

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended September 30, 2019 (Based on Japanese GAAP)

October 31, 2019

Company name: GREENS CO.,LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6547 URL <https://www.kk-greens.jp/>  
 Representative: President & Representative Director Muraki Takeya  
 Director and General Manager  
 Inquiries: Hiroya Ito TEL 059(351)5593  
 Administration Div.  
 Scheduled date to file Quarterly Securities Report: November 13, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended September 30, 2019 (from July 1, 2019 to September 30, 2019)

#### (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	%
Three months ended September 30, 2019	8,077	1.1	820	(15.5)	822	(15.1)	549	(16.3)
Three months ended September 30, 2018	7,993	12.3	970	(14.1)	969	(13.5)	656	(9.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2019	42.66	–
Three months ended September 30, 2018	51.12	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	19,472	10,896	56.0
As of June 30, 2019	18,906	10,642	56.3

### 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 June 30, 2019	–	0.00	–	23.00	23.00
Year ending June 30, 2020	–				
Year ending June 30, 2020 (Forecast)		0.00	–	23.00	23.00

### 3. Forecast of consolidated financial results for the year ending June 30, 2020 (from July 1, 2019 to June 30, 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 December 31, 2019	17,149	6.5	1,915	(1.2)	1,916	(1.1)	1,248	(4.4)	96.82
Full year	32,718	5.9	2,081	(14.4)	2,083	(14.4)	1,332	(11.8)	103.33

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2019  
(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 September 30, 2019	12,886,200 shares	As of June 30, 2019	12,886,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	4,342 shares	As of June 30, 2019	4,342 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2019	12,881,858 shares	Three months ended September 30, 2018	12,847,458 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	5,665,286	5,623,461
Accounts receivable - trade	1,349,093	1,508,797
Raw materials and supplies	109,536	103,753
Other	959,108	970,170
Allowance for doubtful accounts	(3,446)	(3,416)
Total current assets	8,079,579	8,202,765
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,176,586	1,158,411
Tools, furniture and fixtures, net	401,417	380,801
Land	2,112,031	2,112,031
Leased assets, net	129,913	120,576
Construction in progress	977,760	1,520,640
Total property, plant and equipment	4,797,709	5,292,461
Intangible assets	331,062	299,197
Investments and other assets		
Investment securities	50,761	52,724
Long-term loans receivable	45,130	42,980
Guarantee deposits	5,321,286	5,302,671
Other	338,821	337,347
Allowance for doubtful accounts	(58,000)	(58,000)
Total investments and other assets	5,697,999	5,677,724
Total non-current assets	10,826,771	11,269,382
Total assets	18,906,351	19,472,148

(Thousands of yen)

	As of June 30, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	1,044,166	1,112,841
Short-term borrowings	120,000	120,000
Current portion of long-term borrowings	681,618	731,628
Accounts payable - other	785,179	662,241
Accrued expenses	649,654	551,867
Income taxes payable	480,398	321,588
Accrued consumption taxes	176,402	210,776
Provision for bonuses	—	188,435
Other	326,355	382,416
Total current liabilities	4,263,774	4,281,796
Non-current liabilities		
Long-term borrowings	3,310,483	3,602,574
Asset retirement obligations	500,461	511,175
Other	188,679	179,603
Total non-current liabilities	3,999,624	4,293,353
Total liabilities	8,263,398	8,575,149
Net assets		
Shareholders' equity		
Share capital	1,948,025	1,948,025
Capital surplus	1,948,025	1,948,025
Retained earnings	6,750,934	7,004,238
Treasury shares	(67)	(67)
Total shareholders' equity	10,646,918	10,900,222
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,966)	(3,223)
Total accumulated other comprehensive income	(3,966)	(3,223)
Total net assets	10,642,952	10,896,999
Total liabilities and net assets	18,906,351	19,472,148

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended September 30, 2018	Three months ended September 30, 2019
Net sales	7,993,532	8,077,934
Cost of sales	5,581,054	5,791,220
Gross profit	2,412,478	2,286,713
Selling, general and administrative expenses	1,441,647	1,466,548
Operating profit	970,831	820,165
Non-operating income		
Interest income	293	243
Commission income	590	2,073
Rental income	152	1,550
Compensation income	3,200	—
Other	5,179	1,846
Total non-operating income	9,416	5,714
Non-operating expenses		
Interest expenses	9,781	3,078
Other	1,407	200
Total non-operating expenses	11,189	3,278
Ordinary profit	969,058	822,601
Extraordinary losses		
Loss on retirement of non-current assets	—	3,511
Total extraordinary losses	—	3,511
Profit before income taxes	969,058	819,090
Income taxes	312,285	269,503
Profit	656,772	549,586
Profit attributable to owners of parent	656,772	549,586

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended September 30, 2018	Three months ended September 30, 2019
Profit	656,772	549,586
Other comprehensive income		
Valuation difference on available-for-sale securities	535	742
Deferred gains or losses on hedges	1,989	—
Total other comprehensive income	2,524	742
Comprehensive income	659,297	550,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	659,297	550,329