Consolidated Financial Results for the Fiscal Year Ended December 31, 2018 [Japanese GAAP]

February 14, 2019

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 27, 2019
Scheduled date of commencing dividend payments: March 28, 2019
Scheduled date of filing annual securities report: March 28, 2019
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, 2018 (January 1, 2018 to December 31, 2018)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2018	14,270	7.1	1,054	24.6	1,083	17.1	776	23.4
December 31, 2017	13,321	4.5	846	(1.8)	925	5.8	629	18.6

(Note) Comprehensive income: Fiscal year ended December 31, 2018: ¥966 million [38.3%]
Fiscal year ended December 31, 2017: ¥699 million [34.9%]

	Net income per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2018	73.59	72.83	14.2	14.1	7.4
December 31, 2017	59.99	59.25	12.9	13.4	6.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2018: ¥- million
Fiscal year ended December 31, 2017: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2018	8,043	5,853	72.0	552.30
As of December 31, 2017	7,354	5,190	69.8	487.12

(Reference) Equity: As of December 31, 2018: ¥5,794 million
As of December 31, 2017: ¥5,133 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, 2018	711	(114)	(314)	3,145
December 31, 2017	1,013	102	(170)	2,884

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, 2017	-	0.00	-	19.00	19.00	202	31.7	4.1
December 31, 2018	-	0.00	-	23.00	23.00	243	31.3	4.4
Fiscal year ending December 31, 2019 (Forecast)	-	0.00	-	24.00	24.00		32.3	

(Note) Total dividends include the dividends of 1 million yen for the fiscal year ended December 31, 2017 and the dividends of 2 million yen for the fiscal year ended December 31, 2018 for the Japanese Employee Stock Ownership Plan (J-ESOP).

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

(% 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	7,400	18.1	400	(1.3)	400	(5.8)	284	(5.3)	27.07
Full year	16,000	12.1	1,100	4.3	1,100	1.5	780	0.5	74.35

***Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
Newly included: -
Excluded: 1 (Name of company) LEGS MARKETING SERVICES (MALAYSIA) SDN.BHD.

(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: No
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, 2018: 10,840,000 shares
December 31, 2017: 10,840,000 shares
2) Total number of treasury shares at the end of the period:
December 31, 2018: 348,831 shares
December 31, 2017: 302,000 shares
3) Average number of shares during the period:
Fiscal year ended December 31, 2018: 10,548,145 shares
Fiscal year ended December 31, 2017: 10,489,267 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, 2018: 100,000 shares, fiscal year ended December 31, 2017: 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, 2018: 100,000 shares, fiscal year ended December 31, 2017: 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, 2018 (January 1, 2018 to December 31, 2018)

(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, 2018	13,926	7.0	1,024	21.0	1,052	14.5	739	16.4
December 31, 2017	13,013	4.3	846	(3.9)	919	4.1	635	28.2

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
December 31, 2018	70.12	69.39
December 31, 2017	60.59	59.84

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2018	7,769	5,634	71.8	531.42
As of December 31, 2017	7,070	4,991	69.8	468.25

(Reference) Equity: As of December 31, 2018: ¥5,575 million
As of December 31, 2017: ¥4,934 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.