

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 4, 2021

Company name: MATSUYA FOODS HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9887 URL <https://www.matsuyafoods-holdings.co.jp>  
 Representative: President and Representative Director Kazutoshi Kawarabuki  
 Inquiries: Senior Managing Director Kiichiro Tanzawa TEL 0422-38-1121  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: December 9, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	45,173	0.5	(2,136)	–	1,898	–	790	–
Six months ended September 30, 2020	44,931	(13.7)	(2,455)	–	(2,373)	–	(2,531)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	41.50		–	
Six months ended September 30, 2020	(132.84)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	72,408	40,512	56.0	2,125.99
As of March 31, 2021	74,545	40,121	53.8	2,105.44

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	12.00	–	12.00	24.00
Year ending March 31, 2022	–	12.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	96,100	1.8	(3,700)	–	4,200	–	2,000	–	104.95

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	19,063,968 shares	As of March 31, 2021	19,063,968 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	8,140 shares	As of March 31, 2021	7,864 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	19,056,009 shares	Six months ended September 30, 2020	19,056,270 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	13,691,494	11,147,997
Notes and accounts receivable - trade	2,123,130	–
Notes and accounts receivable - trade, and contract assets	–	1,980,916
Merchandise and finished goods	754,520	886,832
Raw materials and supplies	3,908,718	6,387,958
Other	3,124,856	1,152,601
<b>Total current assets</b>	<b>23,602,720</b>	<b>21,556,306</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	18,743,998	18,772,043
Machinery, equipment and vehicles, net	2,772,304	2,996,298
Tools, furniture and fixtures, net	2,208,390	2,165,633
Leased assets, net	627,289	843,508
Land	9,341,954	9,344,454
Construction in progress	337,809	149,614
<b>Total property, plant and equipment</b>	<b>34,031,747</b>	<b>34,271,552</b>
<b>Intangible assets</b>		
Software	391,783	373,949
Other	52,586	92,409
<b>Total intangible assets</b>	<b>444,370</b>	<b>466,358</b>
<b>Investments and other assets</b>		
Investment securities	72,137	72,207
Leasehold and guarantee deposits	11,875,177	11,567,154
Long-term prepaid expenses	369,573	351,929
Deposits for stores in preparation	112,021	206,607
Deferred tax assets	3,044,128	2,922,369
Investment property, net	188,327	186,334
Other	814,926	816,822
Allowance for doubtful accounts	(9,506)	(9,359)
<b>Total investments and other assets</b>	<b>16,466,786</b>	<b>16,114,067</b>
<b>Total non-current assets</b>	<b>50,942,904</b>	<b>50,851,979</b>
<b>Total assets</b>	<b>74,545,624</b>	<b>72,408,285</b>

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	2,441,520	1,868,321
Short-term borrowings	4,182,908	4,100,079
Current portion of long-term borrowings	3,364,364	3,263,982
Accounts payable - other	4,015,710	3,519,595
Lease obligations	238,607	227,833
Income taxes payable	431,632	619,275
Provision for bonuses	1,222,235	1,164,908
Other	1,091,162	1,069,578
<b>Total current liabilities</b>	<b>16,988,140</b>	<b>15,833,572</b>
<b>Non-current liabilities</b>		
Long-term borrowings	14,161,140	12,514,652
Provision for retirement benefits for directors (and other officers)	567,800	567,800
Lease obligations	442,961	692,170
Asset retirement obligations	2,109,238	2,143,342
Deferred tax liabilities	6,115	3,835
Other	148,713	140,397
<b>Total non-current liabilities</b>	<b>17,435,970</b>	<b>16,062,198</b>
<b>Total liabilities</b>	<b>34,424,111</b>	<b>31,895,770</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,655,932	6,655,932
Capital surplus	6,963,229	6,963,229
Retained earnings	26,584,954	26,984,317
Treasury shares	(17,015)	(17,998)
<b>Total shareholders' equity</b>	<b>40,187,100</b>	<b>40,585,481</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	931	980
Foreign currency translation adjustment	(66,518)	(73,947)
<b>Total accumulated other comprehensive income</b>	<b>(65,586)</b>	<b>(72,966)</b>
<b>Total net assets</b>	<b>40,121,513</b>	<b>40,512,514</b>
<b>Total liabilities and net assets</b>	<b>74,545,624</b>	<b>72,408,285</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	44,931,883	45,173,954
Cost of sales	15,410,790	15,751,319
Gross profit	29,521,092	29,422,634
Selling, general and administrative expenses	31,976,995	31,558,868
Operating loss	(2,455,902)	(2,136,233)
Non-operating income		
Interest income	9,511	8,295
Dividend income	1,575	1,563
Rental income	90,452	99,654
Subsidy incomes	–	3,877,849
Other	157,460	201,474
Total non-operating income	258,998	4,188,837
Non-operating expenses		
Interest expenses	40,925	41,276
Rental expenses	99,562	97,119
Other	35,697	15,591
Total non-operating expenses	176,185	153,988
Ordinary profit (loss)	(2,373,089)	1,898,615
Extraordinary income		
Gain on sale of non-current assets	17	1,010
Compensation income	25,000	–
Compensation for expropriation	70,475	–
Gain on receipt of donated non-current assets	–	4,084
Gain on forgiveness of debts	–	62,673
Other	551	556
Total extraordinary income	96,045	68,324
Extraordinary losses		
Loss on retirement of non-current assets	2,955	13,326
Loss on store closings	24,871	36,582
Loss on sale of non-current assets	397	634
Impairment losses	1,253,024	313,522
Other	–	4,745
Total extraordinary losses	1,281,248	368,811
Profit (loss) before income taxes	(3,558,293)	1,598,128
Income taxes - current	373,588	601,642
Income taxes - deferred	(1,400,458)	205,608
Total income taxes	(1,026,869)	807,251
Profit (loss)	(2,531,423)	790,877
Profit (loss) attributable to owners of parent	(2,531,423)	790,877

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(2,531,423)	790,877
Other comprehensive income		
Valuation difference on available-for-sale securities	(92)	49
Foreign currency translation adjustment	(739)	(7,429)
Total other comprehensive income	(831)	(7,379)
Comprehensive income	(2,532,254)	783,497
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,532,254)	783,497
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(3,558,293)	1,598,128
Depreciation and amortization	2,109,981	1,909,996
Impairment losses	1,253,024	313,522
Increase (decrease) in provision for bonuses	154,987	(57,645)
Interest and dividend income	(11,086)	(9,858)
Interest expenses	40,925	41,276
Subsidy incomes	–	(3,877,849)
Loss (gain) on sale and retirement of property, plant and equipment	(67,140)	12,950
Loss on store closings	24,871	36,582
Transfer adjust expenses from Construction in progress and deposits for stores in preparation	450,304	497,314
Decrease (increase) in trade receivables	599,234	143,181
Decrease (increase) in inventories	(401,567)	(2,614,542)
Increase (decrease) in trade payables	(158,325)	(574,611)
Increase (decrease) in accrued consumption taxes	(2,681,962)	(233,621)
Decrease (increase) in consumption taxes refund receivable	985,024	682,074
Other, net	(571,760)	(78,460)
Subtotal	(1,831,781)	(2,211,560)
Subsidies received	–	5,073,849
Income taxes paid	(1,622,789)	(402,586)
Net cash provided by (used in) operating activities	(3,454,570)	2,459,701
Cash flows from investing activities		
Purchase of property, plant, equipment and the increase of construction in progress	(4,166,215)	(2,638,127)
Proceeds from sales of property, plant and equipment and expropriation	70,523	1,011
Expenses from the increase of lease, guarantee deposits, and deposits for stores in preparation	(314,030)	(289,100)
Proceeds from collection of lease, guarantee deposits and deposits for stores in preparation	236,944	253,316
Interest and dividends received	4,429	1,894
Other, net	(88,038)	(138,855)
Net cash provided by (used in) investing activities	(4,256,387)	(2,809,860)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	4,099,681	77
Repayments of short-term borrowings	–	(86,369)
Proceeds from long-term borrowings	7,256,631	–
Repayments of long-term borrowings	(1,138,442)	(1,692,026)
Repayments of lease obligations	(260,192)	(157,416)
Proceeds from sale of treasury shares	191	–
Purchase of treasury shares	(200)	(982)
Interest paid	(43,378)	(39,274)
Dividends paid	(228,674)	(228,673)
Net cash provided by (used in) financing activities	9,685,615	(2,204,664)
Effect of exchange rate change on cash and cash equivalents	(4,069)	11,326
Net increase (decrease) in cash and cash equivalents	1,970,587	(2,543,496)
Cash and cash equivalents at beginning of period	8,563,917	10,591,494
Cash and cash equivalents at end of period	10,534,505	8,047,997