

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 4, 2024

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: Kenji Hayashi TEL (0586) 81 - 0792
 Dept.
 Scheduled date of ordinary general meeting of shareholders: May 29, 2024
 Scheduled date to file Securities Report: May 30, 2024
 Scheduled date to commence dividend payments: May 15, 2024
 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 29, 2024 (from March 1, 2023 to February 29, 2024)

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 29, 2024	55,137	14.2	4,715	30.5	5,021	24.2	2,685	5.8
Year ended February 28, 2023	48,286	7.3	3,613	26.5	4,042	(3.0)	2,538	(13.1)

	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 29, 2024	16.84	—	8.7	11.6	8.6
Year ended February 28, 2023	15.91	—	8.3	9.5	7.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	44,032	31,378	70.2	193.83
As of February 28, 2023	42,432	30,945	72.0	191.56

(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 29, 2024	6,086	(4,994)	(3,217)	15,707
Year ended February 28, 2023	3,958	(932)	(2,969)	17,678

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, 2023	—	40.00	—	40.00	80.00	2,553	100.6	8.4
Year ended February 29, 2024	—	40.00	—	40.00	80.00	2,552	95.0	8.3
Year ending February 28, 2025 (Forecast)	—	8.00	—	8.00	16.00		82.3	

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 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
Six months ending August 31, 2024	29,700	10.7	2,400	(2.7)	2,500	(4.1)	1,400	(1.3)	8.15
Full year	61,500	11.5	5,200	10.3	5,400	7.5	3,100	15.4	19.43

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 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 February 29, 2024	159,630,000 shares	As of February 28, 2023	159,630,000 shares
-------------------------	--------------------	-------------------------	--------------------

Number of treasury shares at the end of the period

As of February 29, 2024	105,215 shares	As of February 28, 2023	34,180 shares
-------------------------	----------------	-------------------------	---------------

Average number of shares during the period

Year ended February 29, 2024	159,528,737 shares	Year ended February 28, 2023	159,585,150 shares
------------------------------	--------------------	------------------------------	--------------------

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	17,690,428	15,899,596
Accounts receivable - trade	3,161,681	3,403,946
Merchandise and finished goods	1,001,425	1,004,452
Work in process	47,519	41,495
Raw materials and supplies	260,984	273,876
Other	819,759	918,705
Total current assets	22,981,799	21,542,074
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,844,872	5,150,074
Machinery, equipment and vehicles, net	687,188	595,159
Land	5,375,658	5,201,391
Leased assets, net	702,255	284,048
Other, net	585,195	710,654
Total property, plant and equipment	12,195,170	11,941,328
Intangible assets		
Software	789,524	652,000
Goodwill	223,145	2,693,742
Other	55,500	846,088
Total intangible assets	1,068,170	4,191,832
Investments and other assets		
Investment securities	372,560	435,860
Deferred tax assets	1,089,040	1,143,660
Guarantee deposits	4,495,207	4,469,022
Other	233,104	311,174
Allowance for doubtful accounts	(2,153)	(2,105)
Total investments and other assets	6,187,759	6,357,611
Total non-current assets	19,451,100	22,490,772
Total assets	42,432,899	44,032,846

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,312,523	2,581,758
Current portion of long-term borrowings	—	6,432
Lease liabilities	450,329	197,539
Accounts payable - other	1,455,617	1,898,087
Income taxes payable	574,309	1,164,631
Contract liabilities	231,368	300,111
Provision for bonuses	329,732	385,004
Provision for shareholder benefit program	99,117	108,464
Other	462,120	561,659
Total current liabilities	5,915,119	7,203,688
Non-current liabilities		
Long-term borrowings	—	64,264
Lease liabilities	293,193	117,841
Deferred tax liabilities	—	47,839
Retirement benefit liability	1,150,350	1,186,394
Long-term guarantee deposits	3,540,954	3,464,467
Asset retirement obligations	532,591	552,211
Other	55,101	17,757
Total non-current liabilities	5,572,192	5,450,775
Total liabilities	11,487,311	12,654,463
Net assets		
Shareholders' equity		
Share capital	1,503,270	1,503,270
Capital surplus	1,389,226	1,389,950
Retained earnings	27,090,313	27,223,274
Treasury shares	(32,701)	(108,714)
Total shareholders' equity	29,950,108	30,007,779
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,977	97,989
Foreign currency translation adjustment	577,421	809,460
Remeasurements of defined benefit plans	(9,980)	5,560
Total accumulated other comprehensive income	621,417	913,010
Non-controlling interests	374,061	457,592
Total net assets	30,945,588	31,378,383
Total liabilities and net assets	42,432,899	44,032,846

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

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	48,286,993	55,137,331
Cost of sales	25,517,637	28,330,495
Gross profit	22,769,356	26,806,836
Selling, general and administrative expenses		
Freight and packing costs	2,326,095	2,410,835
Provision of allowance for doubtful accounts	(267)	(253)
Remuneration for directors (and other officers)	287,099	267,938
Salaries and allowances	4,040,691	4,349,486
Bonuses	232,772	286,784
Provision for bonuses	284,840	336,195
Other salaries	2,106,519	2,549,155
Retirement benefit expenses	116,690	91,192
Legal welfare expenses	815,919	863,233
Provision for shareholder benefit program	93,617	111,178
Utilities expenses	646,687	651,979
Supplies expenses	851,489	959,264
Depreciation	1,135,335	1,266,160
Amortization of goodwill	44,629	106,083
Rent expenses	2,253,679	2,472,125
Other	3,919,894	5,370,403
Total selling, general and administrative expenses	19,155,692	22,091,765
Operating profit	3,613,663	4,715,071
Non-operating income		
Interest and dividend income	13,843	38,937
Rental income from buildings	874,416	882,950
Other	329,969	132,956
Total non-operating income	1,218,229	1,054,843
Non-operating expenses		
Interest expenses	13,131	10,864
Rental expenses	688,935	710,345
Other	86,860	27,476
Total non-operating expenses	788,927	748,686
Ordinary profit	4,042,965	5,021,228
Extraordinary income		
Gain on sales of stores	142,875	34,751
Other	2,560	2,427
Total extraordinary income	145,435	37,178

	(Thousands of yen)	
	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Extraordinary losses		
Loss on sale of non-current assets	33,806	5,073
Loss on retirement of non-current assets	24,573	20,098
Impairment losses	197,750	705,487
Loss on valuation of shares of subsidiaries and associates	4,932	–
Total extraordinary losses	261,063	730,659
Profit before income taxes	3,927,337	4,327,747
Income taxes - current	1,248,406	1,675,071
Income taxes - deferred	125,205	(93,220)
Total income taxes	1,373,612	1,581,851
Profit	2,553,725	2,745,895
Profit attributable to non-controlling interests	15,093	59,970
Profit attributable to owners of parent	2,538,631	2,685,925

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	2,553,725	2,745,895
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,539)	44,012
Foreign currency translation adjustment	308,523	258,010
Remeasurements of defined benefit plans, net of tax	16,076	15,541
Total other comprehensive income	304,061	317,564
Comprehensive income	2,857,787	3,063,460
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,805,875	2,977,518
Comprehensive income attributable to non-controlling interests	51,911	85,941

Consolidated statements of changes in equity

Fiscal year ended February 28, 2023

(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	27,104,944	(65,253)	29,931,431
Changes during period					
Dividends of surplus			(2,553,262)		(2,553,262)
Profit attributable to owners of parent			2,538,631		2,538,631
Purchase of treasury shares				(364)	(364)
Disposal of treasury shares		756		32,916	33,672
Net changes in items other than shareholders' equity					
Total changes during period	–	756	(14,631)	32,551	18,677
Balance at end of period	1,503,270	1,389,226	27,090,313	(32,701)	29,950,108

	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	74,516	305,715	(26,057)	354,173	322,150	30,607,755
Changes during period						
Dividends of surplus						(2,553,262)
Profit attributable to owners of parent						2,538,631
Purchase of treasury shares						(364)
Disposal of treasury shares						33,672
Net changes in items other than shareholders' equity	(20,539)	271,706	16,076	267,244	51,911	319,155
Total changes during period	(20,539)	271,706	16,076	267,244	51,911	337,832
Balance at end of period	53,977	577,421	(9,980)	621,417	374,061	30,945,588

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,503,270	1,389,226	27,090,313	(32,701)	29,950,108
Changes during period					
Dividends of surplus			(2,552,964)		(2,552,964)
Profit attributable to owners of parent			2,685,925		2,685,925
Purchase of treasury shares				(106,156)	(106,156)
Disposal of treasury shares		723		30,143	30,867
Net changes in items other than shareholders' equity					
Total changes during period	–	723	132,961	(76,013)	57,671
Balance at end of period	1,503,270	1,389,950	27,223,274	(108,714)	30,007,779

	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	53,977	577,421	(9,980)	621,417	374,061	30,945,588
Changes during period						
Dividends of surplus						(2,552,964)
Profit attributable to owners of parent						2,685,925
Purchase of treasury shares						(106,156)
Disposal of treasury shares						30,867
Net changes in items other than shareholders' equity	44,012	232,038	15,541	291,592	83,530	375,123
Total changes during period	44,012	232,038	15,541	291,592	83,530	432,794
Balance at end of period	97,989	809,460	5,560	913,010	457,592	31,378,383

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	3,927,337	4,327,747
Depreciation	1,580,205	1,700,276
Impairment losses	197,750	705,487
Amortization of goodwill	44,629	106,083
Increase (decrease) in allowance for doubtful accounts	(267)	(48)
Increase (decrease) in provision for bonuses	7,259	52,106
Increase (decrease) in retirement benefit liability	98,330	58,396
Increase (decrease) in provision for shareholder benefit program	3,268	9,346
Interest and dividend income	(13,843)	(38,937)
Interest expenses	13,131	10,864
Loss (gain) on sale of non-current assets	31,246	2,646
Loss (gain) on sales of stores	(142,875)	(34,751)
Loss on retirement of non-current assets	24,573	20,098
Loss on valuation of shares of subsidiaries and associates	4,932	—
Decrease (increase) in trade receivables	(451,091)	(153,446)
Decrease (increase) in inventories	(44,401)	4,656
Decrease (increase) in guarantee deposits	99,768	59,989
Increase (decrease) in trade payables	159,978	194,947
Increase (decrease) in accrued consumption taxes	190,041	19,886
Increase (decrease) long-term guarantee deposits received	(89,771)	(76,486)
Other, net	87,160	278,378
Subtotal	5,727,363	7,247,243
Interest and dividends received	10,024	26,178
Interest paid	(13,131)	(10,864)
Income taxes paid	(1,765,414)	(1,175,745)
Net cash provided by (used in) operating activities	3,958,842	6,086,812
Cash flows from investing activities		
Payments into time deposits	(22,051)	(198,910)
Proceeds from withdrawal of time deposits	184,130	24,274
Purchase of securities	(15,996,180)	(15,987,241)
Proceeds from redemption of securities	16,000,000	16,000,000
Purchase of property, plant and equipment	(1,244,746)	(1,485,430)
Proceeds from sale of property, plant and equipment	107,729	4,165
Purchase of intangible assets	(151,990)	(720,982)
Payments for restorations due to closing of stores	(57,544)	(57,509)
Proceeds from sales of stores	230,688	67,342
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,661,184)
Purchase of shares of subsidiaries and associates	—	(45,600)
Other, net	17,626	66,139
Net cash provided by (used in) investing activities	(932,339)	(4,994,936)

	(Thousands of yen)	
	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	–	(84,196)
Purchase of treasury shares	(364)	(106,156)
Repayments of lease liabilities	(418,150)	(473,912)
Dividends paid	(2,551,266)	(2,551,308)
Dividends paid to non-controlling interests	–	(2,411)
Net cash provided by (used in) financing activities	(2,969,781)	(3,217,985)
Effect of exchange rate change on cash and cash equivalents	200,845	155,351
Net increase (decrease) in cash and cash equivalents	257,568	(1,970,756)
Cash and cash equivalents at beginning of period	17,420,555	17,678,123
Cash and cash equivalents at end of period	17,678,123	15,707,366