	729	409.3	(2,934)	–
Year ended February 28, 2019	153,914	5.6	(501)	–	143	(97.3)	(2,926)	–

	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 29, 2020	(76.59)	–	(5.1)	0.8	0.2
Year ended February 28, 2019	(76.42)	–	(4.7)	0.2	(0.3)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	86,179	55,491	63.5	1,427.86
As of February 28, 2019	87,387	60,623	68.6	1,565.04

(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 29, 2020	9,320	(4,648)	(2,089)	9,820
Year ended February 28, 2019	6,114	(9,170)	(945)	7,221

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, 2019	–	30.00	–	30.00	60.00	2,297	–	3.7
Year ended February 29, 2020	–	30.00	–	30.00	60.00	2,299	–	4.0
Year ending February 28, 2021 (Forecast)	–	–	–	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the year ended February 29, 2020
 (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: Yes
- 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 29, 2020	44,392,680 shares	As of February 28, 2019	44,392,680 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	6,064,309 shares	As of February 28, 2019	6,103,709 shares
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Average number of shares during the period

Year ended February 29, 2020	38,317,929 shares	Year ended February 28, 2019	38,288,972 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	7,447	10,076
Notes and accounts receivable - trade	2,377	2,648
Merchandise and finished goods	5,368	5,950
Raw materials and supplies	163	188
Other	2,805	2,761
Allowance for doubtful accounts	(303)	(497)
Total current assets	17,859	21,128
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,381	32,009
Machinery, equipment and vehicles, net	4,456	3,670
Land	7,468	7,388
Leased assets, net	91	273
Construction in progress	103	65
Other, net	2,677	2,166
Total property, plant and equipment	50,179	45,574
Intangible assets		
Goodwill	1,086	900
Other	1,834	2,130
Total intangible assets	2,921	3,031
Investments and other assets		
Investment securities	309	209
Long-term loans receivable	2,393	2,112
Deferred tax assets	2,497	3,139
Guarantee deposits	7,411	7,131
Real estate for investment, net	2,234	2,227
Other	1,612	1,671
Allowance for doubtful accounts	(31)	(45)
Total investments and other assets	16,426	16,445
Total non-current assets	69,527	65,050
Total assets	87,387	86,179

(Millions of yen)

	As of February 28, 2019	As of February 29, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,229	6,108
Short-term loans payable	317	694
Lease obligations	26	61
Income taxes payable	545	360
Provision for bonuses	335	340
Provision for point card certificates	186	258
Provision for shareholder benefit program	162	123
Asset retirement obligations	22	70
Other	8,736	11,071
Total current liabilities	16,562	19,090
Non-current liabilities		
Long-term loans payable	1,299	1,171
Lease obligations	104	256
Long-term guarantee deposited	2,895	2,742
Asset retirement obligations	5,671	7,191
Retirement benefit liability	81	93
Other	148	141
Total non-current liabilities	10,201	11,598
Total liabilities	26,763	30,688
Net assets		
Shareholders' equity		
Capital stock	3,461	3,461
Capital surplus	4,777	4,724
Retained earnings	63,537	58,304
Treasury shares	(11,897)	(11,820)
Total shareholders' equity	59,878	54,669
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	(15)
Foreign currency translation adjustment	22	74
Total accumulated other comprehensive income	44	58
Share acquisition rights	266	236
Non-controlling interests	433	527
Total net assets	60,623	55,491
Total liabilities and net assets	87,387	86,179

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

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Net sales	153,914	149,572
Cost of sales	76,501	74,389
Gross profit	77,413	75,182
Selling, general and administrative expenses		
Distribution expenses	6,032	6,202
Remuneration for directors (and other officers)	276	253
Salaries and bonuses	29,561	28,198
Provision for bonuses	344	355
Rent expenses	10,248	10,280
Depreciation	5,622	5,938
Utilities expenses	3,701	3,254
Other	22,127	20,350
Total selling, general and administrative expenses	77,914	74,834
Operating profit (loss)	(501)	348
Non-operating income		
Interest income	33	30
Dividend income	3	3
Rent income on non-current assets	137	139
Compensation income	42	124
Insurance income	313	193
Share of profit of entities accounted for using equity method	48	–
Other	213	377
Total non-operating income	792	868
Non-operating expenses		
Rent expenses on non-current assets	8	15
Loss on cancellation of leasehold contracts	19	94
Foreign exchange losses	42	98
Provision of allowance for doubtful accounts	18	38
Bad debts expenses	2	103
Share of loss of entities accounted for using equity method	–	35
Other	56	103
Total non-operating expenses	147	487
Ordinary profit	143	729
Extraordinary income		
Gain on sales of non-current assets	36	36
Subsidy income	–	143
Total extraordinary income	36	179

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Extraordinary losses		
Loss on disposal of non-current assets	410	294
Impairment loss	2,490	3,291
Loss on reduction of non-current assets	–	129
Other	161	128
Total extraordinary losses	3,062	3,844
Loss before income taxes	(2,882)	(2,935)
Income taxes - current	794	568
Income taxes - deferred	(748)	(628)
Total income taxes	46	(60)
Loss	(2,929)	(2,874)
Profit (loss) attributable to non-controlling interests	(2)	60
Loss attributable to owners of parent	(2,926)	(2,934)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Loss	(2,929)	(2,874)
Other comprehensive income		
Valuation difference on available-for-sale securities	(32)	(37)
Foreign currency translation adjustment	(96)	72
Share of other comprehensive income of entities accounted for using equity method	(26)	(22)
Total other comprehensive income	(155)	12
Comprehensive income	(3,085)	(2,862)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,081)	(2,920)
Comprehensive income attributable to non-controlling interests	(3)	58

Consolidated statements of changes in equity

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)
Loss attributable to owners of parent			(2,926)		(2,926)
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation			(129)		(129)
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)
Loss attributable to owners of parent						(2,926)
Purchase of treasury shares						(0)
Change of scope of consolidation						(129)
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

Fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,461	4,777	63,537	(11,897)	59,878
Changes of items during period					
Dividends of surplus			(2,298)		(2,298)
Loss attributable to owners of parent			(2,934)		(2,934)
Disposal of treasury shares		(17)		76	58
Change in ownership interest of parent due to transactions with non-controlling interests		(35)			(35)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(53)	(5,233)	76	(5,209)
Balance at end of current period	3,461	4,724	58,304	(11,820)	54,669

	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	22	22	44	266	433	60,623
Changes of items during period						
Dividends of surplus						(2,298)
Loss attributable to owners of parent						(2,934)
Disposal of treasury shares						58
Change in ownership interest of parent due to transactions with non-controlling interests						(35)
Net changes of items other than shareholders' equity	(37)	51	13	(30)	94	78
Total changes of items during period	(37)	51	13	(30)	94	(5,131)
Balance at end of current period	(15)	74	58	236	527	55,491

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from operating activities		
Loss before income taxes	(2,882)	(2,935)
Depreciation	6,250	7,244
Impairment loss	2,490	3,291
Amortization of goodwill	220	186
Loss on retirement of property, plant and equipment and intangible assets	410	294
Increase (decrease) in allowance for doubtful accounts	189	208
Increase (decrease) in provision for bonuses	(29)	4
Increase (decrease) in retirement benefit liability	23	12
Increase (decrease) in provision for point card certificates	71	72
Increase (decrease) in provision for shareholder benefit program	4	(38)
Interest and dividend income	(37)	(34)
Foreign exchange losses (gains)	14	54
Share of loss (profit) of entities accounted for using equity method	(48)	35
Loss (gain) on sales of property, plant and equipment and intangible assets	(36)	(36)
Decrease (increase) in notes and accounts receivable - trade	463	(273)
Decrease (increase) in inventories	(199)	(606)
Increase (decrease) in notes and accounts payable - trade	86	(120)
Increase (decrease) in accrued consumption taxes	(8)	1,312
Other, net	42	1,364
Subtotal	7,025	10,036
Interest and dividend income received	37	34
Interest expenses paid	(7)	(35)
Income taxes paid	(941)	(714)
Net cash provided by (used in) operating activities	6,114	9,320
Cash flows from investing activities		
Payments into time deposits	(3,547)	(42)
Proceeds from withdrawal of time deposits	6,512	12
Purchase of property, plant and equipment	(11,206)	(3,939)
Payments for retirement of property, plant and equipment	(85)	(678)
Proceeds from sales of property, plant and equipment	446	1
Purchase of intangible assets	(980)	(653)
Proceeds from sales of investment securities	509	74
Payments of loans receivable	(312)	(51)
Collection of loans receivable	286	228
Payments for guarantee deposits	(289)	(176)
Proceeds from collection of guarantee deposits	142	455
Payments for investments in capital of subsidiaries and associates	(680)	(29)
Other, net	34	151
Net cash provided by (used in) investing activities	(9,170)	(4,648)

(Millions of yen)

	Fiscal year ended February 28, 2019	Fiscal year ended February 29, 2020
Cash flows from financing activities		
Increase in short-term loans payable	1,040	411
Decrease in short-term loans payable	(938)	(194)
Proceeds from long-term loans payable	1,273	51
Purchase of treasury shares	(0)	–
Cash dividends paid	(2,297)	(2,302)
Other, net	(23)	(55)
Net cash provided by (used in) financing activities	(945)	(2,089)
Effect of exchange rate change on cash and cash equivalents	(23)	16
Net increase (decrease) in cash and cash equivalents	(4,025)	2,599
Cash and cash equivalents at beginning of period	11,181	7,221
Increase in cash and cash equivalents from newly consolidated subsidiary	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	7,221	9,820