

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 12, 2024

Company name: HIDAY HIDAKA Corp.
 Stock exchange listing: Tokyo
 Stock code: 7611 URL <https://www.hiday.co.jp/ir/>
 Representative: President and Representative Director Hiroshige Aono
 General Manager of Corporate Planning
 Inquiries: Jun Ishida TEL 048-644-8030
 Department
 Scheduled date of ordinary general meeting of shareholders: May 24, 2024
 Scheduled date to file Securities Report: May 24, 2024
 Scheduled date to commence dividend payments: May 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 29, 2024	48,772	27.8	4,637	653.2	4,756	92.5	3,233	112.8
Year ended February 28, 2023	38,168	44.6	615	–	2,470	(4.5)	1,519	(3.8)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 29, 2024	85.15	–	13.4	15.2	9.5
Year ended February 28, 2023	40.01	–	6.7	8.7	1.6

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	33,264	25,113	75.5	661.36
As of February 28, 2023	29,181	22,974	78.7	604.97

(3) Non-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 29, 2024	5,960	(2,309)	(1,108)	12,952
Year ended February 28, 2023	4,099	(2,693)	(917)	10,410

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-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, 2023	–	12.00	–	12.00	24.00	911	60.0	4.0
Year ended February 29, 2024	–	17.00	–	18.00	35.00	1,329	41.1	5.5
Year ending February 28, 2025 (Forecast)	–	18.00	–	18.00	36.00		39.1	

3. Forecast of non-consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2024	25,500	7.2	2,600	8.2	2,600	1.8	1,750	1.1	46.09
Full year	52,000	6.6	5,200	12.1	5,200	9.3	3,500	8.2	92.17

4. Notes

(1) 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:	Yes
Restatement of prior period financial statements:	No

(2) Number of issued shares (common shares)

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

As of February 29, 2024	38,147,116 shares	As of February 28, 2023	38,147,116 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	173,854 shares	As of February 28, 2023	171,352 shares
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Average number of shares during the period

Year ended February 29, 2024	37,974,041 shares	Year ended February 28, 2023	37,977,109 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	10,277,386	14,814,833
Sales entrusting money	133,294	137,903
Accounts receivable - trade	1,121,348	1,460,150
Store ingredient	196,425	240,449
Raw materials and supplies	41,754	54,009
Prepaid expenses	398,931	406,100
Other	124,009	110,577
Total current assets	12,293,149	17,224,024
Non-current assets		
Property, plant and equipment		
Buildings	13,483,591	14,138,335
Accumulated depreciation	(7,261,281)	(7,663,974)
Buildings, net	6,222,309	6,474,360
Structures	133,476	133,476
Accumulated depreciation	(108,138)	(111,209)
Structures, net	25,338	22,267
Machinery and equipment	2,679,489	2,793,062
Accumulated depreciation	(2,309,023)	(2,341,641)
Machinery and equipment, net	370,465	451,420
Vehicles	19,789	19,721
Accumulated depreciation	(17,297)	(17,531)
Vehicles, net	2,491	2,189
Tools, furniture and fixtures	2,789,836	3,042,144
Accumulated depreciation	(2,273,693)	(2,176,863)
Tools, furniture and fixtures, net	516,143	865,280
Land	1,394,502	1,394,502
Construction in progress	48,652	56,430
Total property, plant and equipment	8,579,903	9,266,450
Intangible assets		
Trademark right	1,426	1,074
Software	223,988	168,451
Telephone subscription right	10,275	10,275
Other	2,013	5,755
Total intangible assets	237,703	185,557

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Investments and other assets		
Investment securities	103,418	622,652
Investments in capital	998	999
Long-term prepaid expenses	258,090	254,992
Leasehold and guarantee deposits	4,371,154	4,336,112
Insurance funds	673,172	921,474
Deposits for stores in preparation	13,631	13,462
Deferred tax assets	646,324	435,359
Long-term time deposits	2,000,000	–
Other	29,327	28,808
Allowance for doubtful accounts	(25,489)	(25,249)
Total investments and other assets	8,070,628	6,588,612
Total non-current assets	16,888,235	16,040,620
Total assets	29,181,385	33,264,645
Liabilities		
Current liabilities		
Accounts payable - trade	962,204	1,157,964
Accounts payable - other	707,401	1,117,544
Accrued expenses	1,135,372	1,334,241
Income taxes payable	326,791	1,064,117
Accrued consumption taxes	920,322	954,534
Deposits received	82,037	108,102
Unearned revenue	6,438	6,210
Provision for bonuses	380,942	482,919
Asset retirement obligations	14,584	14,025
Other	108,553	63,491
Total current liabilities	4,644,649	6,303,151
Non-current liabilities		
Long-term accounts payable - other	213,240	213,240
Long-term guarantee deposits	68,933	69,168
Asset retirement obligations	1,280,292	1,565,101
Total non-current liabilities	1,562,465	1,847,509
Total liabilities	6,207,115	8,150,660

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Net assets		
Shareholders' equity		
Share capital	1,625,363	1,625,363
Capital surplus		
Legal capital surplus	1,701,680	1,701,680
Other capital surplus	4	4
Total capital surplus	1,701,684	1,701,684
Retained earnings		
Legal retained earnings	38,663	38,663
Other retained earnings		
General reserve	14,194,445	14,194,445
Retained earnings brought forward	5,551,766	7,684,174
Total retained earnings	19,784,874	21,917,282
Treasury shares	(169,477)	(175,533)
Total shareholders' equity	22,942,444	25,068,797
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	31,825	45,187
Total valuation and translation adjustments	31,825	45,187
Total net assets	22,974,269	25,113,984
Total liabilities and net assets	29,181,385	33,264,645

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	38,168,283	48,772,224
Cost of sales		
Store ingredient inventory of beginning at this season	156,788	196,425
Store ingredient cost during the period	3,596,302	4,312,900
Purchase of store ingredient during the period	7,158,565	9,414,875
Total of store ingredient cost and purchase during the period	10,911,657	13,924,201
Store ingredient inventory of end at this season	196,425	240,449
Total cost of sales	10,715,232	13,683,751
Gross profit	27,453,051	35,088,472
Selling, general and administrative expenses	26,837,343	30,451,146
Operating profit	615,707	4,637,326
Non-operating income		
Interest income	123	230
Dividend income	3,277	3,494
Commission income	1,639	2,575
Rental income	5,017	5,778
Sponsorship money income	3,900	–
Cooperation money income	1,263,562	–
Subsidies for employment adjustment	480,304	68,876
Compensation income	63,100	64,739
Miscellaneous income	90,661	57,364
Total non-operating income	1,911,586	203,059
Non-operating expenses		
Loss on retirement of non-current assets	46,429	74,404
Miscellaneous losses	10,098	9,190
Total non-operating expenses	56,527	83,595
Ordinary profit	2,470,766	4,756,790
Extraordinary income		
Gain on sale of non-current assets	192	–
Gain on receipt of donated non-current assets	–	16,940
Total extraordinary income	192	16,940
Extraordinary losses		
Impairment losses	158,116	202,834
Loss on sale of non-current assets	1,114	1,949
Total extraordinary losses	159,231	204,783
Profit before income taxes	2,311,726	4,568,947
Income taxes - current	439,402	1,130,448
Income taxes - deferred	352,922	205,092
Total income taxes	792,325	1,335,541
Profit	1,519,401	3,233,405

Non-consolidated statements of changes in equity

Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	1,625,363	1,701,680	4	1,701,684	38,663	14,194,445	4,943,829	19,176,937	(163,950)	22,340,034
Changes during period										
Dividends of surplus							(911,464)	(911,464)		(911,464)
Profit (loss)							1,519,401	1,519,401		1,519,401
Purchase of treasury shares									(5,527)	(5,527)
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	–	–	607,937	607,937	(5,527)	602,410
Balance at end of period	1,625,363	1,701,680	4	1,701,684	38,663	14,194,445	5,551,766	19,784,874	(169,477)	22,942,444

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	21,236	21,236	22,361,271
Changes during period			
Dividends of surplus			(911,464)
Profit (loss)			1,519,401
Purchase of treasury shares			(5,527)
Net changes in items other than shareholders' equity	10,588	10,588	10,588
Total changes during period	10,588	10,588	612,998
Balance at end of period	31,825	31,825	22,974,269

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	1,625,363	1,701,680	4	1,701,684	38,663	14,194,445	5,551,766	19,784,874	(169,477)	22,942,444
Changes during period										
Dividends of surplus							(1,100,997)	(1,100,997)		(1,100,997)
Profit (loss)							3,233,405	3,233,405		3,233,405
Purchase of treasury shares									(6,055)	(6,055)
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	–	–	2,132,408	2,132,408	(6,055)	2,126,353
Balance at end of period	1,625,363	1,701,680	4	1,701,684	38,663	14,194,445	7,684,174	21,917,282	(175,533)	25,068,797

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	31,825	31,825	22,974,269
Changes during period			
Dividends of surplus			(1,100,997)
Profit (loss)			3,233,405
Purchase of treasury shares			(6,055)
Net changes in items other than shareholders' equity	13,362	13,362	13,362
Total changes during period	13,362	13,362	2,139,715
Balance at end of period	45,187	45,187	25,113,984

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	2,311,726	4,568,947
Depreciation	1,234,220	1,230,847
Impairment losses	158,116	202,834
Increase (decrease) in allowance for doubtful accounts	(240)	(240)
Increase (decrease) in provision for bonuses	24,216	101,976
Sponsorship income	(3,900)	–
Cooperation money income	(1,263,562)	–
Compensation income	(63,100)	(64,739)
Subsidies for employment adjustment	(480,304)	(68,876)
Surrender value of insurance policies	(74,727)	(19,386)
Interest and dividend income	(3,401)	(3,725)
Gain on receipt of donated non-current assets	–	(16,940)
Loss (gain) on sale and retirement of non-current assets	47,352	76,317
Decrease (increase) in trade receivables	(521,607)	(338,802)
Decrease (increase) in inventories	(44,916)	(56,280)
Decrease (increase) in other current assets	92,072	(25,782)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	822,092	34,211
Increase (decrease) in trade payables	427,382	195,760
Increase (decrease) in other current liabilities	385,147	387,190
Increase (decrease) in other non-current liabilities	(92,030)	–
Other, net	74,315	31,270
Subtotal	3,028,853	6,234,581
Interest and dividends received	3,401	3,725
Support money received	3,900	–
Amount of cooperation money received	1,263,562	–
Proceeds from compensation	63,100	64,739
Proceeds from subsidies for employment adjustment	480,304	68,876
Income taxes refund (paid)	(743,676)	(411,831)
Net cash provided by (used in) operating activities	4,099,445	5,960,092
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,000,000	–
Payments into time deposits	(3,000,000)	–
Purchase of property, plant and equipment	(1,047,903)	(1,466,149)
Proceeds from sale of property, plant and equipment	1,902	3,080
Purchase of intangible assets	(89,417)	(22,765)
Purchase of investment securities	–	(500,000)
Payments of leasehold and guarantee deposits	(219,874)	(160,525)
Proceeds from refund of leasehold and guarantee deposits	173,420	63,183
Proceeds from cancellation of insurance funds	530,462	42,504
Other, net	(42,562)	(269,185)
Net cash provided by (used in) investing activities	(2,693,971)	(2,309,857)
Cash flows from financing activities		
Purchase of treasury shares	(5,527)	(6,055)
Dividends paid	(911,773)	(1,102,124)
Net cash provided by (used in) financing activities	(917,301)	(1,108,179)
Net increase (decrease) in cash and cash equivalents	488,172	2,542,055
Cash and cash equivalents at beginning of period	9,922,508	10,410,681
Cash and cash equivalents at end of period	10,410,681	12,952,736