

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 7, 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 to file Semi-annual Securities Report: October 11, 2024
 Scheduled date to commence dividend payments: November 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 six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

(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, 2024	29,599	10.4	2,405	(2.5)	2,499	(4.1)	1,554	9.6
Six months ended August 31, 2023	26,822	17.3	2,467	87.2	2,606	58.6	1,418	38.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2024	9.75	—
Six months ended August 31, 2023	8.89	—

(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, 2024	44,720	32,246	70.9	198.74
As of February 29, 2024	44,032	31,378	70.2	193.83

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 29, 2024	—	40.00	—	40.00	80.00
Year ending February 28, 2025	—	8.00			
Year ending February 28, 2025 (Forecast)			—	8.00	16.00

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
Full year	61,500	11.5	5,200	10.3	5,400	7.5	3,100	15.4	19.43

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended August 31, 2024: No
- (2) Application of special accounting methods for preparing interim 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: 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 August 31, 2024	159,630,000 shares	As of February 29, 2024	159,630,000 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	70,026 shares	As of February 29, 2024	105,215 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, 2024	159,537,223 shares	Six months ended August 31, 2023	159,532,646 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	15,899,596	15,141,168
Accounts receivable - trade	3,403,946	4,207,788
Merchandise and finished goods	1,004,452	875,720
Work in process	41,495	50,558
Raw materials and supplies	273,876	300,098
Other	918,705	1,151,513
Total current assets	21,542,074	21,726,847
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,150,074	5,462,388
Machinery, equipment and vehicles, net	595,159	680,811
Land	5,201,391	5,178,844
Leased assets, net	284,048	194,061
Other, net	710,654	729,802
Total property, plant and equipment	11,941,328	12,245,907
Intangible assets		
Goodwill	2,693,742	2,534,400
Other	1,498,089	1,690,333
Total intangible assets	4,191,832	4,224,733
Investments and other assets		
Investment securities	435,860	512,031
Deferred tax assets	1,143,660	1,173,637
Guarantee deposits	4,469,022	4,527,966
Other	311,174	311,220
Allowance for doubtful accounts	(2,105)	(2,105)
Total investments and other assets	6,357,611	6,522,751
Total non-current assets	22,490,772	22,993,392
Total assets	44,032,846	44,720,240

(Thousands of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,581,758	3,004,891
Current portion of long-term borrowings	6,432	—
Accounts payable - other	1,898,087	1,778,926
Income taxes payable	1,164,631	933,268
Provision for bonuses	385,004	413,738
Provision for shareholder benefit program	108,464	171,899
Other	1,059,310	798,599
Total current liabilities	7,203,688	7,101,324
Non-current liabilities		
Long-term borrowings	64,264	—
Lease liabilities	117,841	125,227
Retirement benefit liability	1,186,394	1,193,368
Long-term guarantee deposits	3,464,467	3,419,091
Asset retirement obligations	552,211	575,890
Other	65,596	58,684
Total non-current liabilities	5,450,775	5,372,262
Total liabilities	12,654,463	12,473,586
Net assets		
Shareholders' equity		
Share capital	1,503,270	1,503,270
Capital surplus	1,389,950	1,392,593
Retained earnings	27,223,274	27,501,893
Treasury shares	(108,714)	(72,367)
Total shareholders' equity	30,007,779	30,325,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	97,989	150,951
Foreign currency translation adjustment	809,460	1,229,169
Remeasurements of defined benefit plans	5,560	5,287
Total accumulated other comprehensive income	913,010	1,385,407
Non-controlling interests	457,592	535,855
Total net assets	31,378,383	32,246,653
Total liabilities and net assets	44,032,846	44,720,240

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, 2023	Six months ended August 31, 2024
Net sales	26,822,463	29,599,964
Cost of sales	13,873,615	14,922,504
Gross profit	12,948,847	14,677,460
Selling, general and administrative expenses	10,481,436	12,271,829
Operating profit	2,467,410	2,405,631
Non-operating income		
Interest and dividend income	19,476	13,385
Rental income from buildings	442,546	437,426
Other	61,148	51,667
Total non-operating income	523,171	502,479
Non-operating expenses		
Interest expenses	6,619	3,288
Rental expenses	366,169	340,720
Other	11,681	64,953
Total non-operating expenses	384,470	408,962
Ordinary profit	2,606,111	2,499,148
Extraordinary income		
Gain on sales of stores	20,364	69,497
Other	587	2,346
Total extraordinary income	20,951	71,844
Extraordinary losses		
Loss on retirement of non-current assets	2,782	8,801
Impairment losses	383,475	184,418
Total extraordinary losses	386,258	193,220
Profit before income taxes	2,240,804	2,377,772
Income taxes - current	858,166	830,733
Income taxes - deferred	(60,977)	(42,700)
Total income taxes	797,188	788,032
Profit	1,443,616	1,589,739
Profit attributable to non-controlling interests	25,502	34,922
Profit attributable to owners of parent	1,418,113	1,554,817

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	1,443,616	1,589,739
Other comprehensive income		
Valuation difference on available-for-sale securities	28,461	52,961
Foreign currency translation adjustment	314,409	472,422
Remeasurements of defined benefit plans, net of tax	2,358	(273)
Total other comprehensive income	345,229	525,110
Comprehensive income	1,788,845	2,114,850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,729,946	2,027,214
Comprehensive income attributable to non-controlling interests	58,898	87,635

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,240,804	2,377,772
Depreciation	828,095	797,459
Impairment losses	383,475	184,418
Amortization of goodwill	42,799	159,342
Increase (decrease) in provision for bonuses	20,059	23,177
Increase (decrease) in retirement benefit liability	39,044	6,580
Increase (decrease) in provision for shareholder benefit program	9,083	63,435
Interest and dividend income	(19,476)	(13,385)
Interest expenses	6,619	3,288
Loss (gain) on sale of non-current assets	(587)	(2,346)
Loss (gain) on sales of stores	(20,364)	(69,497)
Loss on retirement of non-current assets	2,782	8,801
Decrease (increase) in trade receivables	(509,023)	(754,770)
Decrease (increase) in inventories	(2,139)	103,878
Increase (decrease) in trade payables	472,469	395,729
Increase (decrease) in accrued consumption taxes	(11,506)	(120,327)
Increase (decrease) long-term guarantee deposits received	(39,943)	(45,376)
Other, net	(165,431)	(258,767)
Subtotal	3,276,759	2,859,412
Interest and dividends received	16,004	13,385
Interest paid	(6,619)	(3,288)
Income taxes paid	(532,752)	(1,055,687)
Net cash provided by (used in) operating activities	2,753,392	1,813,822
Cash flows from investing activities		
Payments into time deposits	(180,410)	(364,525)
Proceeds from withdrawal of time deposits	11,150	206,925
Purchase of securities	(7,996,528)	–
Proceeds from redemption of securities	8,000,000	–
Purchase of property, plant and equipment	(802,587)	(941,081)
Purchase of intangible assets	(440,503)	(502,412)
Proceeds from sales of stores	27,933	127,696
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(816,813)	–
Other, net	(30,020)	(20,342)
Net cash provided by (used in) investing activities	(2,227,780)	(1,493,739)
Cash flows from financing activities		
Repayments of long-term borrowings	(34,292)	(64,264)
Repayments of lease liabilities	(233,156)	(142,292)
Dividends paid	(1,275,821)	(1,275,522)
Other, net	(118,472)	(15,869)
Net cash provided by (used in) financing activities	(1,661,742)	(1,497,948)
Effect of exchange rate change on cash and cash equivalents	178,672	230,772
Net increase (decrease) in cash and cash equivalents	(957,458)	(947,093)
Cash and cash equivalents at beginning of period	17,678,123	15,707,366
Cash and cash equivalents at end of period	16,720,665	14,760,273