

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2024 (Based on Japanese GAAP)

March 18, 2024

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 19, 2024
 Scheduled date to file Securities Report: April 19, 2024
 Scheduled date to commence dividend payments: April 22, 2024
 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, 2024 (from February 1, 2023 to January 31, 2024)

(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, 2024	19,986	4.2	881	309.8	1,122	322.8	335	–
Year ended January 31, 2023	19,181	–	215	–	265	–	(539)	–

	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, 2024	7.31	7.20	6.2	9.7	4.4
Year ended January 31, 2023	(11.76)	–	(9.6)	2.3	1.1

(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, 2024	11,888	5,533	46.5	120.22
As of January 31, 2023	11,195	5,366	47.9	116.83

(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, 2024	828	(115)	934	4,163
Year ended January 31, 2023	64	(730)	(3)	2,504

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, 2023	–	0.00	–	2.00	2.00	91	–	1.7
Year ended January 31, 2024	–	0.00	–	4.00	4.00	183	54.8	3.3
Year ending January 31, 2025 (Forecast)	–	0.00	–	5.00	5.00		30.6	

3. Forecast of consolidated financial results for the year ending January 31, 2025 (from February 1, 2024 to January 31, 2025)

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	0.1	1,600	81.6	1,400	24.7	750	123.6	16.32

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2024

(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: No

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, 2024	45,966,382 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 January 31, 2024	– shares	As of January 31, 2023	2,627,418 shares
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Average number of shares during the period

Year ended January 31, 2024	45,866,382 shares	Year ended January 31, 2023	45,871,368 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	2,504,646	4,163,366
Accounts receivable - trade	1,233,871	1,046,295
Merchandise	2,641,633	3,123,325
Other	142,405	345,847
Total current assets	6,522,557	8,678,834
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,890,429	2,318,065
Accumulated depreciation	(893,280)	(969,416)
Buildings and structures, net	1,997,148	1,348,649
Tools, furniture and fixtures	233,144	213,118
Accumulated depreciation	(130,846)	(155,848)
Tools, furniture and fixtures, net	102,297	57,270
Construction in progress	–	8,173
Right-of-use assets	1,003,859	307,530
Total property, plant and equipment	3,103,305	1,721,622
Intangible assets		
Software	65,088	37,726
Total intangible assets	65,088	37,726
Investments and other assets		
Deferred tax assets	122,641	140,531
Guarantee deposits	1,366,467	1,280,225
Other	15,570	29,196
Total investments and other assets	1,504,680	1,449,953
Total non-current assets	4,673,073	3,209,302
Total assets	11,195,631	11,888,137
Liabilities		
Current liabilities		
Accounts payable - trade	862,485	717,929
Short-term borrowings	1,100,000	900,000
Current portion of long-term borrowings	819,864	1,361,796
Accrued expenses	581,062	511,147
Income taxes payable	201,118	390,259
Lease liabilities	565,687	199,696
Contract liabilities	87,385	78,161
Provision for bonuses	62,102	71,361
Other	308,720	99,338
Total current liabilities	4,588,425	4,329,691
Non-current liabilities		
Long-term borrowings	697,225	1,852,165
Lease liabilities	464,506	130,766
Asset retirement obligations	79,107	41,855
Total non-current liabilities	1,240,839	2,024,788
Total liabilities	5,829,264	6,354,480

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Net assets		
Shareholders' equity		
Share capital	564,537	576,337
Capital surplus	863,306	560,337
Retained earnings	5,273,731	4,470,408
Treasury shares	(1,361,785)	–
Total shareholders' equity	5,339,790	5,607,084
Accumulated other comprehensive income		
Foreign currency translation adjustment	18,576	(81,127)
Total accumulated other comprehensive income	18,576	(81,127)
Share acquisition rights	8,000	7,700
Total net assets	5,366,366	5,533,657
Total liabilities and net assets	11,195,631	11,888,137

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

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net sales	19,181,858	19,986,284
Cost of sales	9,572,386	9,970,809
Gross profit	9,609,472	10,015,475
Selling, general and administrative expenses	9,394,440	9,134,243
Operating profit	215,032	881,231
Non-operating income		
Interest and dividend income	91	258
Foreign exchange gains	75,291	225,931
Subsidy income	20,958	13,675
Other	13,312	39,840
Total non-operating income	109,654	279,704
Non-operating expenses		
Interest expenses	55,629	34,553
Commission expenses	1,500	–
Other	2,089	3,997
Total non-operating expenses	59,218	38,550
Ordinary profit	265,467	1,122,385
Extraordinary income		
Gain on adjustment of accounts payable	–	51,187
Total extraordinary income	–	51,187
Extraordinary losses		
Impairment losses	262,631	288,775
loss on store cancellation	211,889	31,923
Other	204	45
Total extraordinary losses	474,725	320,744
Profit (loss) before income taxes	(209,257)	852,828
Income taxes - current	338,531	535,290
Income taxes - deferred	(8,268)	(17,889)
Total income taxes	330,263	517,401
Profit (loss)	(539,521)	335,426
Profit (loss) attributable to owners of parent	(539,521)	335,426

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Profit (loss)	(539,521)	335,426
Other comprehensive income		
Foreign currency translation adjustment	3,829	(99,703)
Total other comprehensive income	3,829	(99,703)
Comprehensive income	(535,691)	235,722
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(535,691)	235,722

Consolidated statements of changes in equity

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 - exercise of share acquisition rights					
Dividends of surplus					
Profit (loss) attributable to owners of parent			(539,521)		(539,521)
Purchase of treasury shares				(2,545)	(2,545)
Cancellation of treasury shares					
Transfer to retained earnings from other capital surplus					
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 - exercise of share acquisition rights			
Dividends of surplus			
Profit (loss) attributable to owners of parent			(539,521)
Purchase of treasury shares			(2,545)
Cancellation of treasury shares			
Transfer to retained earnings from other capital surplus			
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

Fiscal year ended January 31, 2024

(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	5,273,731	(1,361,785)	5,339,790
Cumulative effects of changes in accounting policies					
Restated balance	564,537	863,306	5,273,731	(1,361,785)	5,339,790
Changes during period					
Issuance of new shares - exercise of share acquisition rights	11,800	11,800			23,600
Dividends of surplus			(91,732)		(91,732)
Profit (loss) attributable to owners of parent			335,426		335,426
Purchase of treasury shares					
Cancellation of treasury shares		(1,361,785)		1,361,785	
Transfer to retained earnings from other capital surplus		1,047,016	(1,047,016)		
Net changes in items other than shareholders' equity					
Total changes during period	11,800	(302,969)	(803,322)	1,361,785	267,293
Balance at end of period	576,337	560,337	4,470,408		5,607,084

	Accumulated other comprehensive income	Share acquisition rights	Total net assets
	Foreign currency translation adjustment		
Balance at beginning of period	18,576	8,000	5,366,366
Cumulative effects of changes in accounting policies			
Restated balance	18,576	8,000	5,366,366
Changes during period			
Issuance of new shares - exercise of share acquisition rights			23,600
Dividends of surplus			(91,732)
Profit (loss) attributable to owners of parent			335,426
Purchase of treasury shares			
Cancellation of treasury shares			
Transfer to retained earnings from other capital surplus			
Net changes in items other than shareholders' equity	(99,703)	(300)	(100,003)
Total changes during period	(99,703)	(300)	167,290
Balance at end of period	(81,127)	7,700	5,533,657

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(209,257)	852,828
Depreciation	1,138,650	953,646
Amortization of software	28,013	27,947
Gain on adjustment of account payable	–	(51,187)
Impairment losses	262,631	288,775
Loss on store cancellation	211,889	31,923
Increase (decrease) in provision for bonuses	13,648	9,168
Increase (decrease) in provision for point card certificates	(95,249)	–
Increase (decrease) in contract liabilities	87,385	(9,223)
Interest and dividend income	(91)	(258)
Interest expenses	55,629	34,553
Decrease (increase) in trade receivables	(180,108)	190,882
Decrease (increase) in inventories	(503,211)	(459,826)
Increase (decrease) in trade payables	(207,673)	(232,044)
Increase (decrease) in accrued expenses	(25,565)	(71,345)
Other, net	55,412	(324,331)
Subtotal	632,102	1,241,510
Interest and dividends received	91	258
Interest paid	(55,601)	(34,526)
Expenditure for loss on store cancellation	(63,226)	(24,980)
Income taxes refund (paid)	(448,952)	(353,728)
Net cash provided by (used in) operating activities	64,414	828,533
Cash flows from investing activities		
Purchase of property, plant and equipment	(761,632)	(104,900)
Purchase of software	(16,302)	(540)
Payments for asset retirement obligations	(47,574)	(52,361)
Payments of guarantee deposits	(96,620)	(25,141)
Proceeds from refund of guarantee deposits	194,032	95,308
Other, net	(2,797)	(27,604)
Net cash provided by (used in) investing activities	(730,895)	(115,239)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,100,000	(200,000)
Proceeds from long-term borrowings	800,000	2,700,000
Repayments of long-term borrowings	(1,235,934)	(1,003,126)
Repayments of lease liabilities	(668,390)	(494,157)
Dividends paid	–	(91,488)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	23,300
Proceeds from issuance of share acquisition rights	500	–
Net cash provided by (used in) financing activities	(3,825)	934,527
Effect of exchange rate change on cash and cash equivalents	29,678	10,899
Net increase (decrease) in cash and cash equivalents	(640,628)	1,658,720
Cash and cash equivalents at beginning of period	3,145,275	2,504,646
Cash and cash equivalents at end of period	2,504,646	4,163,366