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December 28, 2023

Consolidated Financial Results for the Nine Months Ended November 20, 2023 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 8276
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 Scheduled date to file quarterly securities report: January 4, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended November 20, 2023 (from February 21, 2023 to November 20, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
November 20, 2023	312,498	2.2	8,275	18.4	9,121	14.2	5,400	12.8
November 20, 2022	305,743	—	6,989	—	7,986	—	4,787	—

Note: Comprehensive income For the nine months ended November 20, 2023: ¥6,646 million [14.8%]
 For the nine months ended November 20, 2022: ¥5,787 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 20, 2023	102.97	—
November 20, 2022	91.27	—

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the first quarter of the previous fiscal year. Figures for the nine months ended November 20, 2022 reflect these accounting standards, and year-on-year percentage changes are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 20, 2023	311,077	186,753	59.4
February 20, 2023	300,422	182,297	60.0

Reference: Equity

As of November 20, 2023: ¥184,740 million
 As of February 20, 2023: ¥180,380 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 20, 2023	—	19.00	—	23.00	42.00
Fiscal year ending February 20, 2024	—	19.00	—		
Fiscal year ending February 20, 2024 (Forecast)				23.00	42.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending February 20, 2024 (from February 21, 2023 to February 20, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	427,000	2.7	13,000	15.3	14,100	7.9	8,300	10.4	158.25

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: –

Excluded: –

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes

Note: For details, please see “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” on page 7 of the attachments.

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please see “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in accounting policies)” on page 7 of the attachments.

(4) Number of issued shares (common shares)

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

As of November 20, 2023	52,546,470 shares
As of February 20, 2023	52,546,470 shares

(ii) Number of treasury shares at the end of the period

As of November 20, 2023	98,226 shares
As of February 20, 2023	98,019 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 20, 2023	52,448,367 shares
Nine months ended November 20, 2022	52,448,674 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation regarding proper use of earnings forecasts and other special matters

Forward-looking statements such as earnings forecasts in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to guarantee that the Company will achieve them. Actual operating results may differ substantially from these forecasts due to a variety of factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months under review (from February 21, 2023 to November 20, 2023), the Japanese economy was expected to recover following the reclassification of the category of COVID-19 to Class 5. However, consumers are becoming more conscious than ever before of protecting their daily lives due to concerns over persistently high energy prices and inflation, and as a result, the economic situation remains uncertain.

In the retail and restaurant industries in Japan, as restrictions were eased in the wake of the reclassification of COVID-19, operating revenue grew in line with a recovery in demand for going out, an increase in the number of customers, and a rise in unit prices due to continuous price hikes. Furthermore, profits increased as selling and administrative expenses were controlled due to effective use of advertising expenses and personnel expenses, in addition to efforts to reduce the utility costs and a less-than-expected rise in fuel adjustment costs.

As a result of the foregoing, the operating results for the nine months under review were operating revenue of ¥312,498 million (up 2.2% year on year), operating profit of ¥8,275 million (up 18.4% year on year), ordinary profit of ¥9,121 million (up 14.2% year on year), and profit attributable to owners of parent of ¥5,400 million (up 12.8% year on year).

(2) Explanation of Financial Position

Total assets as of the end of the third quarter under review increased by ¥10,655 million from the end of the previous fiscal year to ¥311,077 million. The main factors included increases in property, plant and equipment of ¥7,597 million and notes and accounts receivable - trade, and contract assets of ¥2,635 million.

Liabilities increased by ¥6,198 million from the end of the previous fiscal year to ¥124,323 million. The main factors included increases in notes and accounts payable - trade of ¥4,552 million, short-term borrowings of ¥3,939 million, and provision for bonuses of ¥1,511 million, which were partially offset primarily by a decrease in long-term borrowings of ¥4,279 million.

Net assets increased by ¥4,456 million from the end of the previous fiscal year to ¥186,753 million. The main factors included an increase in retained earnings of ¥3,191 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Forecasted figures for the consolidated operating results for the fiscal year ending February 20, 2024 remain unchanged from those announced on September 22, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 20, 2023	As of November 20, 2023
Assets		
Current assets		
Cash and deposits	32,011	31,205
Notes and accounts receivable - trade, and contract assets	7,365	10,001
Merchandise and finished goods	18,426	20,604
Raw materials and supplies	157	183
Other	6,959	5,885
Allowance for doubtful accounts	(77)	(83)
Total current assets	64,842	67,797
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	87,296	91,903
Land	96,024	99,424
Other, net	11,979	11,570
Total property, plant and equipment	195,300	202,898
Intangible assets		
Goodwill	673	623
Leasehold interests in land	5,524	5,579
Other	4,337	4,304
Total intangible assets	10,536	10,508
Investments and other assets		
Investment securities	3,553	4,175
Leasehold and guarantee deposits	18,545	18,006
Deferred tax assets	4,960	4,782
Other	3,079	3,264
Allowance for doubtful accounts	(395)	(355)
Total investments and other assets	29,742	29,873
Total non-current assets	235,579	243,279
Total assets	300,422	311,077

As of February 20, 2023

As of November 20, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,811	33,363
Short-term borrowings	12,445	16,384
Income taxes payable	1,926	1,007
Provision for bonuses	1,438	2,949
Contract liabilities	10,822	10,978
Refund liabilities	7,791	7,724
Provision for loss on interest repayment	44	25
Provision for loss on shop close	1,021	733
Provision for bonuses for directors (and other officers)	24	—
Provision for loss on guarantees	48	—
Other	16,834	18,969
Total current liabilities	81,207	92,138
Non-current liabilities		
Long-term borrowings	14,980	10,700
Retirement benefit liability	8,573	8,319
Asset retirement obligations	4,390	4,451
Leasehold and guarantee deposits received	8,468	8,375
Deferred tax liabilities	62	60
Other	441	277
Total non-current liabilities	36,917	32,184
Total liabilities	118,124	124,323
Net assets		
Shareholders' equity		
Share capital	11,614	11,614
Capital surplus	19,748	19,748
Retained earnings	145,505	148,696
Treasury shares	(197)	(198)
Total shareholders' equity	176,670	179,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	603	1,088
Foreign currency translation adjustment	3,115	3,712
Remeasurements of defined benefit plans	(9)	77
Total accumulated other comprehensive income	3,710	4,879
Non-controlling interests	1,917	2,013
Total net assets	182,297	186,753
Total liabilities and net assets	300,422	311,077

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended November 20

(Millions of yen)

	For the nine months ended November 20, 2022	For the nine months ended November 20, 2023
Operating revenue		
Net sales	280,237	286,665
Operating revenue	25,505	25,832
Total operating revenue	305,743	312,498
Cost of sales	195,920	199,448
Gross profit	84,317	87,217
Operating gross profit	109,823	113,049
Selling, general and administrative expenses	102,833	104,774
Operating profit	6,989	8,275
Non-operating income		
Interest income	207	141
Commission income	441	421
Receipt subsidy	81	81
Other	355	378
Total non-operating income	1,085	1,023
Non-operating expenses		
Burden charge payment	14	49
Interest expenses	18	23
Compensation expense	9	2
Provision of allowance for doubtful accounts	—	75
Other	46	27
Total non-operating expenses	88	178
Ordinary profit	7,986	9,121
Extraordinary income		
Reversal of asset retirement obligations	49	15
Gain on sale of non-current assets	134	10
Grant income	129	—
Reversal of provision loss on store closing	224	45
Gain on sale of investment securities	637	25
Other	43	1
Total extraordinary income	1,218	97
Extraordinary losses		
Loss on sale of non-current assets	10	—
Loss on retirement of non-current assets	371	630
Impairment losses	737	28
Provision for loss on stores closing	456	60
Loss on valuation of investment securities	—	70
Other	130	48
Total extraordinary losses	1,705	838
Profit before income taxes	7,499	8,380
Income taxes	2,710	2,915
Profit	4,788	5,464
Profit attributable to non-controlling interests	1	63
Profit attributable to owners of parent	4,787	5,400

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended November 20

(Millions of yen)

	For the nine months ended November 20, 2022	For the nine months ended November 20, 2023
Profit	4,788	5,464
Other comprehensive income		
Valuation difference on available-for-sale securities	(309)	484
Foreign currency translation adjustment	1,311	609
Remeasurements of defined benefit plans, net of tax	(2)	87
Total other comprehensive income	999	1,181
Comprehensive income	5,787	6,646
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,718	6,549
Comprehensive income attributable to non-controlling interests	69	96

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by making a reasonable estimate of the effective tax rate after application of tax effect accounting to profit before income taxes for the consolidated fiscal year that includes the third quarter under review, and multiplying profit before income taxes by the said estimated effective tax rate. In addition, income taxes deferred are included in "Income taxes."

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Fair Value Measurement Implementation Guidance") from the beginning of the first quarter, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Implementation Guidance in accordance with the transitional treatment provided for under Paragraph 27-2 of the Fair Value Measurement Implementation Guidance. This does not affect the quarterly consolidated financial statements for the nine months ended November 20, 2023 under review.