

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 4, 2022

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 11, 2022
 Scheduled date to commence dividend payments: December 8, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	51,113	13.1	232	–	2,447	28.9	953	20.5
Six months ended September 30, 2021	45,173	0.5	(2,136)	–	1,898	–	790	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	50.03		–	
Six months ended September 30, 2021	41.50		–	

(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, 2022	77,668	41,285	53.2	2,166.58
As of March 31, 2022	76,955	40,591	52.7	2,130.16

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, 2022	–	12.00	–	12.00	24.00
Year ending March 31, 2023	–	12.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	104,500	10.6	1,000	–	3,300	(48.4)	1,400	26.7	73.47

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: No
- 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, 2022	19,063,968 shares	As of March 31, 2022	19,063,968 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	8,269 shares	As of March 31, 2022	8,140 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, 2022	19,055,772 shares	Six months ended September 30, 2021	19,056,009 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,391,129	14,602,157
Notes and accounts receivable - trade, and contract assets	2,576,459	2,668,441
Merchandise and finished goods	828,415	1,105,148
Raw materials and supplies	7,494,558	6,836,787
Other	1,529,343	1,176,850
Total current assets	25,819,906	26,389,385
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,344,601	18,472,497
Machinery, equipment and vehicles, net	2,706,211	2,622,694
Tools, furniture and fixtures, net	2,196,517	2,291,130
Leased assets, net	1,210,193	1,246,727
Land	9,344,454	9,344,454
Construction in progress	264,460	149,290
Total property, plant and equipment	34,066,440	34,126,795
Intangible assets		
Software	413,553	409,873
Other	58,902	67,629
Total intangible assets	472,455	477,503
Investments and other assets		
Investment securities	89,746	89,730
Leasehold and guarantee deposits	11,509,898	11,455,691
Long-term prepaid expenses	293,264	292,718
Deposits for stores in preparation	190,272	329,970
Deferred tax assets	3,450,529	3,450,108
Investment property, net	199,477	192,655
Other	872,399	873,098
Allowance for doubtful accounts	(9,329)	(9,301)
Total investments and other assets	16,596,259	16,674,672
Total non-current assets	51,135,155	51,278,971
Total assets	76,955,062	77,668,357

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,980,808	1,814,343
Short-term borrowings	—	3,200,000
Current portion of long-term borrowings	3,888,872	3,838,712
Accounts payable - other	4,516,526	4,222,908
Lease liabilities	307,036	329,932
Income taxes payable	2,162,087	799,924
Provision for bonuses	1,229,130	1,208,582
Other	1,383,872	1,916,759
Total current liabilities	15,468,333	17,331,163
Non-current liabilities		
Long-term borrowings	15,157,742	13,258,166
Provision for retirement benefits for directors (and other officers)	567,800	567,800
Lease liabilities	1,014,659	1,031,611
Asset retirement obligations	3,999,159	4,041,460
Deferred tax liabilities	4,222	3,793
Other	151,248	148,659
Total non-current liabilities	20,894,831	19,051,490
Total liabilities	36,363,165	36,382,654
Net assets		
Shareholders' equity		
Share capital	6,655,932	6,655,932
Capital surplus	6,963,229	6,963,229
Retained earnings	27,069,804	27,794,493
Treasury shares	(17,998)	(18,512)
Total shareholders' equity	40,670,967	41,395,142
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064	1,054
Foreign currency translation adjustment	(80,136)	(110,493)
Total accumulated other comprehensive income	(79,071)	(109,439)
Total net assets	40,591,896	41,285,703
Total liabilities and net assets	76,955,062	77,668,357

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, 2021	Six months ended September 30, 2022
Net sales	45,173,954	51,113,984
Cost of sales	15,751,319	17,160,665
Gross profit	29,422,634	33,953,318
Selling, general and administrative expenses	31,558,868	33,720,590
Operating profit (loss)	(2,136,233)	232,728
Non-operating income		
Interest income	8,295	7,663
Dividend income	1,563	1,869
Rental income	99,654	103,460
Subsidy incomes	3,877,849	1,968,689
Other	201,474	290,837
Total non-operating income	4,188,837	2,372,520
Non-operating expenses		
Interest expenses	41,276	41,313
Rental expenses	97,119	99,531
Other	15,591	17,038
Total non-operating expenses	153,988	157,883
Ordinary profit	1,898,615	2,447,365
Extraordinary income		
Gain on sale of non-current assets	1,010	519
Compensation for expropriation	–	84,098
Gain on receipt of donated non-current assets	4,084	17,099
Gain on forgiveness of debts	62,673	–
Other	556	727
Total extraordinary income	68,324	102,445
Extraordinary losses		
Loss on retirement of non-current assets	13,326	2,961
Loss on store closings	36,582	5,061
Loss on sale of non-current assets	634	291
Impairment losses	313,522	789,545
Other	4,745	18,263
Total extraordinary losses	368,811	816,123
Profit before income taxes	1,598,128	1,733,686
Income taxes - current	601,642	780,331
Income taxes - deferred	205,608	(3)
Total income taxes	807,251	780,328
Profit	790,877	953,358
Profit attributable to owners of parent	790,877	953,358

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	790,877	953,358
Other comprehensive income		
Valuation difference on available-for-sale securities	49	(10)
Foreign currency translation adjustment	(7,429)	(30,357)
Total other comprehensive income	(7,379)	(30,367)
Comprehensive income	783,497	922,990
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	783,497	922,990
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,598,128	1,733,686
Depreciation and amortization	1,909,996	1,826,563
Impairment losses	313,522	789,545
Increase (decrease) in provision for bonuses	(57,645)	(21,099)
Interest and dividend income	(9,858)	(9,532)
Interest expenses	41,276	41,313
Subsidy incomes	(3,877,849)	(1,968,689)
Loss (gain) on sale and retirement of property, plant and equipment	12,950	(81,365)
Loss on store closings	36,582	5,061
Transfer adjust expenses from Construction in progress and deposits for stores in preparation	497,314	751,063
Decrease (increase) in trade receivables	143,181	(90,952)
Decrease (increase) in inventories	(2,614,542)	337,600
Increase (decrease) in trade payables	(574,611)	(169,592)
Increase (decrease) in accrued consumption taxes	(233,621)	678,976
Decrease (increase) in consumption taxes refund receivable	682,074	–
Other, net	(78,460)	(406,697)
Subtotal	(2,211,560)	3,415,883
Subsidies received	5,073,849	1,968,689
Income taxes paid	(402,586)	(2,143,351)
Net cash provided by (used in) operating activities	2,459,701	3,241,220
Cash flows from investing activities		
Purchase of property, plant, equipment and the increase of construction in progress	(2,638,127)	(2,570,620)
Proceeds from sales of property, plant and equipment and expropriation	1,011	82,958
Expenses from the increase of lease, guarantee deposits, and deposits for stores in preparation	(289,100)	(358,315)
Proceeds from collection of lease, guarantee deposits and deposits for stores in preparation	253,316	94,306
Interest and dividends received	1,894	2,156
Other, net	(138,855)	(104,757)
Net cash provided by (used in) investing activities	(2,809,860)	(2,854,271)
Cash flows from financing activities		
Proceeds from short-term borrowings	77	3,200,000
Repayments of short-term borrowings	(86,369)	–
Repayments of long-term borrowings	(1,692,026)	(1,949,736)
Repayments of lease liabilities	(157,416)	(164,952)
Purchase of treasury shares	(982)	(514)
Interest paid	(39,274)	(43,733)
Dividends paid	(228,673)	(228,669)
Net cash provided by (used in) financing activities	(2,204,664)	812,393
Effect of exchange rate change on cash and cash equivalents	11,326	11,684
Net increase (decrease) in cash and cash equivalents	(2,543,496)	1,211,027
Cash and cash equivalents at beginning of period	10,591,494	10,291,129
Cash and cash equivalents at end of period	8,047,997	11,502,157