

Translation

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

September 14, 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 to file Quarterly Securities Report: September 14, 2023
 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, 2023 (from February 1, 2023 to July 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 July 31, 2023	9,656	8.6	316	–	413	101.6	193	–
Six months ended July 31, 2022	8,896	8.9	(15)	–	205	(49.7)	(0)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2023	4.21		4.11	
Six months ended July 31, 2022	(0.01)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2023	10,993	5,382	48.9
As of January 31, 2023	11,195	5,366	47.9

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, 2023	–	0.00	–	2.00	2.00
Year ending January 31, 2024	–	0.00			
Year ending January 31, 2024 (Forecast)			–	4.00	4.00

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 six months ended July 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 July 31, 2023	48,493,800 shares	As of January 31, 2023	48,493,800 shares
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Number of treasury shares at the end of the period

As of July 31, 2023	2,627,418 shares	As of January 31, 2023	2,627,418 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, 2023	45,866,382 shares	Six months ended July 31, 2022	45,871,382 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2023	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	2,504,646	2,922,147
Accounts receivable - trade	1,233,871	1,221,900
Merchandise	2,641,633	2,577,483
Other	142,405	165,347
Total current assets	6,522,557	6,886,878
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,997,148	1,802,262
Tools, furniture and fixtures, net	102,297	86,142
Right-of-use assets, net	1,003,859	650,421
Total property, plant and equipment	3,103,305	2,538,827
Intangible assets		
Software	65,088	50,550
Total intangible assets	65,088	50,550
Investments and other assets		
Deferred tax assets	122,641	122,641
Guarantee deposits	1,366,467	1,364,142
Other	15,570	30,491
Total investments and other assets	1,504,680	1,517,275
Total non-current assets	4,673,073	4,106,653
Total assets	11,195,631	10,993,532
Liabilities		
Current liabilities		
Accounts payable - trade	862,485	565,424
Short-term borrowings	1,100,000	1,100,000
Current portion of long-term borrowings	819,864	1,008,221
Accrued expenses	581,062	546,451
Income taxes payable	201,118	264,571
Lease liabilities	565,687	414,923
Contract liabilities	87,385	63,860
Provision for bonuses	62,102	59,634
Other	308,720	96,251
Total current liabilities	4,588,425	4,119,338
Non-current liabilities		
Long-term borrowings	697,225	1,172,351
Lease liabilities	464,506	258,306
Asset retirement obligations	79,107	61,033
Total non-current liabilities	1,240,839	1,491,692
Total liabilities	5,829,264	5,611,031

(Thousands of yen)

	As of January 31, 2023	As of July 31, 2023
Net assets		
Shareholders' equity		
Share capital	564,537	564,537
Capital surplus	863,306	863,306
Retained earnings	5,273,731	5,375,052
Treasury shares	(1,361,785)	(1,361,785)
Total shareholders' equity	5,339,790	5,441,111
Accumulated other comprehensive income		
Foreign currency translation adjustment	18,576	(66,610)
Total accumulated other comprehensive income	18,576	(66,610)
Share acquisition rights	8,000	8,000
Total net assets	5,366,366	5,382,500
Total liabilities and net assets	11,195,631	10,993,532

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2022	Six months ended July 31, 2023
Net sales	8,896,057	9,656,688
Cost of sales	4,355,101	4,784,962
Gross profit	4,540,955	4,871,726
Selling, general and administrative expenses	4,556,694	4,555,206
Operating profit (loss)	(15,738)	316,519
Non-operating income		
Interest income	327	97
Subsidy income	20,433	8,122
Foreign exchange gains	228,191	102,577
Other	2,481	6,433
Total non-operating income	251,433	117,231
Non-operating expenses		
Interest expenses	28,583	19,301
Commission expenses	1,500	–
Other	393	697
Total non-operating expenses	30,476	19,998
Ordinary profit	205,217	413,752
Extraordinary income		
Gain on adjustment of account payable	–	35,138
Total extraordinary income	–	35,138
Extraordinary losses		
Impairment losses	36,158	25,264
Other	204	–
Total extraordinary losses	36,363	25,264
Profit before income taxes	168,854	423,627
Income taxes	169,368	230,573
Profit (loss)	(514)	193,053
Profit (loss) attributable to owners of parent	(514)	193,053

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2022	Six months ended July 31, 2023
Profit (loss)	(514)	193,053
Other comprehensive income		
Foreign currency translation adjustment	(33,305)	(85,187)
Total other comprehensive income	(33,305)	(85,187)
Comprehensive income	(33,819)	107,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(33,819)	107,866
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2022	Six months ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	168,854	423,627
Depreciation	596,946	535,850
Amortization of software	13,575	14,580
Gain on adjustment of account payable	–	(35,138)
Impairment losses	36,158	25,264
Increase (decrease) in provision for bonuses	(14,940)	(2,544)
Increase (decrease) in provision for point card certificates	(95,249)	–
Interest and dividend income	357	(97)
Interest expenses	28,583	19,301
Decrease (increase) in trade receivables	(27,698)	15,366
Decrease (increase) in inventories	(156,997)	85,125
Increase (decrease) in trade payables	25,995	(389,662)
Increase (decrease) in accrued expenses	18,021	(35,567)
Other, net	91,967	(180,292)
Subtotal	685,571	475,812
Interest and dividends received	(357)	97
Interest paid	(28,572)	(19,289)
Expenditure for loss on store cancellation	–	(16,202)
Income taxes paid	(279,271)	(166,962)
Net cash provided by (used in) operating activities	377,371	273,455
Cash flows from investing activities		
Purchase of property, plant and equipment	(398,157)	(80,147)
Purchase of software	(4,755)	–
Payments for asset retirement obligations	(28,885)	(36,765)
Payments of guarantee deposits	(65,617)	(10,971)
Proceeds from refund of guarantee deposits	142,413	20,780
Other, net	(550)	(20,871)
Net cash provided by (used in) investing activities	(355,552)	(127,974)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	800,000	–
Proceeds from long-term borrowings	–	1,100,000
Repayments of long-term borrowings	(629,087)	(436,515)
Repayments of lease liabilities	(371,691)	(309,443)
Dividends paid	–	(91,445)
Proceeds from issuance of share acquisition rights	500	–
Net cash provided by (used in) financing activities	(200,278)	262,595
Effect of exchange rate change on cash and cash equivalents	40,429	9,425
Net increase (decrease) in cash and cash equivalents	(138,031)	417,501
Cash and cash equivalents at beginning of period	3,145,275	2,504,646
Cash and cash equivalents at end of period	3,007,244	2,922,147