

## Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 [Japanese GAAP] (Consolidated)

August 12, 2015  
Stock Listing: TSE

Name of Listed Company: UCHIYAMA HOLDINGS INC.  
Code Number: 6059 URL: <http://www.uchiyama-gr.jp>  
Representative: Fumiharu Uchiyama, President and Representative Director  
Contact Point: Takehiro Yamamoto, Senior Managing Director and Manager of Business Planning Office  
Phone: (093) 551-0002  
Scheduled Date of Dividend Payment Start: —  
Scheduled Date of Financial Statements Filing: August 13, 2015  
Supplementary materials for Financial Results: None  
Investor conference for Financial Results: None

(Amounts are rounded down to the nearest one million yen)

### 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 – June 30, 2015)

#### (1) Consolidated Financial Results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2016 1Q	5,619	(1.8)	(17)	—	29	(92.0)	92	(55.2)
FY 2015 1Q	5,720	12.0	367	(22.6)	371	(21.9)	206	(27.1)

(Note) Comprehensive income FY 2016 1Q: ¥ 94 million (-55.5%) FY 2015 1Q: 211 million (-27.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2016 1Q	4.29	4.28
FY 2015 1Q	9.56	9.55

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
FY 2016 1Q	32,763	15,371	46.9
FY 2015	32,693	15,386	47.0

(Reference) Equity capital: FY 2016 1Q: ¥15,364 million FY 2015: ¥15,378 million

### 2. Dividends

	Dividends per share				
	End of the 1Q	End of the 2Q	End of the 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2015	—	6.00	—	5.00	11.00
FY 2016	—				
FY 2016 (forecast)		5.00	—	5.00	10.00

(Note) Changes from the latest dividend forecast: None

### 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(% of change from previous year for full year, same quarter of the previous year for 2Q)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (cumulative)	12,358	6.4	697	(7.0)	730	(11.9)	433	(9.4)	20.07
Full year	25,670	8.6	1,673	16.8	1,696	9.1	1,054	(18.2)	48.78

(Note) Changes from the latest financial forecast: None

\*Notes

(1) Important transfers in subsidiaries during the consolidated cumulative first quarter of this fiscal year: None

(2) Special accounting policies applied in preparation of the quarterly consolidated financial statements: None

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

- 1) Changes in accounting policies due to revisions of accounting standards: Yes
- 2) Changes in accounting policies due to reasons other than above 1): None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

For further details, please refer to appendix on Page 5, “2. Notes on Summary Information (Notes), (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement.”

(4) Number of outstanding shares (common stock)

1) Number of outstanding shares (including treasury stock) at end of term	FY 2016 1Q	21,618,800 shares	FY 2015	21,618,800 shares
2) Number of treasury stock at end of term	FY 2016 1Q	376 shares	FY 2015	376 shares
3) Average number of shares	FY 2016 1Q	21,618,424 shares	FY 2015 1Q	21,618,424 shares

\* Information Regarding Implementation of Quarterly Review Procedures

- The quarterly auditing procedures of the Financial Instruments and Exchange Act do not apply to the financial results, and at the time of release the review procedures of financial statements have not been completed in accordance with the Financial Instruments and Exchange Act.

\* Statement regarding the proper use of financial forecasts and other remarks

- Descriptions regarding the future, including the financial projections contained in this report, are based on certain assumptions currently available to the Company, which are, at the discretion of the Company, deemed reasonable. Actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results and precautions in using the financial projections, please refer to appendix on Page 4, “1. Qualitative Information Concerning Financial Results (3) Analysis Concerning Future Forecasts Including Consolidated Financial Projections.”
- We hold a meeting for explaining our businesses and results to individual investors when necessary. For the schedule of the meeting, etc., please see the website of our company.

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## 1. Qualitative Information Concerning Financial Results

### (1) Analysis Concerning Results of Operations

(Results of operations during the first quarter of current FY)

In the first quarter of this consolidated fiscal year, the Japanese economy is recovering gently, as corporate performance has improved due to the yen depreciation and the low prices of crude oil.

The recovery of the global economy is gentle, as the U.S. economy has been recovering in a healthy manner, but there are some uncertainties, including the risk of a downturn of the Chinese economy and the Greek debt issue.

Amid this business environment, our corporate group has carried out sales activities, etc. actively based on our business strategies in each segment. In addition, we made efforts to improve the added values of our services, by planning and implementing various measures for boosting synergetic effects among Nursing Care, Karaoke, and Restaurant Businesses.

As for expenditures, we streamlined our business administration by reducing costs, to stabilize our business performance. As a result, sales of the first quarter of the current consolidated fiscal year were 5,619,192 thousand yen (down 1.8% Year-on-Year (YoY)), operating loss was 17,448 thousand yen (operating income was 367,616 thousand yen during the same term last year), ordinary income was 29,573 thousand yen (down 92.0% YoY), and profit attributable to owners of parent was 92,704 thousand yen (down 55.2% YoY).

The results of each segment were as follows.

#### (1) Nursing Care Business

For the Nursing Care Business segment, we established the group home “Sawayaka Group Home Nasumachi (18 beds)” in April, and the charged nursing home for the elderly with a short-stay facility “Sawayaka Kanuma-kan (50 beds for the charged nursing home for the elderly, 14 beds for short stay)” and the charged nursing home for the elderly “Sawayaka Ohmiya-kan (50 beds)” in May. Accordingly, we have 64 business sites and 127 offices as of the end of the first quarter of this fiscal term. In order to decrease the vacant rooms of our existing facilities, we strived to cement the cooperative relations with nearby hospitals and in-home nursing care supporting offices by visiting them. On the other hand, there were expenditures as the remuneration rate for nursing care decreased in Apr. 2015 and some fixed costs, including management personnel and facilities maintenance expenses, for the charge nursing-care homes for the elderly established in the previous term and this quarter, and this affected the income for this quarter. As a result, sales were 3,035,593 thousand yen (up 10.3% YoY) and segment income was 112,507 thousand yen (down 49.8% YoY).

#### (2) Karaoke Business

For the Karaoke Business segment, we made efforts to recover the number of customers by renewing 7 existing stores, etc. We also strived to increase repeat customers by promoting all-you-can-drink courses and the special membership privilege for customers aged over 65 “Sawayaka Gold Member’s Card.” As a result, sales were 1,995,920 thousand yen (down 2.7% YoY) and segment income was 124,689 thousand yen (down 61.2% YoY). In this quarter, we did not open any new stores, but closed one store. Accordingly, the number of stores is 98 as of the end of this quarter.

#### (3) Restaurant Business

For the Restaurant Business segment, we renewed one existing store. In addition, we opened the second overseas store “Kantekiya Thonglor” in Bangkok, Thailand in March. Accordingly, the number of stores as of the end of this first quarter is 30. At existing stores, the number of customers is decreasing, and so we made efforts to increase customers with limited offers and promote drinking parties, etc. by visiting companies, to increase corporate clients. As a result, sales were 474,260 thousand yen (down 0.7% YoY) and segment loss was 19,651 thousand yen (segment income was 32,655 thousand yen during the same term last year).

#### (4) Real Estate Business

For the Real Estate Business segment, the Company Group’s core businesses activities are sales/purchase of real estate

properties for sale and intermediary work for rental properties. As a result, sales were 44,245 thousand yen (down 87.5% YoY) and segment income was 7,567 thousand yen (down 69.0% YoY).

(5) Other businesses

In the Other businesses segment, for the hotel business, the Company Group made efforts to increase guests using advertisement media in order to secure demand associated with increasing domestic travels influenced by depreciation of yen. As a result, sales were 69,172 thousand yen (down 18.3% YoY) and segment loss was 321 thousand yen (segment income was 316 thousand yen during the same term last year).

## (2) Analysis Concerning Financial Situation

Total assets as of the end of the first quarter of this consolidated fiscal year came to 32,763,060 thousand yen, up 69,882 thousand yen from the end of the previous consolidated fiscal year.

Current assets came to 15,550,419 thousand yen, down 651,107 thousand yen from the end of the previous consolidated fiscal year. This is mainly because cash and deposit decreased.

Noncurrent assets came to 17,212,640 thousand yen, up 720,990 thousand yen from the end of the previous consolidated fiscal year. This is mainly because buildings and structures, investments and other assets increased.

Liabilities as of the end of the first quarter of this consolidated fiscal year came to 17,391,078 thousand yen, up 83,916 from the end of the previous consolidated fiscal year.

Current liabilities came to 7,412,531 thousand yen, up 332,385 thousand yen from the end of the previous consolidated fiscal year. This is mainly because short-term loans payable and provision for bonuses augmented while notes and accounts payable-trade and current portion of long-term loans payable decreased.

Noncurrent liabilities came to 9,978,546 thousand yen, down 248,469 thousand yen from the end of the previous consolidated fiscal year. This is mainly because long-term loans payable decreased.

Net assets as of the end of the first quarter of this consolidated fiscal year came to 15,371,981 thousand yen, down 14,033 thousand yen from the end of the previous consolidated fiscal year. This is mainly because retained earnings increased due to the posting of profit attributable to owners of parent, and decreased due to the payment of dividends.

Consequently, the equity ratio as of the end of the first quarter of this consolidated fiscal year was 46.9%. As for the liquidity of funds, the current ratio as of the end of the first quarter of this consolidated fiscal year was 209.8%. We will boost this ratio, in order to secure sufficient liquidity.

## (3) Analysis Concerning Future Forecasts Including Consolidated Financial Projections

As for the consolidated financial projections for the term ending March 2016, there are no changes to the estimated values announced on May 11, 2015.

## 2. Notes on Summary Information (Notes)

### (1) Important Transfers in Subsidiaries during the Consolidated Cumulative First Quarter of This Fiscal Year

None

### (2) Special Accounting Policies Applied in Preparation of the Quarterly Consolidated Financial Statements

None

### (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement

The “Accounting Standard for Business Combination” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Revised Accounting Standard for Business Divestures,” (ASBJ Statement No. 7, September 13, 2013) shall be applied from the consolidated first quarter of this fiscal year. We changed the indication of quarterly net profit, etc. and shifted from minority interest to non-controlling interest.

In order to reflect these revisions, quarterly and annual consolidated financial statements for the previous consolidated cumulative first quarter and the previous consolidated accounting period have been reproduced.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(Thousands of yen)	
	FY ended March 31, 2015 (As of March 31, 2015)	1Q of FY ending March 31, 2016 (As of June 30, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	11,925,172	11,178,439
Notes and accounts receivable-trade	1,418,113	1,414,189
Merchandise	72,350	65,535
Real estate for sale	720,149	779,299
Supplies	39	39
Other	2,086,535	2,134,521
Allowance for doubtful accounts	(20,833)	(21,605)
Total current assets	16,201,527	15,550,419
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,129,636	7,401,153
Land	3,729,127	3,733,018
Other, net	1,447,276	1,330,189
Total property, plant and equipment	12,306,040	12,464,362
Intangible assets	61,182	60,118
Investments and other assets		
Other	4,212,393	4,775,680
Allowance for doubtful accounts	(87,966)	(87,520)
Total investments and other assets	4,124,427	4,688,159
Total noncurrent assets	16,491,650	17,212,640
Total assets	32,693,177	32,763,060
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	331,926	266,287
Short-term loans payable	1,489,000	1,922,000
Current portion of bonds	35,000	35,000
Current portion of long-term loans payable	2,589,297	2,518,577
Income taxes payable	140,465	80,202
Provision for bonuses	197,316	297,573
Provision for point card certificates	271,571	299,448
Provision for shareholder benefit program	12,050	12,050
Other	2,013,518	1,981,392
Total current liabilities	7,080,146	7,412,531
Noncurrent liabilities		
Bonds payable	35,000	35,000
Long-term loans payable	8,281,439	8,111,973
Asset retirement obligation	199,909	208,691
Other	1,710,666	1,622,882
Total noncurrent liabilities	10,227,016	9,978,546
Total liabilities	17,307,162	17,391,078

(Thousands of yen)

	FY ended March 31, 2015 (As of March 31, 2015)	1Q of FY ending March 31, 2016 (As of June 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	2,222,935	2,222,935
Capital surplus	2,676,892	2,676,892
Retained earnings	10,446,116	10,430,729
Treasury stock	(237)	(237)
Total shareholders' equity	15,345,707	15,330,319
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,897	33,582
Foreign currency translation adjustment	705	1,031
Total accumulated other comprehensive income	32,602	34,613
Non-controlling interests in income	7,705	7,048
Total net assets	15,386,015	15,371,981
Liabilities and net assets	32,693,177	32,763,060

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Cumulative period through the consolidated first quarter of current fiscal year

	(Thousands of yen)	
	1Q of FY ended March 31, 2015 (April 1,2014- June 30, 2014)	1Q of FY ending March 31, 2016 (April 1,2015- June 30, 2015)
Net sales	5,720,500	5,619,192
Cost of sales	4,999,458	5,249,317
Gross profit	721,042	369,874
Selling, general and administrative expenses	353,425	387,322
Operating income (loss)	367,616	(17,448)
Non-operating income		
Interest income	1,785	1,934
Dividends income	508	1,027
Commission fee	12,525	17,207
Subsidy income	1,747	45,820
Other	29,735	15,930
Total non-operating income	46,302	81,919
Non-operating expenses		
Interest expenses	34,465	33,299
Other	7,678	1,599
Total non-operating expenses	42,144	34,898
Ordinary income	371,775	29,573
Extraordinary income		
Gain on sales of noncurrent assets	-	123,537
Total extraordinary income	-	123,537
Income before income taxes	371,775	153,110
Income taxes-current	152,273	62,196
Income taxes-deferred	12,757	(794)
Total income taxes	165,031	61,402
Net income	206,744	91,708
Net profit (loss) before non-controlling interests	-	(995)
Profit attributable to owners of parent	206,744	92,704

Consolidated Statements of comprehensive income

Cumulative period through the consolidated first quarter of current fiscal year

(Thousands of yen)

	1Q of FY ended March 31, 2015 (April 1,2014- June 30, 2014)	1Q of FY ending March 31, 2016 (April 1,2015- June 30, 2015)
Net income	206,744	91,708
Other comprehensive income		
Valuation difference on available-for-sale securities	4,804	1,685
Foreign currency translation adjustment	-	664
Total other comprehensive income	4,804	2,349
Comprehensive income	211,548	94,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	211,548	94,715
Comprehensive income attributable to non-controlling interests	-	(656)

(3) Notes Regarding Consolidated Financial Statements

(Notes Regarding Premise of a Going Concern)

Nothing is applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Nothing is applicable.

(Segment Information, etc.)

I. Cumulative period through the consolidated first quarter of the previous fiscal year (April 1 – June, 30, 2014)

1. Information on sales, profits or losses, assets, liabilities, and other items for each segment

(Thousands of yen)

	Reporting segments					Others (Note) *1	Total	Adjustment Amount*2	Consolidated balance sheet amount*3
	Nursing-care Business	Karaoke Business	Restaurant Business	Real Estate Business	Total				
Sales									
Sales to external customers	2,752,855	2,052,190	477,375	353,391	5,635,812	84,688	5,720,500	—	5,720,500
Internal sales or transferred amount among the segments	—	74	11,891	2,632	14,598	29	14,627	(14,627)	—
Total	2,752,855	2,052,265	489,266	356,024	5,650,411	84,717	5,735,128	(14,627)	5,720,500
Segment income	224,219	320,957	32,655	24,411	602,243	316	602,560	(234,943)	367,616

(Note) 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes hotel business and communication business.

2. The segment income adjustments amount, -234,943 thousand yen, includes -349,634 thousand yen in company-wide expenses that are not allocated to reporting segments and 114,690 thousand yen in inter-segment eliminations. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

I. Cumulative period through the consolidated first quarter of current fiscal year (April 1 – June, 30, 2015)

1. Information on sales, profits or losses, assets, liabilities, and other items for each segment

(Thousands of yen)

	Reporting segments					Others (Note) *1	Total	Adjustment Amount*2	Consolidated balance sheet amount*3
	Nursing-care Business	Karaoke Business	Restaurant Business	Real Estate Business	Total				
Sales									
Sales to external customers	3,035,593	1,995,920	474,260	44,245	5,550,019	69,172	5,619,192	—	5,619,192
Internal sales or transferred amount among the segments	—	76	9,913	—	9,989	—	9,989	(9,989)	—
Total	3,035,593	1,995,996	484,173	44,245	5,560,009	69,172	5,629,181	(9,989)	5,619,192
Segment income (loss)	112,507	124,689	(19,651)	7,567	225,112	(321)	224,790	(242,238)	(17,448)

(Note) 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes hotel business and communication business.

2. The segment income adjustments amount, -242,238 thousand yen, includes -357,170 thousand yen in company-wide expenses that are not allocated to reporting segments and 114,931 thousand yen in inter-segment eliminations. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

(Significant subsequent event)

Sawayaka Club Co., Ltd., which is a consolidated subsidiary of our company, concluded a contract for taking over the business of operating charged nursing-care homes for the elderly from Yorozyua Yugen Kaisha based on the resolution at the meeting of the board of directors on July 3, 2015.

1. Purpose in taking over the business

Sawayaka Club Co., Ltd., which is a consolidated subsidiary of our company, considers that it is important to increase the number of established nursing-care facilities as a growth strategy, and taking over the business would enable us to increase facilities and expand our businesses in Kyushu, especially Oita.

2. Outline of the transferred business

(1) Name of the other company: Yorozyua Yugen Kaisha

(2) Content of the transferred business: Businesses regarding the operation of charged nursing-care homes for the elderly

3. Price of the transfer

Transfer price: 215,000 thousand yen

4. Goodwill amount, the reason why goodwill emerged, amortization method and period

To be determined.

5. Major breakdown of assets that have increased through the business transfer  
Transferred assets and liabilities are being calculated.

6. Date of business transfer (scheduled)  
Oct. 1, 2015