

Translation

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## Summary of Consolidated Financial Results for the Year Ended January 31, 2023 (Based on Japanese GAAP)

March 15, 2023

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 of ordinary general meeting of shareholders: April 25, 2023  
 Scheduled date to file Securities Report: April 26, 2023  
 Scheduled date to commence dividend payments: April 26, 2023  
 Preparation of supplementary material on financial results: No  
 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 January 31, 2023 (from February 1, 2022 to January 31, 2023)

#### (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 January 31, 2023	19,181	–	215	–	265	–	(539)	–
Year ended January 31, 2022	17,618	–	946	–	1,082	–	762	–

	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 January 31, 2023	(11.76)	–	(9.6)	2.3	1.1
Year ended January 31, 2022	17.15	16.64	16.8	11.3	5.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2023	11,195	5,366	47.9	116.83
As of January 31, 2022	11,547	5,904	51.1	128.59

#### (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 January 31, 2023	21	(551)	(139)	2,504
Year ended January 31, 2022	883	(1,592)	1,222	3,145

### 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 January 31, 2022	–	0.00	–	0.00	0.00	–	–	–
Year ended January 31, 2023	–	0.00	–	2.00	2.00	91	–	1.7
Year ending January 31, 2024 (Forecast)	–	0.00	–	4.00	4.00		18.4	

3. Forecast of consolidated financial results for the year ending January 31, 2024 (from February 1, 2023 to January 31, 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	20,000	4.3	1,500	597.6	1,480	457.0	1,000	-	21.80

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: Yes

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 January 31, 2023	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 January 31, 2023	2,627,418 shares	As of January 31, 2022	2,622,418 shares
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Average number of shares during the period

Year ended January 31, 2023	45,871,368 shares	Year ended January 31, 2022	44,474,223 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2022	As of January 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,145,275	2,504,646
Accounts receivable - trade	1,047,401	1,233,871
Merchandise	2,103,404	2,641,633
Income taxes refund receivable	4,369	–
Other	187,826	142,405
<b>Total current assets</b>	<b>6,488,276</b>	<b>6,522,557</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,610,003	2,890,429
Accumulated depreciation	(635,922)	(893,280)
Buildings and structures, net	1,974,081	1,997,148
Tools, furniture and fixtures	224,940	233,144
Accumulated depreciation	(90,735)	(130,846)
Tools, furniture and fixtures, net	134,205	102,297
Construction in progress	11,735	–
Right-of-use assets	1,241,734	1,003,859
<b>Total property, plant and equipment</b>	<b>3,361,757</b>	<b>3,103,305</b>
<b>Intangible assets</b>		
Software	76,720	65,088
Software in progress	550	–
<b>Total intangible assets</b>	<b>77,270</b>	<b>65,088</b>
<b>Investments and other assets</b>		
Deferred tax assets	113,521	122,641
Guarantee deposits	1,485,178	1,366,467
Other	21,918	15,570
<b>Total investments and other assets</b>	<b>1,620,618</b>	<b>1,504,680</b>
<b>Total non-current assets</b>	<b>5,059,645</b>	<b>4,673,073</b>
<b>Total assets</b>	<b>11,547,922</b>	<b>11,195,631</b>

(Thousands of yen)

	As of January 31, 2022	As of January 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,017,114	862,485
Short-term borrowings	–	1,100,000
Current portion of long-term borrowings	1,205,386	819,864
Accrued expenses	604,460	581,062
Income taxes payable	315,039	201,118
Lease liabilities	649,573	565,687
Contract liabilities	–	87,385
Provision for bonuses	48,369	62,102
Provision for point card certificates	95,249	–
Other	288,126	308,720
<b>Total current liabilities</b>	<b>4,223,319</b>	<b>4,588,425</b>
<b>Non-current liabilities</b>		
Long-term borrowings	747,638	697,225
Lease liabilities	613,012	464,506
Asset retirement obligations	59,359	79,107
<b>Total non-current liabilities</b>	<b>1,420,010</b>	<b>1,240,839</b>
<b>Total liabilities</b>	<b>5,643,330</b>	<b>5,829,264</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	564,537	564,537
Capital surplus	863,306	863,306
Retained earnings	5,815,241	5,273,731
Treasury shares	(1,359,240)	(1,361,785)
<b>Total shareholders' equity</b>	<b>5,883,845</b>	<b>5,339,790</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	14,746	18,576
<b>Total accumulated other comprehensive income</b>	<b>14,746</b>	<b>18,576</b>
Share acquisition rights	6,000	8,000
<b>Total net assets</b>	<b>5,904,592</b>	<b>5,366,366</b>
<b>Total liabilities and net assets</b>	<b>11,547,922</b>	<b>11,195,631</b>

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

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Net sales	17,618,447	19,181,858
Cost of sales	8,362,546	9,572,386
Gross profit	9,255,901	9,609,472
Selling, general and administrative expenses	8,309,176	9,394,440
Operating profit	946,724	215,032
Non-operating income		
Interest and dividend income	843	91
Foreign exchange gains	168,833	75,291
Subsidy income	4,275	20,958
Other	6,201	13,312
Total non-operating income	180,153	109,654
Non-operating expenses		
Interest expenses	39,501	55,629
Commission expenses	4,704	1,500
Other	589	2,089
Total non-operating expenses	44,795	59,218
Ordinary profit	1,082,081	265,467
Extraordinary income		
Gain on receipt of donated non-current assets	68,935	–
Subsidies for employment adjustment	43,716	–
Subsidy income	19,662	–
Gain on reversal of share acquisition rights	240	–
Total extraordinary income	132,554	–
Extraordinary losses		
Impairment losses	99,352	262,631
Extraordinary loss due to closing and other loss on store cancellation	37,979	–
Other	–	211,889
Total extraordinary losses	137,331	474,725
Profit (loss) before income taxes	1,077,304	(209,257)
Income taxes - current	333,297	338,531
Income taxes - deferred	(18,734)	(8,268)
Total income taxes	314,563	330,263
Profit (loss)	762,741	(539,521)
Profit (loss) attributable to owners of parent	762,741	(539,521)

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Profit (loss)	762,741	(539,521)
Other comprehensive income		
Foreign currency translation adjustment	6,555	3,829
Total other comprehensive income	6,555	3,829
Comprehensive income	769,297	(535,691)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	769,297	(535,691)

## Consolidated statements of changes in equity

Fiscal year ended January 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	409,874	393,874	5,052,500	(2,655,040)	3,201,208
Changes during period					
Issuance of new shares	154,663	154,663			309,327
Profit (loss) attributable to owners of parent			762,741		762,741
Purchase of treasury shares					
Disposal of treasury shares		314,769		1,295,800	1,610,569
Net changes in items other than shareholders' equity					
Total changes during period	154,663	469,432	762,741	1,295,800	2,682,637
Balance at end of period	564,537	863,306	5,815,241	(1,359,240)	5,883,845

	Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Foreign currency translation adjustment		
Balance at beginning of period	8,190	9,525	3,218,923
Changes during period			
Issuance of new shares			309,327
Profit (loss) attributable to owners of parent			762,741
Purchase of treasury shares			
Disposal of treasury shares			1,610,569
Net changes in items other than shareholders' equity	6,555	(3,525)	3,030
Total changes during period	6,555	(3,525)	2,685,668
Balance at end of period	14,746	6,000	5,904,592

Fiscal year ended January 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	564,537	863,306	5,815,241	(1,359,240)	5,883,845
Cumulative effects of changes in accounting policies			(1,988)		(1,988)
Restated balance	564,537	863,306	5,813,253	(1,359,240)	5,881,857
Changes during period					
Issuance of new shares					
Profit (loss) attributable to owners of parent			(539,521)		(539,521)
Purchase of treasury shares				(2,545)	(2,545)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period			(539,521)	(2,545)	(542,066)
Balance at end of period	564,537	863,306	5,273,731	(1,361,785)	5,339,790

	Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Foreign currency translation adjustment		
Balance at beginning of period	14,746	6,000	5,904,592
Cumulative effects of changes in accounting policies			(1,988)
Restated balance	14,746	6,000	5,902,603
Changes during period			
Issuance of new shares			
Profit (loss) attributable to owners of parent			(539,521)
Purchase of treasury shares			(2,545)
Disposal of treasury shares			
Net changes in items other than shareholders' equity	3,829	2,000	5,829
Total changes during period	3,829	2,000	(536,237)
Balance at end of period	18,576	8,000	5,366,366



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	1,077,304	(209,257)
Depreciation	739,820	1,138,650
Amortization of software	22,319	28,013
Impairment losses	99,352	262,631
Loss on temporary close	5,724	–
Increase (decrease) in provision for bonuses	10,741	13,648
Loss on store cancellation	–	211,889
Increase (decrease) in provision for point card certificates	(13,171)	(95,249)
Increase (decrease) in contract liabilities	–	87,385
Interest and dividend income	(843)	(91)
Interest expenses	39,501	55,629
Gain on receipt of donated non-current assets	(68,935)	–
Subsidies for employment adjustment	(43,716)	–
Subsidy income	(19,662)	–
Gain on reversal of share acquisition rights	(240)	–
Decrease (increase) in trade receivables	(243,537)	(180,108)
Decrease (increase) in inventories	(448,000)	(503,211)
Increase (decrease) in trade payables	(216,056)	(207,673)
Increase (decrease) in accrued expenses	53,487	(25,565)
Other, net	(191,494)	55,068
Subtotal	802,592	631,757
Interest and dividends received	843	91
Interest paid	(39,482)	(55,601)
Subsidies for employment adjustment received	43,716	–
Subsidies received	19,662	–
Expenditure for loss on store cancellation	–	(106,221)
Income taxes refund (paid)	56,568	(448,952)
Net cash provided by (used in) operating activities	883,901	21,074
Cash flows from investing activities		
Purchase of property, plant and equipment	(968,704)	(576,265)
Purchase of software	(38,864)	(16,302)
Payments for asset retirement obligations	(21,186)	(47,438)
Payments of guarantee deposits	(584,827)	(95,783)
Proceeds from refund of guarantee deposits	36,254	186,964
Other, net	(15,486)	(2,797)
Net cash provided by (used in) investing activities	(1,592,814)	(551,622)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	1,100,000
Proceeds from long-term borrowings	1,000,000	800,000
Repayments of long-term borrowings	(1,251,550)	(1,235,934)
Repayments of lease liabilities	(437,949)	(804,324)
Proceeds from issuance of shares	306,042	–
Proceeds from issuance of share acquisition rights	7,545	500
Proceeds from disposal of treasury shares	1,598,319	–
Net cash provided by (used in) financing activities	1,222,406	(139,759)
Effect of exchange rate change on cash and cash equivalents	26,070	29,678
Net increase (decrease) in cash and cash equivalents	539,564	(640,628)
Cash and cash equivalents at beginning of period	2,605,711	3,145,275
Cash and cash equivalents at end of period	3,145,275	2,504,646