

Consolidated Financial Results for the Fiscal Year Ended December 31, 2019 [Japanese GAAP]



February 14, 2020

Company name: LEGS COMPANY, LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4286
 URL: <http://www.legs.co.jp/>
 Representative: Junichiro Uchikawa, President & CEO
 Contact: Makoto Yoneyama, Senior Managing Director, General Manager of Administration Division
 Phone: +81-3-3408-3090
 Scheduled date of Annual General Meeting of Shareholders: March 26, 2020
 Scheduled date of commencing dividend payments: March 27, 2020
 Scheduled date of filing annual securities report: March 27, 2020
 Availability of supplementary briefing material on annual financial results: Not available
 Schedule of annual financial results briefing session: Scheduled (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2019 (January 1, 2019 to December 31, 2019)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2019	16,522	15.8	1,132	7.4	1,151	6.2	1,163	49.8
December 31, 2018	14,270	7.1	1,054	24.6	1,083	17.1	776	23.4

(Note) Comprehensive income: Fiscal year ended December 31, 2019: ¥1,088 million [12.6%]

Fiscal year ended December 31, 2018: ¥966 million [38.3%]

	Net income per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2019	110.26	109.55	18.6	13.2	6.9
December 31, 2018	73.59	72.83	14.2	14.1	7.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2019: ¥- million

Fiscal year ended December 31, 2018: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2019	9,461	6,731	70.6	631.48
As of December 31, 2018	8,043	5,853	72.0	552.30

(Reference) Equity: As of December 31, 2019: ¥6,682 million

As of December 31, 2018: ¥5,794 million

(3) Consolidated Cash Flows

	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2019	520	431	(217)	3,873
December 31, 2018	711	(114)	(314)	3,145

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2018	-	0.00	-	23.00	23.00	243	31.3	4.4
December 31, 2019	-	0.00	-	34.00	34.00	363	30.8	5.7
Fiscal year ending December 31, 2020 (Forecast)	-	0.00	-	33.00	33.00		30.5	

(Note) Total dividends include the dividends of 2 million yen for the fiscal year ended December 31, 2018 and the dividends of 3 million yen for the fiscal year ended December 31, 2019 for the Japanese Employee Stock Ownership Plan (J-ESOP).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2020 (January 1, 2020 to December 31, 2020)

(% indicates changes from the previous corresponding period.)

	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	8,000	(1.2)	400	(40.7)	370	(46.6)	569	21.5	53.77
Full year	18,000	8.9	1,250	10.4	1,200	4.2	1,145	(1.5)	108.20

***Notes:**

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

- (2) 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: Yes
3) Changes in accounting estimates: No
4) Retrospective restatement: No

- (3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2019: 10,840,000 shares
December 31, 2018: 10,840,000 shares
2) Total number of treasury shares at the end of the period:
December 31, 2019: 257,680 shares
December 31, 2018: 348,831 shares
3) Average number of shares during the period:
Fiscal year ended December 31, 2019: 10,548,267 shares
Fiscal year ended December 31, 2018: 10,548,145 shares

(Note) With the introduction of the Japanese Employee Stock Ownership Plan (J-ESOP), the Company's stock held by the Trust Account (fiscal year ended December 31, 2019: 99,800 shares, fiscal year ended December 31, 2018: 100,000 shares) is included in the total number of treasury shares at the end of the period. The Company's stock held by the Trust Account (fiscal year ended December 31, 2019: 99,800 shares, fiscal year ended December 31, 2018: 100,000 shares) is included in the treasury shares deducted in the calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2019 (January 1, 2019 to December 31, 2019)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2019	16,288	17.0	1,145	11.8	1,161	10.4	1,180	59.5
December 31, 2018	13,926	7.0	1,024	21.0	1,052	14.5	739	16.4

	Net income per share		Diluted net income per share	
Fiscal year ended	Yen		Yen	
December 31, 2019	111.87		111.16	
December 31, 2018	70.12		69.39	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2019	9,248	6,541	70.2	613.48
As of December 31, 2018	7,769	5,634	71.8	531.42

(Reference) Equity: As of December 31, 2019: ¥ 6,492 million

As of December 31, 2018: ¥ 5,575 million

*These financial results are outside the scope of audit by Certified Public Accountants or the audit firm.

*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 available as of this moment and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “1. Overview of business results, etc. (1) Overview of business results for the fiscal year under review” on page 2 of the attached materials for assumptions to the financial results forecast and notes to the use of financial results forecast.