

Consolidated Financial Results for the Six Months Ended December 20, 2017 [Japanese GAAP]



January 26, 2018

Company name: Genky DrugStores Co., Ltd. (Genky Stores, Inc.)

Stock exchange listing: Tokyo Stock Exchange

Code number: 9267

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

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Scheduled date of filing quarterly securities report: January 29, 2018

Scheduled date of commencing dividend payments: February 28, 2018

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly 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 Six Months Ended December 20, 2017 (June 21, 2017 to December 20, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 20, 2017	46,624	14.5	1,964	2.6	2,076	2.0	1,414	2.5
December 20, 2016	40,722	14.5	1,915	66.9	2,036	60.7	1,379	68.6

(Note) Comprehensive income: Six months ended December 20, 2017: ¥1,448 million [5.5%]

Six months ended December 20, 2016: ¥1,372 million [68.2%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
December 20, 2017	96.08	—
December 20, 2016	97.81	—

- (Notes) 1. The Company was established, as of December 21, 2017, as a holding company through the sole transfer of Genky Stores, Inc.'s shares. Therefore, this consolidated financial results for the six months ended December 20, 2017 reports on the consolidated operating results of Genky Stores, Inc. which is a subsidiary.
2. Genky Stores, Inc. implemented a two-for-one stock split of its shares (common stock) effective as of April 11, 2017. Net income per share is calculated assuming that the said stock split was implemented at the beginning of the previous consolidated fiscal year.
3. Diluted net income per share for the six months ended December 20, 2017 is not recorded because there were no dilutive shares.
4. Diluted net income per share for the six months ended December 20, 2016 is not recorded because there were no dilutive shares with a dilutive effect.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 20, 2017	54,448	22,289	40.9
As of June 20, 2017	51,868	15,178	29.3

(Reference) Equity: As of December 20, 2017: ¥22,289 million

As of June 20, 2017: ¥15,178 million

The Company was established, as of December 21, 2017, as a holding company through the sole transfer of Genky Stores, Inc.'s shares. Therefore, this consolidated financial results for the six months ended December 20, 2017 reports on the consolidated financial position of Genky Stores, Inc. which is a subsidiary.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	—	20.00	—	12.50	—
Fiscal 2017	—	12.50			
Fiscal 2017 (Forecast)			—	10.00	22.50

(Note) Revision to the forecast for dividends announced most recently: No

Genky Stores, Inc. implemented a two-for-one stock split of its shares (common stock) effective as of April 11, 2017. The dividend as of the end of the second quarter ended December 20, 2016 shows the actual amount of dividend prior to the stock split.

Year-end dividend for the fiscal 2016 and 2nd quarter-end dividend for the fiscal 2017 include a commemorative dividend of ¥2.50.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 20, 2018 (June 21, 2017 to June 20, 2018)

(% 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
Full year	103,000	23.5	4,600	19.5	4,850	18.6	3,370	18.4
								223.21

(Note) Revision to the financial results forecast announced most recently: No

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) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stock)

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

As of December 20, 2017: 15,477,484 shares

As of June 20, 2017: 14,103,200 shares

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

As of December 20, 2017: — shares

As of June 20, 2017: 1,084 shares

3) Average number of shares during the period:

Six months ended December 20, 2017: 14,719,452 shares

Six months ended December 20, 2016: 14,102,214 shares

(Note) Genky Stores, Inc. implemented a two-for-one stock split of its shares (common stock) effective as of April 11, 2017. The total number of issued shares (common stock) is calculated assuming that the said stock split was implemented at the beginning of the fiscal year ended June 20, 2016.

* These quarterly financial results are not subject to audit.

* 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.