

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2022 (Based on Japanese GAAP)

August 4, 2022

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 29, 2022
 Scheduled date to file Securities Report: September 29, 2022
 Scheduled date to commence dividend payments: September 12, 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 June 30, 2022 (from July 1, 2021 to June 30, 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 June 30, 2022	232,332	(0.4)	7,153	(52.6)	8,988	(46.6)	5,310	(50.7)
Year ended June 30, 2021	233,215	7.0	15,088	265.0	16,836	193.1	10,773	—

	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, 2022	135.69	—	4.8	4.5	3.1
Year ended June 30, 2021	274.92	—	10.4	8.8	6.5

(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, 2022	193,299	111,328	57.6	2,869.89
As of June 30, 2021	207,909	108,807	52.3	2,776.53

(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, 2022	(4,265)	(7,981)	(15,916)	29,059
Year ended June 30, 2021	46,882	(5,745)	(4,756)	57,159

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, 2021	—	20.00	—	25.00	45.00	1,763	16.4	1.7
Year ended June 30, 2022	—	25.00	—	25.00	50.00	1,959	36.8	1.8
Year ending June 30, 2023 (Forecast)	—	25.00	—	25.00	50.00		38.5	

3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 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
Six months ending December 31, 2022	122,050	8.1	4,180	(29.3)	4,960	(27.6)	3,360	(22.5)	86.62
Full year	248,000	6.7	7,200	0.7	8,650	(3.8)	5,020	(5.5)	129.41

4. Notes

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

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, 2022	38,888,000 shares	As of June 30, 2021	40,488,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	96,148 shares	As of June 30, 2021	1,299,781 shares
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Average number of shares during the period

Year ended June 30, 2022	39,136,215 shares	Year ended June 30, 2021	39,187,629 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	56,948	28,905
Notes and accounts receivable - trade	8,368	–
Accounts receivable - trade	–	9,962
Merchandise and finished goods	61,310	69,891
Other	3,118	4,535
Allowance for doubtful accounts	(74)	(95)
Total current assets	129,670	113,199
Non-current assets		
Property, plant and equipment		
Buildings and structures	78,013	79,800
Accumulated depreciation	(56,730)	(58,652)
Buildings and structures, net	21,282	21,147
Land	13,563	13,548
Leased assets	6,316	6,194
Accumulated depreciation	(3,079)	(3,523)
Leased assets, net	3,237	2,670
Other	13,834	16,209
Accumulated depreciation	(9,041)	(10,059)
Other, net	4,792	6,150
Total property, plant and equipment	42,875	43,517
Intangible assets	4,303	3,718
Investments and other assets		
Investment securities	1,055	2,136
Guarantee deposits	17,950	19,159
Retirement benefit asset	1,022	756
Deferred tax assets	4,628	4,655
Other	9,366	9,157
Accumulated depreciation	(2,903)	(2,927)
Other, net	6,462	6,229
Allowance for doubtful accounts	(59)	(73)
Total investments and other assets	31,059	32,864
Total non-current assets	78,238	80,100
Total assets	207,909	193,299

(Millions of yen)

	As of June 30, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,113	46,874
Current portion of long-term borrowings	12,100	6,500
Contract liabilities	–	2,687
Provisions	2,376	289
Other	19,426	15,060
Total current liabilities	81,016	71,412
Non-current liabilities		
Long-term borrowings	9,500	3,000
Lease liabilities	3,635	3,041
Provisions	977	936
Retirement benefit liability	76	84
Other	3,896	3,496
Total non-current liabilities	18,085	10,558
Total liabilities	99,102	81,971
Net assets		
Shareholders' equity		
Share capital	15,163	15,163
Capital surplus	21,626	21,626
Retained earnings	73,877	74,183
Treasury shares	(2,482)	(182)
Total shareholders' equity	108,184	110,790
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	125	181
Foreign currency translation adjustment	24	89
Remeasurements of defined benefit plans	472	266
Total accumulated other comprehensive income	622	538
Total net assets	108,807	111,328
Total liabilities and net assets	207,909	193,299

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

(Millions of yen)

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022
Net sales	233,215	232,332
Cost of sales	134,420	139,813
Gross profit	98,795	92,519
Selling, general and administrative expenses		
Employees' salaries and bonuses	24,701	23,947
Retirement benefit expenses	554	415
Provision for bonuses	334	256
Rent expenses	21,267	21,844
Other	36,848	38,901
Total selling, general and administrative expenses	83,707	85,366
Operating profit	15,088	7,153
Non-operating income		
Interest income	130	112
Rental income from real estate	1,019	1,021
Subsidy income	273	422
Other	1,040	1,003
Total non-operating income	2,464	2,561
Non-operating expenses		
Interest expenses	153	110
Rental expenses on real estate	515	481
Other	47	134
Total non-operating expenses	716	726
Ordinary profit	16,836	8,988
Extraordinary income		
Gain on sale of non-current assets	151	44
Compensation for expropriation	–	50
Insurance claim income	60	–
Other	–	0
Total extraordinary income	211	95
Extraordinary losses		
Impairment losses	892	821
Other	320	48
Total extraordinary losses	1,213	870
Profit before income taxes	15,834	8,214
Income taxes - current	4,707	2,955
Income taxes - deferred	353	(51)
Total income taxes	5,060	2,903
Profit	10,773	5,310
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	10,773	5,310

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022
Profit	10,773	5,310
Other comprehensive income		
Valuation difference on available-for-sale securities	67	56
Deferred gains or losses on hedges	(32)	–
Foreign currency translation adjustment	25	65
Remeasurements of defined benefit plans, net of tax	653	(205)
Total other comprehensive income	714	(84)
Comprehensive income	11,488	5,226
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,488	5,226
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

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)
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)
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

Fiscal year ended June 30, 2022

(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	73,877	(2,482)	108,184
Changes during period					
Dividends of surplus			(1,959)		(1,959)
Profit attributable to owners of parent			5,310		5,310
Purchase of treasury shares				(759)	(759)
Cancellation of treasury shares		(6)	(3,045)	3,051	–
Restricted stock payment		5		8	13
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	306	2,300	2,605
Balance at end of period	15,163	21,626	74,183	(182)	110,790

	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	125	–	24	472	622	108,807
Changes during period						
Dividends of surplus						(1,959)
Profit attributable to owners of parent						5,310
Purchase of treasury shares						(759)
Cancellation of treasury shares						–
Restricted stock payment						13
Net changes in items other than shareholders' equity	56	–	65	(205)	(84)	(84)
Total changes during period	56	–	65	(205)	(84)	2,521
Balance at end of period	181	–	89	266	538	111,328

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2021	Fiscal year ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	15,834	8,214
Depreciation	5,436	5,535
Amortization of goodwill	140	140
Increase (decrease) in allowance for doubtful accounts	2	34
Decrease/Increase/Contract Liabilities	–	665
Increase (decrease) in provision for point card certificates	688	–
Increase (decrease) in provision for loss on disaster	(0)	–
Increase (decrease) in provision for loss on subleases	(41)	(41)
Decrease (increase) in retirement benefit asset	(180)	(31)
Offset of house and other guarantee money deposits paid	516	455
Interest and dividend income	(133)	(115)
Interest expenses	153	110
Loss (gain) on valuation of derivatives	–	(2)
Loss (gain) on sale and retirement of non-current assets	(128)	(24)
Impairment losses	892	821
Decrease (increase) in trade receivables	229	(1,598)
Decrease (increase) in inventories	2,299	(8,611)
Increase (decrease) in trade payables	20,787	(726)
Increase (decrease) in accrued consumption taxes	(1,661)	(2,482)
Other, net	3,566	203
Subtotal	48,402	2,547
Interest and dividends received	7	12
Interest paid	(105)	(64)
Income taxes refund	173	176
Income taxes paid	(1,596)	(6,936)
Net cash provided by (used in) operating activities	46,882	(4,265)
Cash flows from investing activities		
Purchase of investment securities	(249)	(1,499)
Proceeds from redemption of investment securities	–	500
Purchase of property, plant and equipment	(3,744)	(4,291)
Proceeds from sale of property, plant and equipment	333	63
Purchase of intangible assets	(1,909)	(620)
Purchase of long-term prepaid expenses	(61)	(94)
Payments of guarantee deposits	(204)	(2,120)
Proceeds from refund of guarantee deposits	92	204
Other, net	(1)	(123)
Net cash provided by (used in) investing activities	(5,745)	(7,981)
Cash flows from financing activities		
Repayments of lease liabilities	(1,166)	(1,032)
Repayments of long-term borrowings	(2,000)	(12,100)
Purchase of treasury shares	(0)	(759)
Dividends paid	(1,566)	(1,958)
Other, net	(23)	(66)
Net cash provided by (used in) financing activities	(4,756)	(15,916)
Effect of exchange rate change on cash and cash equivalents	23	64
Net increase (decrease) in cash and cash equivalents	36,402	(28,099)
Cash and cash equivalents at beginning of period	20,756	57,159
Cash and cash equivalents at end of period	57,159	29,059