

Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)

April 6, 2022

Company name: ICHIBANYA CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7630 URL <https://www.ichibanya.co.jp/>
 Representative: President Mamoru Kuzuhara
 General Manager of Corporate Planning
 Inquiries: Yasutaka Hirao TEL (0586) 81 - 0792
 Dept.
 Scheduled date of ordinary general meeting of shareholders: May 26, 2022
 Scheduled date to file Securities Report: May 27, 2022
 Scheduled date to commence dividend payments: May 9, 2022
 Preparation of supplementary material on financial results: Yes
 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 February 28, 2022 (from March 1, 2021 to February 28, 2022)

(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 February 28, 2022	45,022	1.8	2,855	11.6	4,168	34.3	2,921	68.3
Year ended February 28, 2021	44,246	(14.1)	2,559	(50.8)	3,104	(42.8)	1,736	(46.7)

	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 February 28, 2022	91.55	—	9.7	9.9	6.3
Year ended February 28, 2021	54.39	—	5.7	7.2	5.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	42,467	30,607	71.3	949.02
As of February 28, 2021	41,374	30,524	73.1	947.60

(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 February 28, 2022	5,238	(466)	(3,075)	17,420
Year ended February 28, 2021	889	(1,880)	(2,927)	15,511

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 February 28, 2021	—	40.00	—	40.00	80.00	2,554	147.1	8.4
Year ended February 28, 2022	—	40.00	—	40.00	80.00	2,553	87.4	8.4
Year ending February 28, 2023 (Forecast)	—	40.00	—	40.00	80.00		76.2	

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 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
Six months ending August 31, 2022	24,700	12.5	1,890	58.1	2,180	15.0	1,380	(9.2)	43.24
Full year	51,800	15.1	4,730	65.6	5,140	23.3	3,350	14.7	104.97

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2022

(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: Yes

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 February 28, 2022	31,926,000 shares	As of February 28, 2021	31,926,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	13,637 shares	As of February 28, 2021	725 shares
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Average number of shares during the period

Year ended February 28, 2022	31,913,481 shares	Year ended February 28, 2021	31,925,315 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	15,801,173	17,587,451
Accounts receivable - trade	2,560,978	2,685,529
Merchandise and finished goods	877,258	971,149
Work in process	26,166	52,355
Raw materials and supplies	243,727	234,843
Other	784,736	836,502
Total current assets	20,294,041	22,367,833
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,696,243	4,652,471
Machinery, equipment and vehicles, net	707,903	692,365
Land	5,587,629	5,486,172
Leased assets, net	1,178,862	933,398
Other, net	557,711	576,106
Total property, plant and equipment	12,728,350	12,340,514
Intangible assets		
Software	736,280	1,000,514
Goodwill	334,679	267,775
Other	197,598	41,120
Total intangible assets	1,268,558	1,309,410
Investments and other assets		
Investment securities	1,080,029	402,100
Deferred tax assets	939,233	1,196,561
Guarantee deposits	4,756,281	4,592,379
Other	310,505	260,962
Allowance for doubtful accounts	(2,876)	(2,420)
Total investments and other assets	7,083,173	6,449,582
Total non-current assets	21,080,082	20,099,507
Total assets	41,374,124	42,467,340

(Thousands of yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	2,047,837	2,132,004
Accounts payable - other	1,348,698	1,399,125
Income taxes payable	206,556	1,107,443
Contract liabilities	—	243,161
Provision for bonuses	325,635	319,505
Provision for shareholder benefit program	91,532	95,848
Other	681,204	661,313
Total current liabilities	4,701,464	5,958,403
Non-current liabilities		
Long-term borrowings	30,000	—
Lease obligations	876,847	603,018
Retirement benefit liability	995,204	1,075,141
Long-term guarantee deposits	3,721,997	3,630,726
Asset retirement obligations	465,184	542,229
Other	58,540	50,064
Total non-current liabilities	6,147,774	5,901,180
Total liabilities	10,849,239	11,859,584
Net assets		
Shareholders' equity		
Share capital	1,503,270	1,503,270
Capital surplus	1,388,470	1,388,470
Retained earnings	26,916,521	27,104,944
Treasury shares	(2,574)	(65,253)
Total shareholders' equity	29,805,687	29,931,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	537,189	74,516
Foreign currency translation adjustment	(40,793)	305,715
Remeasurements of defined benefit plans	(49,597)	(26,057)
Total accumulated other comprehensive income	446,797	354,173
Non-controlling interests	272,399	322,150
Total net assets	30,524,884	30,607,755
Total liabilities and net assets	41,374,124	42,467,340

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

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	44,246,721	45,022,168
Cost of sales	23,752,372	24,070,804
Gross profit	20,494,349	20,951,363
Selling, general and administrative expenses		
Freight and packing costs	2,209,128	2,222,775
Provision of allowance for doubtful accounts	(271)	(455)
Remuneration for directors (and other officers)	333,099	274,886
Salaries and allowances	3,864,230	3,913,755
Bonuses	233,006	211,136
Provision for bonuses	291,903	277,283
Other salaries	2,505,794	2,207,070
Retirement benefit expenses	121,139	122,910
Legal welfare expenses	698,468	780,135
Provision for shareholder benefit program	83,554	89,185
Utilities expenses	579,878	547,325
Supplies expenses	796,565	822,138
Depreciation	934,532	1,038,378
Amortization of goodwill	21,912	68,538
Rent expenses	2,157,476	2,144,779
Other	3,104,896	3,375,924
Total selling, general and administrative expenses	17,935,315	18,095,768
Operating profit	2,559,034	2,855,594
Non-operating income		
Interest and dividend income	25,194	39,035
Rental income from buildings	788,215	848,880
Subsidy income	119,515	1,025,856
Other	283,616	180,283
Total non-operating income	1,216,542	2,094,056
Non-operating expenses		
Interest expenses	16,674	14,888
Rental expenses	631,578	689,547
Other	22,773	77,215
Total non-operating expenses	671,026	781,651
Ordinary profit	3,104,550	4,168,000
Extraordinary income		
Gain on sale of investment securities	—	679,652
Gain on sales of stores	133,990	73,864
Other	2,247	—
Total extraordinary income	136,237	753,516

	(Thousands of yen)	
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Extraordinary losses		
Loss on retirement of non-current assets	30,519	8,936
Impairment losses	476,690	393,177
Loss on valuation of shares of subsidiaries and associates	—	41,167
Other	22,754	8,608
Total extraordinary losses	529,964	451,889
Profit before income taxes	2,710,823	4,469,626
Income taxes - current	939,920	1,504,958
Income taxes - deferred	27,579	24,209
Total income taxes	967,500	1,529,168
Profit	1,743,322	2,940,458
Profit attributable to non-controlling interests	6,980	18,660
Profit attributable to owners of parent	1,736,341	2,921,798

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	1,743,322	2,940,458
Other comprehensive income		
Valuation difference on available-for-sale securities	342,188	(462,672)
Foreign currency translation adjustment	(49,461)	378,790
Remeasurements of defined benefit plans, net of tax	21,573	23,539
Total other comprehensive income	314,300	(60,342)
Comprehensive income	2,057,622	2,880,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,059,113	2,829,174
Comprehensive income attributable to non-controlling interests	(1,490)	50,942

Consolidated statements of changes in equity

Fiscal year ended February 28, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,503,270	1,388,470	27,734,206	(2,048)	30,623,897
Changes during period					
Dividends of surplus			(2,554,026)		(2,554,026)
Profit attributable to owners of parent			1,736,341		1,736,341
Purchase of treasury shares				(525)	(525)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(817,684)	(525)	(818,210)
Balance at end of period	1,503,270	1,388,470	26,916,521	(2,574)	29,805,687

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	195,000	196	(71,171)	124,026	275,494	31,023,417
Changes during period						
Dividends of surplus						(2,554,026)
Profit attributable to owners of parent						1,736,341
Purchase of treasury shares						(525)
Net changes in items other than shareholders' equity	342,188	(40,990)	21,573	322,771	(3,094)	319,676
Total changes during period	342,188	(40,990)	21,573	322,771	(3,094)	(498,533)
Balance at end of period	537,189	(40,793)	(49,597)	446,797	272,399	30,524,884

Fiscal year ended February 28, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,503,270	1,388,470	26,916,521	(2,574)	29,805,687
Cumulative effects of changes in accounting policies			(179,621)		(179,621)
Restated balance	1,503,270	1,388,470	26,736,900	(2,574)	29,626,065
Changes during period					
Dividends of surplus			(2,553,505)		(2,553,505)
Profit attributable to owners of parent			2,921,798		2,921,798
Purchase of treasury shares				(96,595)	(96,595)
Disposal of treasury shares		(248)		33,916	33,668
Transfer of loss on disposal of treasury shares		248	(248)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	368,044	(62,678)	305,365
Balance at end of period	1,503,270	1,388,470	27,104,944	(65,253)	29,931,431

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	537,189	(40,793)	(49,597)	446,797	272,399	30,524,884
Cumulative effects of changes in accounting policies						(179,621)
Restated balance	537,189	(40,793)	(49,597)	446,797	272,399	30,345,263
Changes during period						
Dividends of surplus						(2,553,505)
Profit attributable to owners of parent						2,921,798
Purchase of treasury shares						(96,595)
Disposal of treasury shares						33,668
Transfer of loss on disposal of treasury shares						—
Net changes in items other than shareholders' equity	(462,672)	346,508	23,539	(92,623)	49,751	(42,872)
Total changes during period	(462,672)	346,508	23,539	(92,623)	49,751	262,492
Balance at end of period	74,516	305,715	(26,057)	354,173	322,150	30,607,755

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	2,710,823	4,469,626
Depreciation	1,393,003	1,494,512
Impairment losses	476,690	393,177
Amortization of goodwill	21,912	68,538
Increase (decrease) in allowance for doubtful accounts	(1,039)	(455)
Increase (decrease) in provision for bonuses	(160,114)	(10,677)
Increase (decrease) in retirement benefit liability	112,880	113,793
Increase (decrease) in provision for shareholder benefit program	5,464	4,316
Interest and dividend income	(25,194)	(39,035)
Interest expenses	16,674	14,888
Loss (gain) on sale of non-current assets	(541)	5,706
Loss (gain) on sales of stores	(133,990)	(70,962)
Loss on retirement of non-current assets	30,519	8,936
Loss on valuation of shares of subsidiaries and associates	—	41,167
Loss (gain) on sale of investment securities	—	(679,652)
Decrease (increase) in trade receivables	447,562	(101,155)
Decrease (increase) in inventories	(67,736)	(101,953)
Decrease (increase) in guarantee deposits	(13,853)	168,596
Increase (decrease) in trade payables	(448,392)	64,688
Increase (decrease) in accrued consumption taxes	(94,178)	(15,742)
Increase (decrease) long-term guarantee deposits received	(1,540,676)	(91,270)
Other, net	(74,647)	115,186
Subtotal	2,655,167	5,852,229
Interest and dividends received	18,123	37,526
Interest paid	(16,674)	(14,888)
Income taxes paid	(1,767,150)	(636,604)
Net cash provided by (used in) operating activities	889,465	5,238,263
Cash flows from investing activities		
Payments into time deposits	(291,925)	(171,641)
Proceeds from withdrawal of time deposits	291,920	323,530
Purchase of securities	(18,992,928)	(15,998,490)
Proceeds from redemption of securities	19,000,000	16,000,000
Purchase of property, plant and equipment	(1,287,698)	(923,038)
Proceeds from sale of property, plant and equipment	5,242	71
Purchase of intangible assets	(539,171)	(446,113)
Payments for restorations due to closing of stores	(43,844)	(59,260)
Proceeds from sales of stores	301,131	116,430
Proceeds from sale of investment securities	—	692,113
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(323,216)	—
Net cash provided by (used in) investing activities	(1,880,490)	(466,399)

	(Thousands of yen)	
	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from financing activities		
Repayments of long-term borrowings	—	(30,000)
Purchase of treasury shares	(525)	(96,595)
Repayments of lease obligations	(366,226)	(395,344)
Dividends paid	(2,559,246)	(2,552,300)
Dividends paid to non-controlling interests	(1,604)	(1,190)
Net cash provided by (used in) financing activities	(2,927,602)	(3,075,431)
Effect of exchange rate change on cash and cash equivalents	(27,885)	212,940
Net increase (decrease) in cash and cash equivalents	(3,946,513)	1,909,373
Cash and cash equivalents at beginning of period	19,457,695	15,511,182
Cash and cash equivalents at end of period	15,511,182	17,420,555