

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 6, 2023

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: Director Youichi Nakamura TEL 0422-38-1121
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 7, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	59,031	15.5	1,606	590.5	1,885	(23.0)	1,327	39.3
Six months ended September 30, 2022	51,113	13.1	232	–	2,447	28.9	953	20.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	69.65		–	
Six months ended September 30, 2022	50.03		–	

(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, 2023	83,164	42,395	51.0	2,223.89
As of March 31, 2023	79,697	41,403	52.0	2,171.84

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, 2023	–	12.00	–	12.00	24.00
Year ending March 31, 2024	–	12.00			
Year ending March 31, 2024 (Forecast)			–	12.00	24.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	123,400	15.8	3,500	138.4	4,000	2.2	2,200	75.3	115.40

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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, 2023	19,063,968 shares	As of March 31, 2023	19,063,968 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	343 shares	As of March 31, 2023	317 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, 2023	19,063,634 shares	Six months ended September 30, 2022	19,055,772 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	14,879,375	14,604,632
Notes and accounts receivable - trade, and contract assets	3,158,418	3,520,879
Merchandise and finished goods	1,123,274	1,403,460
Raw materials and supplies	6,605,085	6,526,565
Other	1,229,822	1,778,930
Total current assets	26,995,977	27,834,468
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,239,670	20,437,489
Machinery, equipment and vehicles, net	2,343,167	2,250,436
Tools, furniture and fixtures, net	2,453,290	2,779,653
Leased assets, net	1,636,117	2,028,883
Land	9,344,454	9,344,473
Construction in progress	364,641	358,822
Other, net	–	453,153
Total property, plant and equipment	35,381,342	37,652,912
Intangible assets		
Software	399,043	392,182
Other	66,207	74,296
Total intangible assets	465,250	466,479
Investments and other assets		
Investment securities	89,831	91,846
Leasehold and guarantee deposits	11,533,793	11,784,219
Long-term prepaid expenses	296,277	333,434
Deposits for stores in preparation	404,635	571,070
Deferred tax assets	3,488,067	3,864,824
Investment property, net	183,979	106,833
Other	867,336	467,505
Allowance for doubtful accounts	(9,344)	(9,459)
Total investments and other assets	16,854,578	17,210,274
Total non-current assets	52,701,170	55,329,666
Total assets	79,697,148	83,164,134

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	2,314,082	2,290,049
Short-term borrowings	24,713	5,025,922
Current portion of long-term borrowings	4,401,756	4,401,756
Accounts payable - other	5,141,215	5,059,372
Lease liabilities	433,510	621,824
Income taxes payable	749,906	430,378
Provision for bonuses	1,307,282	1,163,456
Other	2,836,966	2,086,796
Total current liabilities	17,209,433	21,079,556
Non-current liabilities		
Long-term borrowings	14,905,769	12,704,891
Provision for retirement benefits for directors (and other officers)	567,800	567,800
Lease liabilities	1,355,802	2,085,657
Asset retirement obligations	4,088,121	4,192,737
Deferred tax liabilities	2,927	3,307
Other	164,161	134,772
Total non-current liabilities	21,084,583	19,689,165
Total liabilities	38,294,016	40,768,721
Net assets		
Shareholders' equity		
Share capital	6,655,932	6,655,932
Capital surplus	6,976,341	6,976,404
Retained earnings	27,867,606	28,789,181
Treasury shares	(726)	(894)
Total shareholders' equity	41,499,153	42,420,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,123	2,521
Foreign currency translation adjustment	(97,145)	(27,732)
Total accumulated other comprehensive income	(96,021)	(25,210)
Total net assets	41,403,131	42,395,413
Total liabilities and net assets	79,697,148	83,164,134

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, 2022	Six months ended September 30, 2023
Net sales	51,113,984	59,031,593
Cost of sales	17,160,665	20,170,585
Gross profit	33,953,318	38,861,007
Selling, general and administrative expenses	33,720,590	37,254,119
Operating profit	232,728	1,606,887
Non-operating income		
Interest income	7,663	9,081
Dividend income	1,869	1,869
Rental income	103,460	100,094
Outsourcing service income	95,695	146,759
Subsidy incomes	1,968,689	–
Other	195,141	186,172
Total non-operating income	2,372,520	443,976
Non-operating expenses		
Interest expenses	41,313	49,790
Rental expenses	99,531	99,564
Other	17,038	16,461
Total non-operating expenses	157,883	165,816
Ordinary profit	2,447,365	1,885,048
Extraordinary income		
Gain on sale of non-current assets	519	6,211
Compensation for expropriation	84,098	–
Gain on receipt of donated non-current assets	17,099	–
Other	727	2
Total extraordinary income	102,445	6,214
Extraordinary losses		
Loss on retirement of non-current assets	2,961	528
Loss on store closings	5,061	1,430
Loss on sale of non-current assets	291	8,540
Impairment losses	789,545	504,387
Other	18,263	–
Total extraordinary losses	816,123	514,885
Profit before income taxes	1,733,686	1,376,376
Income taxes - current	780,331	425,665
Income taxes - deferred	(3)	(376,993)
Total income taxes	780,328	48,672
Profit	953,358	1,327,704
Profit attributable to owners of parent	953,358	1,327,704

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	953,358	1,327,704
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	1,397
Foreign currency translation adjustment	(30,357)	69,413
Total other comprehensive income	(30,367)	70,810
Comprehensive income	922,990	1,398,515
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	922,990	1,398,515
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,733,686	1,376,376
Depreciation and amortization	1,826,563	2,090,833
Impairment losses	789,545	504,387
Increase (decrease) in provision for bonuses	(21,099)	(144,340)
Interest and dividend income	(9,532)	(10,950)
Interest expenses	41,313	49,790
Subsidy incomes	(1,968,689)	–
Loss (gain) on sale and retirement of property, plant and equipment	(81,365)	2,856
Loss on store closings	5,061	1,430
Transfer adjust expenses from Construction in progress and deposits for stores in preparation	751,063	925,312
Decrease (increase) in trade receivables	(90,952)	(352,624)
Decrease (increase) in inventories	337,600	(244,671)
Increase (decrease) in trade payables	(169,592)	(44,082)
Increase (decrease) in accrued consumption taxes	678,976	(891,009)
Other, net	(406,697)	346,061
Subtotal	3,415,883	3,609,370
Subsidies received	1,968,689	–
Income taxes paid	(2,143,351)	(728,883)
Net cash provided by (used in) operating activities	3,241,220	2,880,487
Cash flows from investing activities		
Purchase of property, plant, equipment and the increase of construction in progress	(2,570,620)	(4,310,715)
Proceeds from sales of property, plant and equipment and expropriation	82,958	134,742
Expenses from the increase of lease, guarantee deposits, and deposits for stores in preparation	(358,315)	(700,657)
Proceeds from collection of lease, guarantee deposits and deposits for stores in preparation	94,306	32,140
Interest and dividends received	2,156	2,435
Other, net	(104,757)	(704,674)
Net cash provided by (used in) investing activities	(2,854,271)	(5,546,729)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,200,000	5,000,000
Repayments of long-term borrowings	(1,949,736)	(2,200,878)
Repayments of lease liabilities	(164,952)	(291,095)
Proceeds from sale of treasury shares	–	141
Purchase of treasury shares	(514)	(246)
Interest paid	(43,733)	(45,808)
Dividends paid	(228,669)	(228,763)
Net cash provided by (used in) financing activities	812,393	2,233,348
Effect of exchange rate change on cash and cash equivalents	11,684	10,320
Net increase (decrease) in cash and cash equivalents	1,211,027	(422,572)
Cash and cash equivalents at beginning of period	10,291,129	11,779,375
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	147,829
Cash and cash equivalents at end of period	11,502,157	11,504,632