

Translation

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

April 12, 2024

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, 2024
 Scheduled date to file Securities Report: May 30, 2024
 Scheduled date to commence dividend payments: May 31, 2024
 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 29, 2024 (from March 1, 2023 to February 29, 2024)

(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 29, 2024	43,028	4.8	1,668	8.4	1,771	7.3	1,175	3.2
Year ended February 28, 2023	41,052	—	1,538	—	1,650	—	1,138	—

	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 29, 2024	94.29	91.98	6.7	6.6	3.9
Year ended February 28, 2023	88.80	87.11	6.8	6.3	3.7

(2) 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	27,713	18,254	64.6	1,438.45
As of February 28, 2023	26,308	17,404	65.1	1,362.11

(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 29, 2024	2,718	(950)	45	7,754
Year ended February 28, 2023	1,665	(882)	(876)	5,940

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, 2023	—	—	—	22.00	22.00	276	24.8	1.7
Year ended February 29, 2024	—	0.00	—	24.00	24.00	298	25.5	1.7
Year ending February 28, 2025 (Forecast)	—	12.00	—	12.00	24.00		24.9	

3. Forecast of 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 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, 2024	22,830	(1.2)	1,325	3.5	1,364	0.7	914	(0.1)	73.49
Full year	43,500	1.1	1,700	1.9	1,780	0.5	1,200	2.1	96.49

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 2024

(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:

No

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 29, 2024	12,858,430 shares	As of February 28, 2023	12,858,430 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	421,400 shares	As of February 28, 2023	276,100 shares
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Average number of shares during the period

Year ended February 29, 2024	12,465,232 shares	Year ended February 28, 2023	12,826,012 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	5,940	7,754
Notes and accounts receivable - trade	4,251	4,119
Merchandise and finished goods	348	380
Work in process	75	66
Raw materials and supplies	249	216
Other	384	85
Total current assets	11,249	12,622
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,000	4,691
Machinery, equipment and vehicles, net	1,682	1,564
Land	6,475	6,527
Leased assets, net	43	32
Construction in progress	1	478
Other, net	183	143
Total property, plant and equipment	13,387	13,436
Intangible assets		
Goodwill	304	206
Other	158	120
Total intangible assets	463	326
Investments and other assets		
Investment securities	617	677
Deferred tax assets	511	571
Other	78	78
Total investments and other assets	1,207	1,327
Total non-current assets	15,058	15,091
Total assets	26,308	27,713

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,922	2,892
Short-term borrowings	1,300	1,100
Current portion of long-term borrowings	806	400
Lease liabilities	8	5
Income taxes payable	220	449
Provision for bonuses	171	163
Provision for bonuses for directors (and other officers)	17	19
Other	1,812	1,636
Total current liabilities	7,257	6,668
Non-current liabilities		
Long-term borrowings	528	1,628
Lease liabilities	11	6
Deferred tax liabilities	10	17
Retirement benefit liability	762	818
Negative goodwill	21	–
Other	310	321
Total non-current liabilities	1,646	2,791
Total liabilities	8,904	9,459
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	2,803	2,803
Retained earnings	14,417	15,315
Treasury shares	(324)	(499)
Total shareholders' equity	16,995	17,719
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	142	172
Remeasurements of defined benefit plans	–	(2)
Total accumulated other comprehensive income	142	170
Share acquisition rights	265	352
Non-controlling interests	0	11
Total net assets	17,404	18,254
Total liabilities and net assets	26,308	27,713

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

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	41,052	43,028
Cost of sales	32,419	34,390
Gross profit	8,633	8,637
Selling, general and administrative expenses	7,094	6,969
Operating profit	1,538	1,668
Non-operating income		
Interest income	0	0
Dividend income	8	9
Amortization of negative goodwill	37	21
Share of profit of entities accounted for using equity method	11	7
Rental income	33	33
Surplus distributed in accordance with the amount of use of businesses	8	8
Consumption tax difference	11	15
Other	24	32
Total non-operating income	136	128
Non-operating expenses		
Interest expenses	5	6
Rental expenses	17	17
Other	1	0
Total non-operating expenses	24	24
Ordinary profit	1,650	1,771
Extraordinary income		
Gain on sale of non-current assets	–	6
Gain on sale of investment securities	8	–
Subsidy income	14	2
Compensation income	–	10
Total extraordinary income	23	19
Extraordinary losses		
Loss on disposal of non-current assets	21	13
Total extraordinary losses	21	13
Profit before income taxes	1,652	1,777
Income taxes - current	592	669
Income taxes - deferred	(78)	(66)
Total income taxes	513	602
Profit	1,139	1,175
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	1,138	1,175

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	1,139	1,175
Other comprehensive income		
Valuation difference on available-for-sale securities	25	30
Remeasurements of defined benefit plans, net of tax	–	(2)
Total other comprehensive income	25	27
Comprehensive income	1,164	1,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,164	1,203
Comprehensive income attributable to non-controlling interests	0	(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	Remeasurements of defined benefit plans	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

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	2,803	14,417	(324)	16,995
Cumulative effects of changes in accounting policies					–
Restated balance	100	2,803	14,417	(324)	16,995
Changes during period					
Changes by share transfer					–
Dividends of surplus			(276)		(276)
Profit attributable to owners of parent			1,175		1,175
Purchase of treasury shares				(174)	(174)
Cancellation of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	898	(174)	723
Balance at end of period	100	2,803	15,315	(499)	17,719

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	142	–	142	265	0	17,404
Cumulative effects of changes in accounting policies						–
Restated balance	142	–	142	265	0	17,404
Changes during period						
Changes by share transfer						–
Dividends of surplus						(276)
Profit attributable to owners of parent						1,175
Purchase of treasury shares						(174)
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	30	(2)	27	87	11	126
Total changes during period	30	(2)	27	87	11	850
Balance at end of period	172	(2)	170	352	11	18,254

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	1,652	1,777
Depreciation	980	940
Loss (gain) on disposal of non-current assets	21	13
Loss (gain) on sale of non-current assets	–	(6)
Loss (gain) on sale of investment securities	(8)	–
Subsidy income	(14)	(2)
Compensation income	–	(10)
Amortization of goodwill	98	98
Increase (decrease) in provision for bonuses	4	(7)
Increase (decrease) in provision for bonuses for directors (and other officers)	0	2
Increase (decrease) in retirement benefit liability	194	52
Amortization of negative goodwill	(37)	(21)
Share of loss (profit) of entities accounted for using equity method	(11)	(7)
Interest and dividend income	(8)	(9)
Interest expenses	5	6
Decrease (increase) in trade receivables	(46)	132
Decrease (increase) in inventories	(94)	10
Increase (decrease) in trade payables	93	(29)
Other, net	(226)	205
Subtotal	2,605	3,144
Interest and dividends received	11	11
Interest paid	(5)	(6)
Income taxes paid	(955)	(440)
Subsidies received	10	2
Proceeds from compensation	–	7
Net cash provided by (used in) operating activities	1,665	2,718

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(827)	(935)
Proceeds from sale of property, plant and equipment	1	12
Purchase of intangible assets	(55)	(15)
Purchase of investment securities	(10)	(11)
Proceeds from sale of investment securities	9	–
Subsidies received	3	–
Other, net	(3)	(0)
Net cash provided by (used in) investing activities	(882)	(950)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300	(200)
Proceeds from long-term borrowings	300	1,500
Repayments of long-term borrowings	(885)	(806)
Repayments of lease liabilities	(8)	(8)
Purchase of treasury shares	(324)	(174)
Proceeds from share issuance to non-controlling shareholders	–	12
Dividends paid	(256)	(276)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(876)	45
Net increase (decrease) in cash and cash equivalents	(93)	1,813
Cash and cash equivalents at beginning of period	6,034	5,940
Cash and cash equivalents at end of period	5,940	7,754