

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2021 (Based on Japanese GAAP)

August 5, 2021

Company name: Alpen Co.,Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3028 URL <https://store.alpen-group.jp/corporate>
 Representative: President Atsushi Mizuno
 Inquiries: Director and Head of Administration Yasuhiko Mizumaki TEL 052-559-0138
 Scheduled date of ordinary general meeting of shareholders: September 28, 2021
 Scheduled date to file Securities Report: September 28, 2021
 Scheduled date to commence dividend payments: September 13, 2021
 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 June 30, 2021 (from July 1, 2020 to June 30, 2021)

(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 June 30, 2021	233,215	7.0	15,088	265.0	16,836	193.1	10,773	–
Year ended June 30, 2020	217,943	(4.5)	4,133	172.2	5,744	98.9	17	–

	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 June 30, 2021	274.92	–	10.4	8.8	6.5
Year ended June 30, 2020	0.43	–	0.0	3.1	1.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	207,909	108,807	52.3	2,776.53
As of June 30, 2020	175,734	98,883	56.3	2,523.37

(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 June 30, 2021	46,882	(5,745)	(4,756)	57,159
Year ended June 30, 2020	7,806	(5,261)	(5,428)	20,756

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 June 30, 2020	–	20.00	–	20.00	40.00	1,593	–	1.6
Year ended June 30, 2021	–	20.00	–	25.00	45.00	1,763	16.4	1.7
Year ending June 30, 2022 (Forecast)	–	25.00	–	25.00	50.00		16.9	

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

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
Six months ending December 31, 2021	124,250	–	10,330	–	11,060	–	7,570	–	193.17
Full year	250,000	–	17,500	–	18,740	–	11,560	–	294.99

4. Notes

(1) Changes in significant subsidiaries during the year ended June 30, 2021

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

Yes

(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:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

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 June 30, 2021	40,488,000 shares	As of June 30, 2020	40,488,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,299,781 shares	As of June 30, 2020	1,300,957 shares
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Average number of shares during the period

Year ended June 30, 2021	39,187,629 shares	Year ended June 30, 2020	39,982,701 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	20,332	56,948
Notes and accounts receivable - trade	8,597	8,368
Merchandise and finished goods	63,602	61,310
Other	3,940	3,118
Allowance for doubtful accounts	(66)	(74)
Total current assets	96,407	129,670
Non-current assets		
Property, plant and equipment		
Buildings and structures	76,679	78,013
Accumulated depreciation	(54,676)	(56,730)
Buildings and structures, net	22,002	21,282
Land	13,584	13,563
Leased assets	7,292	6,316
Accumulated depreciation	(3,355)	(3,079)
Leased assets, net	3,936	3,237
Other	12,862	13,834
Accumulated depreciation	(8,801)	(9,041)
Other, net	4,061	4,792
Total property, plant and equipment	43,585	42,875
Intangible assets	4,290	4,303
Investments and other assets		
Deferred tax assets	5,076	4,628
Guarantee deposits	18,791	17,950
Other	10,570	11,444
Accumulated depreciation	(2,922)	(2,903)
Other, net	7,647	8,540
Allowance for doubtful accounts	(65)	(59)
Total investments and other assets	31,450	31,059
Total non-current assets	79,326	78,238
Total assets	175,734	207,909

(Millions of yen)

	As of June 30, 2020	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,852	47,113
Income taxes payable	1,075	4,750
Current portion of long-term borrowings	2,000	12,100
Provisions	2,123	2,376
Other	13,548	14,675
Total current liabilities	45,599	81,016
Non-current liabilities		
Long-term borrowings	21,600	9,500
Lease obligations	4,464	3,635
Provisions	1,018	977
Retirement benefit liability	196	76
Other	3,971	3,896
Total non-current liabilities	31,251	18,085
Total liabilities	76,850	99,102
Net assets		
Shareholders' equity		
Share capital	15,163	15,163
Capital surplus	21,626	21,626
Retained earnings	64,671	73,877
Treasury shares	(2,484)	(2,482)
Total shareholders' equity	98,975	108,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57	125
Deferred gains or losses on hedges	32	–
Foreign currency translation adjustment	(1)	24
Remeasurements of defined benefit plans	(180)	472
Total accumulated other comprehensive income	(92)	622
Total net assets	98,883	108,807
Total liabilities and net assets	175,734	207,909

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

(Millions of yen)

	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
Net sales	217,943	233,215
Cost of sales	130,825	134,420
Gross profit	87,118	98,795
Selling, general and administrative expenses		
Employees' salaries and bonuses	23,954	24,701
Retirement benefit expenses	471	554
Provision for bonuses	751	334
Rent expenses	20,976	21,267
Other	36,830	36,848
Total selling, general and administrative expenses	82,984	83,707
Operating profit	4,133	15,088
Non-operating income		
Interest income	158	130
Rental income from real estate	886	1,019
Sponsorship money income	431	432
Other	812	881
Total non-operating income	2,288	2,464
Non-operating expenses		
Interest expenses	165	153
Rental expenses on real estate	479	515
Other	32	47
Total non-operating expenses	677	716
Ordinary profit	5,744	16,836
Extraordinary income		
Gain on sale of non-current assets	109	151
Penalty income	102	–
Insurance claim income	–	60
Total extraordinary income	212	211
Extraordinary losses		
Impairment losses	1,217	892
Provision for loss on subleases	267	–
Loss on valuation of investment securities	499	–
Loss on store closings	170	215
Other	500	105
Total extraordinary losses	2,656	1,213
Profit before income taxes	3,301	15,834
Income taxes - current	701	4,707
Income taxes - deferred	2,582	353
Total income taxes	3,284	5,060
Profit	17	10,773
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	17	10,773

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
Profit	17	10,773
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	67
Deferred gains or losses on hedges	25	(32)
Foreign currency translation adjustment	12	25
Remeasurements of defined benefit plans, net of tax	122	653
Total other comprehensive income	160	714
Comprehensive income	177	11,488
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	177	11,488
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended June 30, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,163	21,626	66,317	(1)	103,106
Changes during period					
Dividends of surplus			(1,619)		(1,619)
Profit attributable to owners of parent			17		17
Purchase of treasury shares				(2,483)	(2,483)
Change in scope of consolidation			(44)		(44)
Restricted stock payment					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,646)	(2,483)	(4,130)
Balance at end of period	15,163	21,626	64,671	(2,484)	98,975

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	57	6	(13)	(303)	(253)	102,852
Changes during period						
Dividends of surplus						(1,619)
Profit attributable to owners of parent						17
Purchase of treasury shares						(2,483)
Change in scope of consolidation						(44)
Restricted stock payment						–
Net changes in items other than shareholders' equity	(0)	25	12	122	160	160
Total changes during period	(0)	25	12	122	160	(3,969)
Balance at end of period	57	32	(1)	(180)	(92)	98,883

Fiscal year ended June 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,163	21,626	64,671	(2,484)	98,975
Changes during period					
Dividends of surplus			(1,567)		(1,567)
Profit attributable to owners of parent			10,773		10,773
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation					-
Restricted stock payment		0		2	3
Net changes in items other than shareholders' equity					
Total changes during period	-	0	9,206	2	9,208
Balance at end of period	15,163	21,626	73,877	(2,482)	108,184

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	57	32	(1)	(180)	(92)	98,883
Changes during period						
Dividends of surplus						(1,567)
Profit attributable to owners of parent						10,773
Purchase of treasury shares						(0)
Change in scope of consolidation						-
Restricted stock payment						3
Net changes in items other than shareholders' equity	67	(32)	25	653	714	714
Total changes during period	67	(32)	25	653	714	9,923
Balance at end of period	125	-	24	472	622	108,807

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	3,301	15,834
Depreciation	5,856	5,436
Amortization of goodwill	140	140
Increase (decrease) in provision for point card certificates	136	688
Increase (decrease) in provision for loss on disaster	(1)	(0)
Increase (decrease) in provision for loss on subleases	241	(41)
Decrease (increase) in retirement benefit asset	–	(180)
Offset of house and other guarantee money deposits paid	620	516
Interest and dividend income	(161)	(133)
Interest expenses	165	153
Loss (gain) on sale and retirement of non-current assets	75	(128)
Impairment losses	1,217	892
Loss (gain) on sale and valuation of investment securities	499	–
Decrease (increase) in trade receivables	(669)	229
Decrease (increase) in inventories	11,242	2,299
Increase (decrease) in trade payables	(16,462)	20,787
Increase (decrease) in accrued consumption taxes	3,456	(1,661)
Other, net	(1,057)	3,569
Subtotal	8,599	48,402
Interest and dividends received	19	7
Interest paid	(110)	(105)
Income taxes refund	1	173
Income taxes paid	(703)	(1,596)
Net cash provided by (used in) operating activities	7,806	46,882
Cash flows from investing activities		
Purchase of investment securities	–	(249)
Purchase of property, plant and equipment	(4,316)	(3,744)
Proceeds from sale of property, plant and equipment	211	333
Purchase of intangible assets	(615)	(1,909)
Purchase of long-term prepaid expenses	(82)	(61)
Payments of guarantee deposits	(764)	(204)
Proceeds from refund of guarantee deposits	332	92
Other, net	(26)	(1)
Net cash provided by (used in) investing activities	(5,261)	(5,745)
Cash flows from financing activities		
Repayments of lease obligations	(1,282)	(1,166)
Repayments of long-term borrowings	(3,000)	(2,000)
Proceeds from long-term borrowings	3,000	–
Purchase of treasury shares	(2,483)	(0)
Dividends paid	(1,618)	(1,566)
Other, net	(45)	(23)
Net cash provided by (used in) financing activities	(5,428)	(4,756)
Effect of exchange rate change on cash and cash equivalents	2	23
Net increase (decrease) in cash and cash equivalents	(2,881)	36,402
Cash and cash equivalents at beginning of period	23,637	20,756
Cash and cash equivalents at end of period	20,756	57,159