

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 27, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 28, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	94,472	0.1	(4,200)	–	6,398	–	1,105	–
Year ended March 31, 2021	94,410	(11.4)	(1,683)	–	33	(99.4)	(2,376)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	57.99	–	2.7	8.4	(4.4)
Year ended March 31, 2021	(124.69)	–	(5.7)	0.0	(1.8)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	76,955	40,591	52.7	2,130.16
As of March 31, 2021	74,545	40,121	53.8	2,105.44

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	8,840	(5,699)	(3,460)	10,291
Year ended March 31, 2021	533	(6,220)	7,724	10,591

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	12.00	–	12.00	24.00	457	–	1.1
Year ended March 31, 2022	–	12.00	–	12.00	24.00	457	41.4	1.1
Year ending March 31, 2023 (Forecast)	–	12.00	–	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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	50,600	12.0	200	–	2,100	10.6	1,000	26.4	52.48
Full year	103,400	9.5	1,000	–	3,100	(51.5)	1,400	26.7	73.47

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	8,140 shares	As of March 31, 2021	7,864 shares
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Average number of shares during the period

Year ended March 31, 2022	19,055,919 shares	Year ended March 31, 2021	19,056,233 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	13,691,494	13,391,129
Notes and accounts receivable - trade	2,123,130	–
Notes and accounts receivable - trade, and contract assets	–	2,576,459
Merchandise and finished goods	754,520	828,415
Raw materials and supplies	3,908,718	7,494,558
Other	3,124,856	1,529,343
Total current assets	23,602,720	25,819,906
Non-current assets		
Property, plant and equipment		
Buildings and structures	48,693,577	49,763,409
Accumulated depreciation	(29,949,578)	(31,418,807)
Buildings and structures, net	18,743,998	18,344,601
Machinery, equipment and vehicles	7,756,293	8,220,271
Accumulated depreciation	(4,983,988)	(5,514,059)
Machinery, equipment and vehicles, net	2,772,304	2,706,211
Tools, furniture and fixtures	9,580,498	10,025,222
Accumulated depreciation	(7,372,107)	(7,828,705)
Tools, furniture and fixtures, net	2,208,390	2,196,517
Land	9,341,954	9,344,454
Leased assets	3,534,593	3,740,148
Accumulated depreciation	(2,907,303)	(2,529,954)
Leased assets, net	627,289	1,210,193
Construction in progress	337,809	264,460
Total property, plant and equipment	34,031,747	34,066,440
Intangible assets		
Software	391,783	413,553
Other	52,586	58,902
Total intangible assets	444,370	472,455
Investments and other assets		
Investment securities	72,137	89,746
Leasehold and guarantee deposits	11,875,177	11,509,898
Long-term prepaid expenses	369,573	293,264
Deposits for stores in preparation	112,021	190,272
Deferred tax assets	3,044,128	3,450,529
Investment property	531,303	549,757
Accumulated depreciation	(342,976)	(350,279)
Investment property, net	188,327	199,477
Other	814,926	872,399
Allowance for doubtful accounts	(9,506)	(9,329)
Total investments and other assets	16,466,786	16,596,259
Total non-current assets	50,942,904	51,135,155
Total assets	74,545,624	76,955,062

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,441,520	1,980,808
Short-term borrowings	4,182,908	–
Current portion of long-term borrowings	3,364,364	3,888,872
Accounts payable - other	4,015,710	4,516,526
Lease liabilities	238,607	307,036
Income taxes payable	431,632	2,162,087
Provision for bonuses	1,222,235	1,229,130
Other	1,091,162	1,383,872
Total current liabilities	16,988,140	15,468,333
Non-current liabilities		
Long-term borrowings	14,161,140	15,157,742
Provision for retirement benefits for directors (and other officers)	567,800	567,800
Lease liabilities	442,961	1,014,659
Asset retirement obligations	2,109,238	3,999,159
Deferred tax liabilities	6,115	4,222
Other	148,713	151,248
Total non-current liabilities	17,435,970	20,894,831
Total liabilities	34,424,111	36,363,165
Net assets		
Shareholders' equity		
Share capital	6,655,932	6,655,932
Capital surplus	6,963,229	6,963,229
Retained earnings	26,584,954	27,069,804
Treasury shares	(17,015)	(17,998)
Total shareholders' equity	40,187,100	40,670,967
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	931	1,064
Foreign currency translation adjustment	(66,518)	(80,136)
Total accumulated other comprehensive income	(65,586)	(79,071)
Total net assets	40,121,513	40,591,896
Total liabilities and net assets	74,545,624	76,955,062

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	94,410,893	94,472,163
Cost of sales	31,743,821	32,959,544
Gross profit	62,667,071	61,512,619
Selling, general and administrative expenses	64,350,735	65,713,052
Operating loss	(1,683,664)	(4,200,433)
Non-operating income		
Interest income	18,216	16,182
Dividend income	1,575	1,569
Rental income	195,276	194,720
Sponsorship money income	97,863	82,120
Subsidy incomes	1,399,879	10,097,638
Other	360,130	547,623
Total non-operating income	2,072,942	10,939,854
Non-operating expenses		
Interest expenses	86,163	78,704
Rental expenses	195,740	192,719
Other	73,899	69,816
Total non-operating expenses	355,804	341,239
Ordinary profit	33,474	6,398,181
Extraordinary income		
Gain on sale of non-current assets	2,020	1,614
Gain on receipt of donated non-current assets	1,242	6,759
Compensation for expropriation	70,475	–
Compensation income	58,914	–
Gain on forgiveness of debts	–	63,882
Other	13,953	1,195
Total extraordinary income	146,605	73,452
Extraordinary losses		
Loss on sale of non-current assets	8,840	2,208
Loss on retirement of non-current assets	11,095	39,998
Loss on store closings	46,043	36,105
Impairment losses	3,044,774	3,282,817
Other	845	5,345
Total extraordinary losses	3,111,598	3,366,474
Profit (loss) before income taxes	(2,931,519)	3,105,159
Income taxes - current	773,487	2,322,326
Income taxes - deferred	(1,328,794)	(322,201)
Total income taxes	(555,307)	2,000,125
Profit (loss)	(2,376,212)	1,105,033
Profit (loss) attributable to owners of parent	(2,376,212)	1,105,033

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(2,376,212)	1,105,033
Other comprehensive income		
Valuation difference on available-for-sale securities	99	133
Foreign currency translation adjustment	2,421	(13,618)
Total other comprehensive income	2,520	(13,484)
Comprehensive income	(2,373,691)	1,091,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,373,691)	1,091,549
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,655,932	6,963,144	29,418,516	(16,461)	43,021,131
Changes during period					
Dividends of surplus			(457,349)		(457,349)
Profit (loss) attributable to owners of parent			(2,376,212)		(2,376,212)
Purchase of treasury shares				(660)	(660)
Disposal of treasury shares		84		106	191
Net changes in items other than shareholders' equity					
Total changes during period	–	84	(2,833,561)	(553)	(2,834,031)
Balance at end of period	6,655,932	6,963,229	26,584,954	(17,015)	40,187,100

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	832	(68,939)	(68,107)	42,953,024
Changes during period				
Dividends of surplus				(457,349)
Profit (loss) attributable to owners of parent				(2,376,212)
Purchase of treasury shares				(660)
Disposal of treasury shares				191
Net changes in items other than shareholders' equity	99	2,421	2,520	2,520
Total changes during period	99	2,421	2,520	(2,831,510)
Balance at end of period	931	(66,518)	(65,586)	40,121,513

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,655,932	6,963,229	26,584,954	(17,015)	40,187,100
Cumulative effects of changes in accounting policies			(162,840)		(162,840)
Restated balance	6,655,932	6,963,229	26,422,114	(17,015)	40,024,259
Changes during period					
Dividends of surplus			(457,343)		(457,343)
Profit (loss) attributable to owners of parent			1,105,033		1,105,033
Purchase of treasury shares				(982)	(982)
Net changes in items other than shareholders' equity					
Total changes during period			647,690	(982)	646,708
Balance at end of period	6,655,932	6,963,229	27,069,804	(17,998)	40,670,967

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	931	(66,518)	(65,586)	40,121,513
Cumulative effects of changes in accounting policies				(162,840)
Restated balance	931	(66,518)	(65,586)	39,958,673
Changes during period				
Dividends of surplus				(457,343)
Profit (loss) attributable to owners of parent				1,105,033
Purchase of treasury shares				(982)
Net changes in items other than shareholders' equity	133	(13,618)	(13,484)	(13,484)
Total changes during period	133	(13,618)	(13,484)	633,223
Balance at end of period	1,064	(80,136)	(79,071)	40,591,896

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(2,931,519)	3,105,159
Depreciation and amortization	4,388,439	4,043,696
Impairment losses	3,044,774	3,282,817
Increase (decrease) in provision for bonuses	237,742	6,192
Interest and dividend income	(19,791)	(17,751)
Interest expenses	86,163	78,704
Subsidy incomes	(1,399,879)	(10,097,638)
Loss (gain) on sale and retirement of property, plant and equipment	(52,558)	36,699
Loss on store closings	46,043	39,998
Transfer adjust expenses from construction in progress and deposits for stores in preparation	918,022	1,130,904
Decrease (increase) in trade receivables	67,714	(452,033)
Decrease (increase) in inventories	(303,221)	(3,679,396)
Increase (decrease) in trade payables	245,822	(463,705)
Increase (decrease) in accrued consumption taxes	(2,371,618)	(60,614)
Decrease (increase) in consumption taxes refund receivable	532,673	682,074
Other, net	(276,958)	493,649
Subtotal	2,211,847	(1,871,242)
Subsidies received	203,879	11,293,638
Income taxes paid	(1,882,703)	(582,120)
Net cash provided by (used in) operating activities	533,023	8,840,274
Cash flows from investing activities		
Purchase of property, plant, equipment and the increase of construction in progress	(5,917,782)	(5,289,995)
Proceeds from sales of property, plant and equipment and expropriation	73,074	2,103
Expenses from the increase of lease, guarantee deposits, and deposits for stores in preparation	(521,686)	(607,213)
Proceeds from collection of lease, guarantee deposits, and deposits for stores in preparation	465,986	455,927
Interest and dividends received	5,123	2,392
Other, net	(324,897)	(262,683)
Net cash provided by (used in) investing activities	(6,220,180)	(5,699,469)
Cash flows from financing activities		
Proceeds from short-term borrowings	4,101,179	–
Repayments of short-term borrowings	–	(4,188,035)
Proceeds from long-term borrowings	7,256,572	5,000,000
Repayments of long-term borrowings	(2,635,040)	(3,424,046)
Repayments of lease liabilities	(449,620)	(311,313)
Proceeds from sale of treasury shares	191	–
Purchase of treasury shares	(660)	(982)
Interest paid	(91,146)	(78,939)
Dividends paid	(457,349)	(457,343)
Net cash provided by (used in) financing activities	7,724,125	(3,460,660)
Effect of exchange rate change on cash and cash equivalents	(9,391)	19,490
Net increase (decrease) in cash and cash equivalents	2,027,576	(300,364)
Cash and cash equivalents at beginning of period	8,563,917	10,591,494
Cash and cash equivalents at end of period	10,591,494	10,291,129