

Consolidated Financial Results for the Fiscal Year Ended June 20, 2016 [Japanese GAAP]



July 22, 2016

Company name: Genky Stores, Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2772

URL: <http://www.genky.co.jp>

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Scheduled date of convention of ordinary general meeting of shareholders: September 9, 2016

Scheduled date of commencing dividend payments: September 12, 2016

Scheduled date of filing annual securities report: September 12, 2016

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended June 20, 2016 (June 21, 2015 to June 20, 2016)

(1) Consolidated Operating Results

(% indicates changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2015	73,495	16.4	2,655	(3.1)	2,883	0.2	1,901	7.9
Fiscal 2014	63,143	9.0	2,738	44.0	2,877	43.4	1,761	50.4

(Note) Comprehensive income: Fiscal 2015: ¥1,894 million [7.2 %]

Fiscal 2014: ¥1,766 million [49.9 %]

	Net income per share	Diluted net income per share	Net income to shareholders' equity ratio	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
Fiscal 2015	269.93	-	16.2	7.1	3.6
Fiscal 2014	252.25	250.19	17.5	8.6	4.3

(Reference): Equity in earnings of affiliates: Fiscal 2015: ¥ - million

Fiscal 2014: ¥ - million

- (Notes) 1. The Company implemented a two-for-one stock split of its shares (common stock) effective as of September 1, 2015. Net income per share and diluted net income per share are calculated assuming that the said stock split was implemented at the beginning of the previous consolidated fiscal year.
2. There is no diluted net income per share for the year ended June 20, 2016, and therefore none is recorded.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 20, 2016	44,681	12,583	28.2	1,784.62
As of June 20, 2015	36,567	10,893	29.8	1,547.75

(Reference) Equity: As of June 20, 2016: ¥12,583 million

As of June 20, 2015: ¥10,891 million

(Notes) The Company implemented a two-for-one stock split of its shares (common stock) effective as of September 1, 2015. Net assets per share are calculated assuming that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the fiscal year
	Million yen	Million yen	Million yen	Million yen
Fiscal 2015	2,695	(7,813)	5,051	1,605
Fiscal 2014	4,758	(6,507)	1,830	1,669

2. Dividends

	Annual dividends					Total annual dividends	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2014	-	30.00	-	30.00	60.00	210	11.9	2.1
Fiscal 2015	-	15.00	-	15.00	30.00	211	11.1	1.8
Fiscal 2016 (forecast)	-	15.00	-	15.00	30.00		10.5	

(Notes) The Company implemented a two-for-one stock split of its shares (common stock) effective as of September 1, 2015. Figures for fiscal 2014 presented above are actual amounts of dividends before the said stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 20, 2017 (June 21, 2016 to June 20, 2017)

(% indicates changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	41,000	15.2	1,230	7.2	1,330	4.9	860	121.97
Full year	86,000	17.0	2,860	7.7	3,070	6.5	2,020	286.48

Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly consolidated: None (Company Name); Removed from consolidation: None (Company Name)

- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

Changes in accounting policies

(Adoption of Accounting Standard for Business Combinations and other accounting standards)

Effective from the beginning of the current fiscal year, the Company has adopted the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) and other accounting standards. Accordingly, the presentation of net income, etc. has been changed, and the reference to “minority interests” has been changed to “non-controlling interests.” To reflect these changes in presentation, the consolidated financial statements for the previous fiscal period have been reclassified.

(Change in the Depreciation Method)

Following the amendment of the Corporation Tax Act, the Company has adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (PITF No. 32, June 17, 2016) effective from the current fiscal year, and has changed the depreciation method applied to facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

The impact of this change on operating income, ordinary income, and income before income taxes for the current fiscal year is immaterial.

- (3) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury stock):

As of June 20, 2016: 7,051,600 shares

As of June 20, 2015: 7,037,600 shares

- 2) Total number of treasury stock at the end of the period:

As of June 20, 2016: 493 shares

As of June 20, 2015: 400 shares

- 3) Average number of shares during the period:

Year ended June 20, 2016: 7,043,836 shares

Year ended June 20, 2015: 6,982,522 shares

(Note) The Company implemented a two-for-one stock split of its shares (common stock) effective as of September 1, 2015. The total number of issued shares (common stock) is calculated assuming that the said stock split was implemented at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended June 20, 2016 (June 21, 2015 to June 20, 2016)

(1) Non-Consolidated Operating Results

(%: indicates changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2015	72,608	16.4	2,614	(2.4)	2,880	(4.5)	1,914	0.3
Fiscal 2014	62,359	9.1	2,678	44.7	3,016	51.9	1,909	63.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal 2015	271.73	-
Fiscal 2014	273.40	271.17

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 20, 2016	44,508	12,439	27.9	1,764.14
As of June 20, 2015	36,315	10,732	29.6	1,524.84

(Reference) Equity: As of June 20, 2016: ¥12,439 million

As of June 20, 2015: ¥10,730 million

* Statements regarding the implementation status of audit procedures

This summary of the consolidated financial results is not subject to audit procedures as prescribed under the Financial Instruments and Exchange Act. As of the date of report disclosure, the audit procedures for the consolidated financial statements under the aforementioned Act have not been completed.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information that is available and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.