

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2023 (Based on Japanese GAAP)

February 7, 2024

Company name: Alpen Co.,Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3028 URL: <https://store.alpen-group.jp/corporate>
 Representative: President Atsushi Mizuno
 Inquiries: Director and Head of Administration Yasuhiko Mizumaki TEL 052-559-0121
 Scheduled date to file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: March 11, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Six months ended December 31, 2023	122,401	1.8	1,502	(62.2)	2,321	(49.9)	945	(69.7)
Six months ended December 31, 2022	120,258	6.5	3,971	(32.9)	4,636	(32.4)	3,123	(27.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2023	24.54	–
Six months ended December 31, 2022	80.59	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	201,468	115,565	57.4	2,998.51
As of June 30, 2023	186,505	115,700	62.0	3,002.60

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2023	–	25.00	–	25.00	50.00
Year ending June 30, 2024	–	25.00			
Year ending June 30, 2024 (Forecast)			–	25.00	50.00

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 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
Full year	252,460	3.2	3,200	(36.8)	4,680	(32.5)	1,040	(81.0)	26.98

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2023	38,888,000 shares	As of June 30, 2023	38,888,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	346,860 shares	As of June 30, 2023	354,666 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2023	38,534,946 shares	Six months ended December 31, 2022	38,754,009 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	17,510	18,034
Accounts receivable - trade	10,876	12,644
Merchandise and finished goods	68,963	77,699
Other	4,387	6,516
Allowance for doubtful accounts	(107)	(107)
Total current assets	101,631	114,788
Non-current assets		
Property, plant and equipment		
Buildings and structures	82,364	84,261
Accumulated depreciation	(60,647)	(61,818)
Buildings and structures, net	21,717	22,442
Other	37,468	38,785
Accumulated depreciation	(14,377)	(14,350)
Other, net	23,091	24,435
Total property, plant and equipment	44,808	46,877
Intangible assets	3,194	2,916
Investments and other assets		
Guarantee deposits	19,188	19,630
Other	20,700	20,269
Accumulated depreciation	(2,969)	(2,965)
Other, net	17,730	17,303
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	36,870	36,885
Total non-current assets	84,873	86,680
Total assets	186,505	201,468

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,674	24,515
Electronically recorded obligations - operating	27,148	34,400
Contract liabilities	2,731	2,716
Provisions	300	285
Other	16,034	14,397
Total current liabilities	60,888	76,315
Non-current liabilities		
Provisions	895	874
Retirement benefit liability	93	101
Asset retirement obligations	4,731	4,702
Other	4,197	3,909
Total non-current liabilities	9,916	9,587
Total liabilities	70,804	85,902
Net assets		
Shareholders' equity		
Share capital	15,163	15,163
Capital surplus	21,626	21,626
Retained earnings	77,716	77,698
Treasury shares	(701)	(685)
Total shareholders' equity	113,805	113,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,365	1,212
Deferred gains or losses on hedges	–	11
Foreign currency translation adjustment	1	23
Remeasurements of defined benefit plans	528	515
Total accumulated other comprehensive income	1,895	1,763
Total net assets	115,700	115,565
Total liabilities and net assets	186,505	201,468

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Net sales	120,258	122,401
Cost of sales	71,838	74,457
Gross profit	48,420	47,944
Selling, general and administrative expenses	44,449	46,441
Operating profit	3,971	1,502
Non-operating income		
Rental income from real estate	505	505
Other	789	605
Total non-operating income	1,295	1,110
Non-operating expenses		
Rental expenses on real estate	241	240
Other	388	51
Total non-operating expenses	630	291
Ordinary profit	4,636	2,321
Extraordinary income		
Gain on reversal of foreign currency translation adjustments settlement received	111	–
Other	267	–
Other	0	–
Total extraordinary income	379	–
Extraordinary losses		
Impairment losses	91	728
Other	169	19
Total extraordinary losses	261	748
Profit before income taxes	4,755	1,572
Income taxes - current	1,631	627
Total income taxes	1,631	627
Profit	3,123	945
Profit attributable to owners of parent	3,123	945

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	3,123	945
Other comprehensive income		
Valuation difference on available-for-sale securities	296	(152)
Deferred gains or losses on hedges	(1)	11
Foreign currency translation adjustment	(81)	21
Remeasurements of defined benefit plans, net of tax	(6)	(12)
Total other comprehensive income	207	(131)
Comprehensive income	3,330	814
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,330	814
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,755	1,572
Depreciation	2,849	2,704
Amortization of goodwill	70	70
Increase Contract Liabilities	48	(14)
Increase (decrease) in provision for loss on subleases	(20)	(20)
Offset of house rental and other guarantee money deposits paid	190	159
Interest and dividend income	(58)	(31)
Interest expenses	51	36
Loss (gain) on valuation of derivatives	287	4
Loss (gain) on valuation of investment securities	162	–
Loss (gain) on sale of non-current assets	6	4
Gain on reversal of foreign currency translation adjustments	(111)	–
Impairment losses	91	728
Decrease (increase) in trade receivables	(2,819)	(1,750)
Decrease (increase) in inventories	(10,009)	(8,717)
Increase (decrease) in trade payables	10,006	17,093
Increase (decrease) in accrued consumption taxes	1,565	(2,139)
Other, net	(667)	1,217
Subtotal	6,396	10,917
Interest and dividends received	8	4
Interest paid	(31)	(18)
Income taxes paid	(446)	(620)
Income taxes refund	5	15
Net cash provided by (used in) operating activities	5,932	10,299
Cash flows from investing activities		
Proceeds from redemption of investment securities	–	100
Purchase of property, plant and equipment	(3,803)	(4,093)
Proceeds from sale of property, plant and equipment	0	–
Purchase of intangible assets	(184)	(708)
Purchase of long-term prepaid expenses	(0)	(5)
Payments of guarantee deposits	(254)	(842)
Proceeds from refund of guarantee deposits	35	207
Other, net	(21)	(41)
Net cash provided by (used in) investing activities	(4,228)	(5,384)
Cash flows from financing activities		
Repayments of long-term borrowings	(2,500)	(1,000)
Refund of deposits received from members	(22)	(25)
Repayments of lease liabilities	(457)	(360)
Purchase of treasury shares	(286)	–
Dividends paid	(968)	(962)
Other, net	(0)	1
Net cash provided by (used in) financing activities	(4,235)	(2,346)
Effect of exchange rate change on cash and cash equivalents	8	8
Net increase (decrease) in cash and cash equivalents	(2,523)	2,576
Cash and cash equivalents at beginning of period	29,059	18,238
Cash and cash equivalents at end of period	26,536	20,815