

Translation

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Summary of Consolidated Financial Results for the Six Months Ended July 31, 2022 (Based on Japanese GAAP)

September 14, 2022

Company name: TOKYO BASE Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3415 URL <https://www.tokyobase.co.jp/>
 Representative: Representative Director and CEO Masato Tani
 Inquiries: Director and CFO Hideki Nakamizu TEL 03-6712-6842
 Scheduled date to file Quarterly Securities Report: September 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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 July 31, 2022 (from February 1, 2022 to July 31, 2022)

(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 July 31, 2022	8,896	8.9	(15)	–	205	(49.7)	(0)	–
Six months ended August 31, 2021	8,171	38.6	357	–	408	–	281	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2022	(0.01)		–	
Six months ended August 31, 2021	6.48		6.24	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	11,978	5,870	48.9
As of January 31, 2022	11,547	5,904	51.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended January 31, 2022	–	0.00	–	0.00	0.00
Year ending January 31, 2023	–	0.00			
Year ending January 31, 2023 (Forecast)			–	2.00	2.00

3. Forecast of consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

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	21,000	–	1,200	–	1,200	–	840	–	18.89

4. Notes

- (1) Changes in significant subsidiaries during the six months ended July 31, 2022
 (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: Yes
- 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 July 31, 2022	48,493,800 shares	As of January 31, 2022	48,493,800 shares
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Number of treasury shares at the end of the period

As of July 31, 2022	2,622,418 shares	As of January 31, 2022	2,622,418 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2022	45,871,382 shares	Six months ended August 31, 2021	43,469,287 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	3,145,275	3,007,244
Accounts receivable - trade	1,047,401	1,086,186
Merchandise	2,103,404	2,331,512
Income taxes receivable	4,369	–
Other	187,826	159,971
Total current assets	6,488,276	6,584,914
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,974,081	2,159,878
Tools, furniture and fixtures, net	134,205	130,428
Construction in progress	11,735	–
Right-of-use assets, net	1,241,734	1,434,395
Total property, plant and equipment	3,361,757	3,724,702
Intangible assets		
Software	76,720	72,397
Software in progress	550	–
Total intangible assets	77,270	72,397
Investments and other assets		
Deferred tax assets	113,521	111,412
Guarantee deposits	1,485,178	1,467,024
Other	21,918	18,325
Total investments and other assets	1,620,618	1,596,762
Total non-current assets	5,059,645	5,393,862
Total assets	11,547,922	11,978,777
Liabilities		
Current liabilities		
Accounts payable - trade	1,017,114	1,223,588
Short-term borrowings	–	800,000
Current portion of long-term borrowings	1,205,386	851,723
Accrued expenses	604,460	624,994
Income taxes payable	315,039	195,322
Lease obligations	649,573	801,958
Provision for bonuses	48,369	33,585
Provision for point card certificates	95,249	–
Other	288,126	342,000
Total current liabilities	4,223,319	4,873,172
Non-current liabilities		
Long-term borrowings	747,638	472,214
Lease obligations	613,012	686,234
Asset retirement obligations	59,359	76,372
Total non-current liabilities	1,420,010	1,234,821
Total liabilities	5,643,330	6,107,993

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2022
Net assets		
Shareholders' equity		
Share capital	564,537	564,537
Capital surplus	863,306	863,306
Retained earnings	5,815,241	5,812,738
Treasury shares	(1,359,240)	(1,359,240)
Total shareholders' equity	5,883,845	5,881,342
Accumulated other comprehensive income		
Foreign currency translation adjustment	14,746	(18,558)
Total accumulated other comprehensive income	14,746	(18,558)
Share acquisition rights	6,000	8,000
Total net assets	5,904,592	5,870,784
Total liabilities and net assets	11,547,922	11,978,777

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended July 31, 2022
Net sales	8,171,053	8,896,057
Cost of sales	3,860,326	4,355,101
Gross profit	4,310,726	4,540,955
Selling, general and administrative expenses	3,953,221	4,556,694
Operating profit (loss)	357,505	(15,738)
Non-operating income		
Interest income	289	327
Subsidy income	2,137	20,433
Foreign exchange gains	52,913	228,191
Other	2,113	2,481
Total non-operating income	57,454	251,433
Non-operating expenses		
Interest expenses	1,347	28,583
Commission expenses	4,704	1,500
Other	571	393
Total non-operating expenses	6,624	30,476
Ordinary profit	408,335	205,217
Extraordinary income		
Subsidies for employment adjustment	42,591	–
Subsidy income	11,427	–
Gain on reversal of share acquisition rights	240	–
Total extraordinary income	54,259	–
Extraordinary losses		
Impairment losses	41,759	36,158
Loss on temporary close	37,979	–
Other	–	204
Total extraordinary losses	79,739	36,363
Profit before income taxes	382,855	168,854
Income taxes	101,114	169,368
Profit (loss)	281,740	(514)
Profit (loss) attributable to owners of parent	281,740	(514)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended July 31, 2022
Profit (loss)	281,740	(514)
Other comprehensive income		
Foreign currency translation adjustment	7,539	(33,305)
Total other comprehensive income	7,539	(33,305)
Comprehensive income	289,279	(33,819)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	289,279	(33,819)
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	382,855	168,854
Depreciation	133,242	596,946
Amortization of software	11,623	13,575
Impairment losses	41,759	36,158
Loss on temporary close	5,724	–
Increase (decrease) in provision for bonuses	(18,358)	(14,940)
Increase (decrease) in provision for point card certificates	12,590	(95,249)
Interest and dividend income	(289)	357
Interest expenses	1,347	28,583
Subsidies for employment adjustment	(42,591)	–
Subsidy income	(11,427)	–
Gain on reversal of share acquisition rights	(240)	–
Decrease (increase) in trade receivables	62,925	(27,698)
Decrease (increase) in inventories	(362,453)	(156,997)
Increase (decrease) in trade payables	157,110	25,995
Increase (decrease) in accrued expenses	(96,318)	18,021
Other, net	(74,341)	91,967
Subtotal	203,158	685,571
Interest and dividends received	289	(357)
Interest paid	(1,337)	(28,572)
Subsidies for employment adjustment received	42,591	–
Subsidies received	11,427	–
Income taxes refund (paid)	107,026	(279,271)
Net cash provided by (used in) operating activities	363,155	377,371
Cash flows from investing activities		
Purchase of property, plant and equipment	(293,942)	(398,157)
Purchase of software	(32,304)	(4,755)
Payments for asset retirement obligations	(22,421)	(28,885)
Payments of guarantee deposits	(393,958)	(65,617)
Proceeds from refund of guarantee deposits	25,929	142,413
Other, net	(13,964)	(550)
Net cash provided by (used in) investing activities	(730,662)	(355,552)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	800,000
Proceeds from long-term borrowings	500,000	–
Repayments of long-term borrowings	(711,771)	(629,087)
Proceeds from issuance of shares	305,070	–
Repayments of lease obligations	–	(371,691)
Proceeds from issuance of share acquisition rights	7,545	500
Proceeds from disposal of treasury shares	1,182,985	–
Net cash provided by (used in) financing activities	1,283,829	(200,278)
Effect of exchange rate change on cash and cash equivalents	14,802	40,429
Net increase (decrease) in cash and cash equivalents	931,125	(138,031)
Cash and cash equivalents at beginning of period	2,605,711	3,145,275
Cash and cash equivalents at end of period	3,536,836	3,007,244