

Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2023 (Based on Japanese GAAP)

April 14, 2023

Company name: PICKLES HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 2935 URL <https://www.pickles-hd.co.jp>
 Representative: President and Representative Director Naoji Kageyama
 Managing Director and
 Inquiries: General Manager, Accounting and Finance Toru Mishina TEL 04-2931-0777
 Division
 Scheduled date of ordinary general meeting of shareholders: May 30, 2023
 Scheduled date to file Securities Report: May 30, 2023
 Scheduled date to commence dividend payments: May 31, 2023
 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 February 28, 2023 (from March 1, 2022 to February 28, 2023)

(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 February 28, 2023	41,052	—	1,538	—	1,650	—	1,138	—
Year ended February 28, 2022	—	—	—	—	—	—	—	—

	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 February 28, 2023	88.80	87.11	6.8	6.3	3.7
Year ended February 28, 2022	—	—	—	—	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2023	26,308	17,404	65.1	1,362.11
As of February 28, 2022	—	—	—	—

(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 February 28, 2023	1,665	(882)	(876)	5,940
Year ended February 28, 2022	—	—	—	—

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 February 28, 2022	—	—	—	—	—	—	—	—
Year ended February 28, 2023	—	0.00	—	22.00	22.00	276	24.8	1.7
Year ending February 29, 2024 (Forecast)	—	0.00	—	22.00	22.00		24.1	

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 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
Six months ending August 31, 2023	22,188	4.1	1,176	0.4	1,236	0.3	800	(3.7)	63.58
Full year	42,200	2.8	1,620	5.3	1,755	6.3	1,150	1.0	91.40

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2023

(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: 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 February 28, 2023	12,858,430 shares	As of February 28, 2022	– shares
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Number of treasury shares at the end of the period

As of February 28, 2023	276,100 shares	As of February 28, 2022	– shares
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Average number of shares during the period

Year ended February 28, 2023	12,826,012 shares	Year ended February 28, 2022	– shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

As of February 28, 2023

Assets	
Current assets	
Cash and deposits	5,940
Notes and accounts receivable - trade	4,251
Merchandise and finished goods	348
Work in process	75
Raw materials and supplies	249
Other	384
Total current assets	11,249
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	5,000
Machinery, equipment and vehicles, net	1,682
Land	6,475
Leased assets, net	43
Construction in progress	1
Other, net	183
Total property, plant and equipment	13,387
Intangible assets	
Goodwill	304
Other	158
Total intangible assets	463
Investments and other assets	
Investment securities	617
Deferred tax assets	511
Other	78
Total investments and other assets	1,207
Total non-current assets	15,058
Total assets	26,308

(Millions of yen)

As of February 28, 2023

Liabilities	
Current liabilities	
Accounts payable - trade	2,922
Short-term borrowings	1,300
Current portion of long-term borrowings	806
Lease liabilities	8
Income taxes payable	220
Provision for bonuses	171
Provision for bonuses for directors (and other officers)	17
Other	1,812
Total current liabilities	<u>7,257</u>
Non-current liabilities	
Long-term borrowings	528
Lease liabilities	11
Deferred tax liabilities	10
Retirement benefit liability	762
Negative goodwill	21
Other	310
Total non-current liabilities	<u>1,646</u>
Total liabilities	<u>8,904</u>
Net assets	
Shareholders' equity	
Share capital	100
Capital surplus	2,803
Retained earnings	14,417
Treasury shares	(324)
Total shareholders' equity	<u>16,995</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	142
Total accumulated other comprehensive income	<u>142</u>
Share acquisition rights	265
Non-controlling interests	0
Total net assets	<u>17,404</u>
Total liabilities and net assets	<u>26,308</u>

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

(Millions of yen)

	Fiscal year ended February 28, 2023
Net sales	41,052
Cost of sales	32,419
Gross profit	8,633
Selling, general and administrative expenses	7,094
Operating profit	1,538
Non-operating income	
Interest income	0
Dividend income	8
Amortization of negative goodwill	37
Share of profit of entities accounted for using equity method	11
Rental income	33
Surplus distributed in accordance with the amount of use of businesses	8
Other	36
Total non-operating income	136
Non-operating expenses	
Interest expenses	5
Rental expenses	17
Other	1
Total non-operating expenses	24
Ordinary profit	1,650
Extraordinary income	
Gain on sale of investment securities	8
Subsidy income	14
Total extraordinary income	23
Extraordinary losses	
Loss on disposal of non-current assets	21
Total extraordinary losses	21
Profit before income taxes	1,652
Income taxes - current	592
Income taxes - deferred	(78)
Total income taxes	513
Profit	1,139
Profit attributable to non-controlling interests	0
Profit attributable to owners of parent	1,138

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2023
Profit	1,139
Other comprehensive income	
Valuation difference on available-for-sale securities	25
Total other comprehensive income	25
Comprehensive income	1,164
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,164
Comprehensive income attributable to non-controlling interests	0

Consolidated statements of changes in equity

Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	766	2,137	13,547	(0)	16,451
Cumulative effects of changes in accounting policies			(12)		(12)
Restated balance	766	2,137	13,535	(0)	16,438
Changes during period					
Changes by share transfer	(666)	666			–
Dividends of surplus			(257)		(257)
Profit attributable to owners of parent			1,138		1,138
Purchase of treasury shares				(324)	(324)
Cancellation of treasury shares		(0)		0	–
Net changes in items other than shareholders' equity					
Total changes during period	(666)	665	881	(324)	556
Balance at end of period	100	2,803	14,417	(324)	16,995

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	117	117	188	0	16,757
Cumulative effects of changes in accounting policies					(12)
Restated balance	117	117	188	0	16,744
Changes during period					
Changes by share transfer					–
Dividends of surplus					(257)
Profit attributable to owners of parent					1,138
Purchase of treasury shares					(324)
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity	25	25	77	0	102
Total changes during period	25	25	77	0	659
Balance at end of period	142	142	265	0	17,404

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2023
Cash flows from operating activities	
Profit before income taxes	1,652
Depreciation	980
Loss (gain) on disposal of non-current assets	21
Subsidy income	(14)
Amortization of goodwill	98
Increase (decrease) in provision for bonuses	4
Increase (decrease) in provision for bonuses for directors (and other officers)	0
Increase (decrease) in retirement benefit liability	194
Amortization of negative goodwill	(37)
Share of loss (profit) of entities accounted for using equity method	(11)
Interest and dividend income	(8)
Interest expenses	5
Decrease (increase) in trade receivables	(46)
Decrease (increase) in inventories	(94)
Increase (decrease) in trade payables	93
Other, net	(228)
Subtotal	2,605
Interest and dividends received	11
Interest paid	(5)
Income taxes paid	(955)
Subsidies received	10
Net cash provided by (used in) operating activities	1,665

	(Millions of yen)
	Fiscal year ended February 28, 2023
Cash flows from investing activities	
Purchase of property, plant and equipment	(827)
Proceeds from sale of property, plant and equipment	1
Purchase of intangible assets	(55)
Purchase of investment securities	(10)
Proceeds from sale of investment securities	9
Subsidies received	3
Other, net	(3)
Net cash provided by (used in) investing activities	(882)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	300
Proceeds from long-term borrowings	300
Repayments of long-term borrowings	(885)
Repayments of lease liabilities	(8)
Purchase of treasury shares	(324)
Dividends paid	(256)
Other, net	(1)
Net cash provided by (used in) financing activities	(876)
Net increase (decrease) in cash and cash equivalents	(93)
Cash and cash equivalents at beginning of period	6,034
Cash and cash equivalents at end of period	5,940