

# Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)



February 14, 2023

Company name: **Axial Retailing Inc.**  
 Stock exchange listings: Tokyo Prime section  
 Securities code: 8255  
 URL: <https://www.axial-r.com/>  
 Representative: Kazuhiko Hara, President and Representative Director  
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 Quarterly statement filing date (scheduled): February 14, 2023  
 Dividend payable date (scheduled): None  
 Supplementary material for quarterly materials: None  
 Briefing for quarterly results: None

(Amounts less than one million yen are rounded down)

## 1. Consolidated results for the third quarter of the fiscal year ending March 2023 (from April 1, 2022 to December 31, 2022)

(1) Quarterly consolidated operating results (cumulative)

(% change YoY)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2023	192,567	3.7	8,668	-1.3	9,112	0.9	6,053	0.6
3Q FY2022	185,627	—	8,781	-18.6	9,030	-19.1	6,019	-19.7

(Note) Comprehensive income: (3Q FY2023) 6,230million yen [7.8%] (3Q FY2022) 5,778million yen [-23.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
3Q FY2023	262.74	—
3Q FY2022	261.24	—

(Note) From the beginning of the fiscal year ending March 2022, the "Accounting Standard for Revenue Recognition" has been applied. Since the accounting methods used for comparison are different, the rate of increase / decrease in sales for the third quarter of the fiscal year ending March 2022 compared to the same quarter of the previous year is not stated.

(2) Quarterly consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q FY2023	126,403	78,445	62.1	3,404.51
FY 2022	116,855	74,059	63.4	3,214.13

(Reference) Net assets attributable to owners of parent : (3Q FY2023) 78,445million yen (FY2022) 74,059million yen

## 2. Quarterly Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	—	25.00	—	55.00	80.00
FY2023	—	25.00	—	55.00	80.00
FY2023 Forecast	—	—	—	55.00	80.00

(Note) Revision of cash dividend forecast for this period: None

**3. Forecast for the fiscal year ending March 31, 2023**

(% change YoY)

	Net sales		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
FY2023	247,500	0.4	9,800	-4.9	9,900	-6.7	6,100	-13.8	264.74

(Note) Revision of consolidated results forecast in this quarter: None

**※ Notes**

- (1) Material changes in subsidiaries during this period  
(Changes in scope of consolidation resulting from change is subsidiaries): None
- (2) Application of accounting methods used specifically for preparing the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates and retrospective restatement (see below iv )
- i Changes in accounting policies due to revisions of accounting standard: Yes
  - ii Changes in accounting policies due to reasons other than the above (i) None
  - iii Changes in accounting estimates: None
  - iv Restatement of prior period financial statements None
- (Note) From the beginning of the fiscal year ending March 2023, "Implementation Guidance on Accounting Standard for Fair Value Measurement" have been applied.
- (4) Number of issued shares (common stock)
- i Number of issued shares at the end of fiscal year (including treasury stock)
  - (3Q FY2023) 23,388,039shares (FY2022) 23,388,039shares
  - ii Number of shares of treasury stock at the end of fiscal year
  - (3Q FY2023) 346,489shares (FY2022) 346,283shares
  - iii Average number of shares during the period (cumulative)
  - (3Q FY2023) 23,041,680shares (3Q FY2022) 23,041,841shares

\* This quarterly earnings release is not subject to audit procedures to be performed by certified public accountants or an audit firm.

\* Explanation relating to the appropriate use of earnings forecasts, and other noteworthy items  
Forward-looking statements in this earnings release, such as forecasts of results of operations, are based on the information currently available and certain assumptions that we regard as reasonable and therefore actual results may differ materially from those contained in or suggested by any forward-looking statements.

\* This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Statements  
1 Consolidated Balance Sheet

(Yen million)

	Previous year (As of Mar 31, 2022)	Current Q3 period (As of Dec 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	18,452	20,733
Notes and accounts receivable - trade	4,154	6,415
Lease investment assets	634	562
Merchandise and finished goods	4,905	6,049
Work in process	23	63
Raw materials and supplies	359	405
Income tax refund receivable	458	389
Other	3,438	3,872
Allowance for doubtful accounts	-3	-3
Total current assets	32,423	38,487
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,256	41,723
Machinery, equipment and vehicles, net	627	594
Land	21,244	21,243
Leased assets, net	2,590	2,399
Construction in progress	903	2,354
Other, net	2,832	2,996
Total property, plant and equipment	67,453	71,311
Intangible assets		
Goodwill	2	2
Other	2,452	2,648
Total intangible assets	2,455	2,651
Investments and other assets		
Investment securities	2,964	3,246
Long-term loans receivable	9	6
Retirement benefit asset	145	167
Deferred tax assets	3,439	2,837
Lease and guarantee deposits	6,879	6,859
Other	1,130	855
Allowance for doubtful accounts	-45	-20
Total investments and other assets	14,523	13,952
Total non-current assets	84,432	87,915
Total assets	116,855	126,403

(Yen million)

	Previous year (As of Mar 31, 2022)	Current Q3 period (As of Dec 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	15,576	22,297
Contract liabilities	680	715
Lease obligations	375	315
Income taxes payable	1,254	948
Provision for bonuses for directors (and other officers)	346	223
Provision for bonuses	2,193	871
Other	7,839	7,730
Total current liabilities	28,266	33,102
Non-current liabilities		
Lease obligations	2,839	2,616
Asset retirement obligations	5,916	6,053
Long-term guarantee deposits	5,608	6,007
Provision for retirement benefits for directors (and other officers)	36	–
Retirement benefit liability	2	2
Other	127	176
Total non-current liabilities	14,530	14,855
Total liabilities	42,796	47,957
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,159	3,159
Capital surplus	15,749	15,749
Retained earnings	54,963	59,174
Treasury shares	-1,226	-1,226
Total shareholders' equity	72,647	76,856
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,137	1,356
Adjustments related to retirement benefits	274	231
Total accumulated other comprehensive income	1,412	1,588
Total net assets	74,059	78,445
Total liabilities and net assets	116,855	126,403

2 Consolidated Statements of Income and Comprehensive Income  
Consolidated Income Statement

(Yen million)

	Previous Q3 period (From Apr 1, 2021 To Dec 31, 2021)	Current Q3 period (From Apr 1, 2022 To Dec 31, 2022)
Net sales	185,627	192,567
Cost of sales	131,175	136,164
Gross profit	54,451	56,403
Selling, general and administrative expenses		
Employees' salaries	7,144	7,419
Miscellaneous salaries and wages	13,134	13,462
Provision for bonuses for directors (and other officers)	297	223
Bonuses	1,753	1,773
Provision for bonuses	804	814
Provision for retirement benefits for directors (and other officers)	2	–
Retirement benefit expenses	547	500
Rent expenses on land and buildings	3,907	3,985
Depreciation	3,360	3,533
Amortization of goodwill	0	0
Provision of allowance for doubtful accounts	1	0
Other	14,715	16,020
Total selling, general and administrative expenses	45,669	47,734
Operating profit	8,781	8,668
Non-operating income		
Interest income	34	28
Dividend income	53	54
Insurance income	173	295
Other	50	104
Total non-operating income	311	482
Non-operating expenses		
Interest expenses	38	36
Loss on cancellation of contracts	24	1
Other	0	0
Total non-operating expenses	63	38
Ordinary profit	9,030	9,112
Extraordinary income		
Gain on sale of non-current assets	5	1
Gain on sale of investment securities	10	0
Total extraordinary income	16	1
Extraordinary losses		
Loss on sale of non-current assets	9	–
Loss on retirement of non-current assets	20	7
Impairment losses	101	31
Loss on disaster	–	89
Loss on sale of investment securities	9	0
Loss on valuation of investment securities	7	1
Total extraordinary losses	147	130
Profit before income taxes	8,899	8,983
Income taxes - current	2,153	2,374
Income taxes - deferred	726	555
Total income taxes	2,880	2,930
Net profit	6,019	6,053
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	6,019	6,053

## Consolidated Comprehensive Income Statement

(Yen million)

	Previous Q3 period (From Apr 1, 2021 To Dec 31, 2021)	Current Q3 period (From Apr 1, 2022 To Dec 31, 2022)
Net profit	6,019	6,053
Other comprehensive income		
Valuation difference on available-for-sale securities	-209	218
Adjustments related to retirement benefits	-32	-42
Total other comprehensive income	-241	176
Comprehensive income	5,778	6,230
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,778	6,230
Comprehensive income attributable to non-controlling interests	-	-

### 3 Consolidated Cash Flow Statement

(Yen million)

	Previous Q3 period (From Apr 1, 2021 To Dec 31, 2021)	Current Q3 period (From Apr 1, 2022 To Dec 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,899	8,983
Depreciation	3,600	3,775
Impairment losses	101	31
Amortization of goodwill	0	0
Increase (decrease) in allowance for doubtful accounts	-0	-24
Increase (decrease) in provision for bonuses for directors (and other officers)	-88	-122
Increase (decrease) in provision for bonuses	-1,667	-1,322
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	-36
Increase (decrease) in net defined benefit asset and liability	-62	-83
Interest and dividend income	-87	-82
Interest expenses	38	36
Loss (gain) on sale of non-current assets	4	-1
Loss on retirement of non-current assets	20	7
Loss (gain) on sale of investment securities	-1	-0
Loss (gain) on valuation of investment securities	7	1
Decrease (increase) in trade receivables	-1,809	-2,261
Decrease (increase) in inventories	-766	-1,230
Increase (decrease) in trade payables	5,291	6,720
Decrease (increase) in consumption taxes receivable / payable	-98	-233
Decrease (increase) in lease investment assets	64	72
Other	521	762
<b>Subtotal</b>	<b>13,968</b>	<b>14,993</b>
Interest and dividends received	56	54
Interest paid	-31	-30
Income taxes paid	-4,823	-2,519
<b>Net cash provided by (used in) operating activities</b>	<b>9,168</b>	<b>12,498</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	-0	-0
Proceeds from sale of investment securities	26	0
Purchase of property, plant and equipment	-4,841	-7,859
Proceeds from sale of property, plant and equipment	76	3
Purchase of intangible assets	-226	-395
Expenditure on loans	-1	-2
Proceeds from collection of loans receivable	6	5
Proceeds from maturity of insurance funds	-	348
Payments for acquisition of businesses	-10	-
Other	31	-193
<b>Net cash provided by (used in) investing activities</b>	<b>-4,938</b>	<b>-8,094</b>
<b>Cash flows from financing activities</b>		
Repayment of lease obligations	-274	-287
Purchase of treasury shares	-0	-0
Dividends paid	-1,836	-1,834
<b>Net cash provided by (used in) financing activities</b>	<b>-2,112</b>	<b>-2,123</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,117</b>	<b>2,280</b>
Cash and cash equivalents at beginning of period	17,023	18,450
<b>Cash and cash equivalents at end of period</b>	<b>19,140</b>	<b>20,731</b>