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Consolidated Financial Results for the Six Months Ended August 31, 2022 [Japanese GAAP]

October 12, 2022

Company name: EAT&HOLDINGS Co.,Ltd

Stock exchange listing: Tokyo

Code number: 2882

URL: <https://www.eat-and.jp/>

Representative: Hiroyasu Nakata

Representative director, COO

Contact: Tatsuya Kato

Director, CFO

Phone: 03-5769-5050

Scheduled date of filing quarterly securities report: October 13, 2022

Scheduled date of commencing dividend payments: November 04, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended August 31, 2022 (March 01, 2022 to August 31, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 31, 2022	16,104	9.0	564	51.1	697	0.1	338	13.1
August 31, 2021	14,779	-	373	-	696	-	299	-

(Note) Comprehensive income: Six months ended August 31, 2022: ¥ 344 million [13.2%]
Six months ended August 31, 2021: ¥ 304 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2022	33.30	33.28
August 31, 2021	29.46	-

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year under review.

The figures for the six months ended August 31, 2022 reflect the said accounting standard, etc.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of August 31, 2022	22,127	8,135	36.6
February 28, 2022	20,514	7,805	38.0

(Reference) Equity: As of August 31, 2022: ¥ 8,103 million
As of February 28, 2022: ¥ 7,791 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2022	-	5.00	-	5.00	10.00
Fiscal year ending February 28, 2023	-	5.00			
Fiscal year ending February 28, 2023 (Forecast)			-	5.00	10.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending February 28, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023(March 01, 2022 to February 28, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	33,470	8.4	1,100	31.8	1,108	(25.0)	500	(35.4)	49.23

(Note) Revision to the financial results forecast announced most recently: No

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the consolidated fiscal year under review.

Therefore, the figures in the consolidated financial results forecast for the fiscal year ending February 28, 2023 show the amounts after the relevant accounting standards are applied.

* Notes:

(1) Changes in significant subsidiaries during the six months ended August 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

August 31, 2022: 10,169,506 shares

February 28, 2022: 10,158,190 shares

2) Total number of treasury shares at the end of the period:

August 31, 2022: 959 shares

February 28, 2022: 959 shares

3) Average number of shares during the period:

Six months ended August 31, 2022: 10,161,475 shares

Six months ended August 31, 2021: 10,157,269 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28,2022	As of August 31,2022
Assets		
Current assets		
Cash and deposits	1,622	1,853
Accounts receivable - trade	5,716	5,283
Merchandise and finished goods	1,035	1,363
Raw materials and supplies	346	386
Other	322	554
Total current assets	9,044	9,441
Non-current assets		
Property, plant and equipment		
Buildings, net	5,023	5,086
Land	984	1,092
Machinery, equipment and vehicles, net	2,276	2,247
Other, net	1,105	2,297
Total property, plant and equipment	9,389	10,723
Intangible assets		
Other	229	219
Total intangible assets	229	219
Investments and other assets		
Deferred tax assets	621	622
Other	1,236	1,128
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	1,850	1,743
Total non-current assets	11,470	12,686
Total assets	20,514	22,127

(Million yen)

	As of February 28,2022	As of August 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,097	2,248
Short-term borrowings	991	1,264
Current portion of long-term borrowings	526	763
Accounts payable - other	3,120	3,102
Income taxes payable	424	326
Provision for bonuses	249	228
Provision for bonuses for directors (and other officers)	50	29
Refund liabilities	918	819
Other	852	829
Total current liabilities	9,232	9,612
Non-current liabilities		
Long-term borrowings	2,127	3,051
Retirement benefit liability	175	175
Deferred tax liabilities	12	12
Provision for retirement benefits for directors (and other officers)	481	-
Other	681	1,141
Total non-current liabilities	3,477	4,380
Total liabilities	12,709	13,992
Net assets		
Shareholders' equity		
Share capital	2,016	2,029
Capital surplus	1,947	1,960
Retained earnings	3,816	4,080
Treasury shares	(0)	(0)
Total shareholders' equity	7,779	8,069
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	3
Foreign currency translation adjustment	5	24
Remeasurements of defined benefit plans	3	5
Total accumulated other comprehensive income	12	33
Share acquisition rights	13	18
Non-controlling interests	-	13
Total net assets	7,805	8,135
Total liabilities and net assets	20,514	22,127

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Net sales	14,779	16,104
Cost of sales	8,711	9,478
Gross profit	6,068	6,625
Selling, general and administrative expenses	5,695	6,061
Operating profit	373	564
Non-operating income		
Interest income	0	0
Dividend income	0	0
Subsidy income	328	123
Other	3	16
Total non-operating income	331	140
Non-operating expenses		
Interest expenses	6	6
Other	1	0
Total non-operating expenses	8	7
Ordinary profit	696	697
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on state subsidy	-	20
Total extraordinary income	-	20
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	-	20
Loss on sale and retirement of non-current assets	0	0
Loss on store closings	69	13
Impairment losses	39	66
Total extraordinary losses	108	100
Profit before income taxes	587	617
Income taxes	287	292
Profit	300	325
Profit (loss) attributable to non-controlling interests	1	(13)
Profit attributable to owners of parent	299	338

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Profit	300	325
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	1	16
Remeasurements of defined benefit plans, net of tax	0	2
Total other comprehensive income	3	19
Comprehensive income	304	344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	302	355
Comprehensive income attributable to non-controlling interests	1	(10)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Cash flows from operating activities		
Profit before income taxes	587	617
Depreciation	461	531
Impairment losses	39	66
Loss on store closings	69	12
Increase (decrease) in retirement benefit liability	8	3
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	(481)
Increase (decrease) in provision for bonuses	56	(21)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	(20)
Increase (decrease) in refund liabilities	(183)	(98)
Increase (decrease) in allowance for doubtful accounts	(0)	-
Interest and dividend income	(0)	(0)
Interest expenses	6	6
Loss (gain) on sale and retirement of non-current assets	0	(0)
Decrease (increase) in trade receivables	1,735	437
Decrease (increase) in inventories	(376)	(363)
Increase (decrease) in trade payables	(483)	142
Increase (decrease) in accounts payable - other	(286)	(113)
Increase (decrease) in accrued consumption taxes	(29)	(167)
Increase (decrease) in guarantee deposits received	(7)	(26)
Increase (decrease) in long-term accounts payable - other	-	487
Other, net	(178)	(40)
Subtotal	1,430	973
Interest and dividends received	0	0
Interest paid	(5)	(6)
Income taxes paid	(177)	(413)
Net cash provided by (used in) operating activities	1,247	554
Cash flows from investing activities		
Purchase of property, plant and equipment	(615)	(1,783)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(17)	(22)
Purchase of shares of subsidiaries and associates	(39)	-
Purchase of investment securities	(0)	-
Payments of guarantee deposits	(32)	(31)
Proceeds from refund of guarantee deposits	95	54
Other, net	5	23
Net cash provided by (used in) investing activities	(603)	(1,758)

(Million yen)

	For the six months ended August 31,2021	For the six months ended August 31,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(155)	289
Proceeds from long-term borrowings	200	1,450
Repayments of long-term borrowings	(324)	(262)
Proceeds from issuance of share acquisition rights	5	-
Dividends paid	(50)	(50)
Repayments of lease obligations	(7)	(7)
Net cash provided by (used in) financing activities	(332)	1,418
Effect of exchange rate change on cash and cash equivalents	2	4
Net increase (decrease) in cash and cash equivalents	314	219
Cash and cash equivalents at beginning of period	1,380	1,622
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	38	12
Cash and cash equivalents at end of period	1,733	1,853