

Translation

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

October 5, 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 Yasutaka Hirao TEL (0586) 81 - 0792  
 Dept.  
 Scheduled date to file Quarterly Securities Report: October 11, 2022  
 Scheduled date to commence dividend payments: November 18, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 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 August 31, 2022 (from March 1, 2022 to August 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 August 31, 2022	22,874	4.2	1,317	10.2	1,642	(13.3)	1,021	(32.8)
Six months ended August 31, 2021	21,954	2.3	1,195	11.7	1,895	52.8	1,520	124.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2022	32.01	—
Six months ended August 31, 2021	47.63	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2022	42,386	30,843	71.9	954.84
As of February 28, 2022	42,467	30,607	71.3	949.02

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2022	—	40.00	—	40.00	80.00
Year ending February 28, 2023	—	40.00	—	—	—
Year ending February 28, 2023 (Forecast)	—	—	—	40.00	80.00

### 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
Full year	47,200	4.8	3,050	6.8	3,510	(15.8)	2,190	(25.0)	68.62

4. Notes

- (1) Changes in significant subsidiaries during the six months ended August 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: No
- (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 August 31, 2022	31,926,000 shares	As of February 28, 2022	31,926,000 shares
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Number of treasury shares at the end of the period

As of August 31, 2022	6,794 shares	As of February 28, 2022	13,637 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2022	31,914,920 shares	Six months ended August 31, 2021	31,914,580 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2022	As of August 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,587,451	17,076,621
Accounts receivable - trade	2,685,529	3,201,102
Merchandise and finished goods	971,149	1,020,884
Work in process	52,355	46,483
Raw materials and supplies	234,843	258,182
Other	836,502	942,968
<b>Total current assets</b>	<b>22,367,833</b>	<b>22,546,242</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	4,652,471	4,747,858
Machinery, equipment and vehicles, net	692,365	634,767
Land	5,486,172	5,375,658
Leased assets, net	933,398	833,417
Other, net	576,106	605,491
<b>Total property, plant and equipment</b>	<b>12,340,514</b>	<b>12,197,193</b>
<b>Intangible assets</b>		
Goodwill	267,775	245,460
Other	1,041,635	962,331
<b>Total intangible assets</b>	<b>1,309,410</b>	<b>1,207,791</b>
<b>Investments and other assets</b>		
Investment securities	402,100	395,770
Deferred tax assets	1,196,561	1,169,795
Guarantee deposits	4,592,379	4,618,549
Other	260,962	253,586
Allowance for doubtful accounts	(2,420)	(2,330)
<b>Total investments and other assets</b>	<b>6,449,582</b>	<b>6,435,370</b>
<b>Total non-current assets</b>	<b>20,099,507</b>	<b>19,840,356</b>
<b>Total assets</b>	<b>42,467,340</b>	<b>42,386,599</b>

(Thousands of yen)

	As of February 28, 2022	As of August 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	2,132,004	2,356,898
Accounts payable - other	1,399,125	1,376,025
Income taxes payable	1,107,443	588,481
Provision for bonuses	319,505	327,272
Provision for shareholder benefit program	95,848	99,135
Other	904,475	1,059,705
<b>Total current liabilities</b>	<b>5,958,403</b>	<b>5,807,519</b>
<b>Non-current liabilities</b>		
Lease obligations	603,018	463,108
Retirement benefit liability	1,075,141	1,108,093
Long-term guarantee deposits	3,630,726	3,564,013
Asset retirement obligations	542,229	548,757
Other	50,064	51,706
<b>Total non-current liabilities</b>	<b>5,901,180</b>	<b>5,735,678</b>
<b>Total liabilities</b>	<b>11,859,584</b>	<b>11,543,198</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,503,270	1,503,270
Capital surplus	1,388,470	1,389,226
Retained earnings	27,104,944	26,850,067
Treasury shares	(65,253)	(32,513)
<b>Total shareholders' equity</b>	<b>29,931,431</b>	<b>29,710,051</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	74,516	70,115
Foreign currency translation adjustment	305,715	712,428
Remeasurements of defined benefit plans	(26,057)	(14,715)
<b>Total accumulated other comprehensive income</b>	<b>354,173</b>	<b>767,827</b>
<b>Non-controlling interests</b>	<b>322,150</b>	<b>365,522</b>
<b>Total net assets</b>	<b>30,607,755</b>	<b>30,843,400</b>
<b>Total liabilities and net assets</b>	<b>42,467,340</b>	<b>42,386,599</b>

## 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 August 31, 2022
Net sales	21,954,610	22,874,883
Cost of sales	11,797,225	12,281,067
Gross profit	10,157,385	10,593,815
Selling, general and administrative expenses	8,961,815	9,275,838
Operating profit	1,195,570	1,317,977
Non-operating income		
Interest and dividend income	33,930	5,880
Rental income from buildings	423,160	433,014
Subsidy income	525,325	219,429
Other	135,124	39,068
Total non-operating income	1,117,542	697,393
Non-operating expenses		
Interest expenses	7,843	6,445
Rental expenses	346,886	346,096
Other	62,723	20,118
Total non-operating expenses	417,453	372,660
Ordinary profit	1,895,658	1,642,710
Extraordinary income		
Gain on sales of stores	45,345	37,316
Gain on sale of investment securities	679,652	–
Other	–	2,560
Total extraordinary income	724,997	39,876
Extraordinary losses		
Loss on sale of non-current assets	–	33,806
Loss on retirement of non-current assets	5,643	4,100
Impairment losses	243,385	67,450
Loss on valuation of shares of subsidiaries and associates	–	4,932
Total extraordinary losses	249,028	110,290
Profit before income taxes	2,371,627	1,572,296
Income taxes - current	834,979	518,495
Income taxes - deferred	15,299	39,067
Total income taxes	850,278	557,562
Profit	1,521,349	1,014,733
Profit (loss) attributable to non-controlling interests	1,184	(6,883)
Profit attributable to owners of parent	1,520,164	1,021,617

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Profit	1,521,349	1,014,733
Other comprehensive income		
Valuation difference on available-for-sale securities	(482,331)	(4,401)
Foreign currency translation adjustment	240,222	456,968
Remeasurements of defined benefit plans, net of tax	13,057	11,342
Total other comprehensive income	(229,052)	463,908
Comprehensive income	1,292,297	1,478,642
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,271,821	1,435,271
Comprehensive income attributable to non-controlling interests	20,475	43,371

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,371,627	1,572,296
Depreciation	718,728	758,105
Impairment losses	243,385	67,450
Amortization of goodwill	34,027	22,314
Increase (decrease) in provision for bonuses	(10,940)	2,149
Increase (decrease) in retirement benefit liability	72,464	49,263
Interest and dividend income	(33,930)	(5,880)
Interest expenses	7,843	6,445
Loss (gain) on sale of non-current assets	–	31,246
Loss (gain) on sales of stores	(45,345)	(37,316)
Loss on retirement of non-current assets	5,643	4,100
Loss (gain) on sale of investment securities	(679,652)	–
Loss on valuation of shares of subsidiaries and associates	–	4,932
Decrease (increase) in trade receivables	(338,724)	(484,173)
Decrease (increase) in inventories	(81,681)	(53,771)
Increase (decrease) in trade payables	220,857	198,872
Increase (decrease) long-term guarantee deposits received	(73,378)	(66,712)
Other, net	198,190	41,084
Subtotal	2,609,114	2,110,406
Interest and dividends received	33,277	4,637
Interest paid	(7,843)	(6,445)
Income taxes paid	(162,106)	(1,020,897)
Net cash provided by (used in) operating activities	2,472,442	1,087,700
Cash flows from investing activities		
Payments into time deposits	(160,455)	(10,800)
Proceeds from withdrawal of time deposits	311,235	10,800
Purchase of securities	(7,999,346)	(7,998,756)
Proceeds from redemption of securities	8,000,000	8,000,000
Proceeds from sale of investment securities	692,113	–
Purchase of property, plant and equipment	(349,894)	(485,197)
Purchase of intangible assets	(337,368)	(84,995)
Proceeds from sale of property, plant and equipment	–	104,427
Proceeds from sales of stores	58,920	60,129
Other, net	(33,578)	(12,436)
Net cash provided by (used in) investing activities	181,626	(416,829)
Cash flows from financing activities		
Dividends paid	(1,276,679)	(1,275,732)
Other, net	(330,346)	(198,689)
Net cash provided by (used in) financing activities	(1,607,026)	(1,474,421)
Effect of exchange rate change on cash and cash equivalents	129,060	280,883
Net increase (decrease) in cash and cash equivalents	1,176,102	(522,666)
Cash and cash equivalents at beginning of period	15,511,182	17,420,555
Cash and cash equivalents at end of period	16,687,284	16,897,888