Translation

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

September 17, 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: Accounting Department Director Toshiyuki Kawano TEL 03-6712-6842
Scheduled date to file Semi-annual Securities Report: September 17, 2024
Scheduled date to commence dividend payments: –
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 July 31, 2024 (from February 1, 2024 to July 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 July 31, 2024	9,109	(5.7)	523	65.5	545	31.9	256	32.9
Six months ended July 31, 2023	9,656	8.6	316	–	413	101.6	193	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2024	5.84	5.79
Six months ended July 31, 2023	4.21	4.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2024	11,448	4,457	38.9
As of January 31, 2024	11,888	5,533	46.5

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 January 31, 2024	–	0.00	–	4.00	4.00
Year ending January 31, 2025	–	0.00			
Year ending January 31, 2025 (Forecast)			–	5.00	5.00

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) Significant changes in the scope of consolidation during the six months ended July 31, 2024: No

(2) Application of special accounting methods for preparing interim consolidated financial statements: Yes

(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 July 31, 2024	43,059,482 shares	As of January 31, 2024	45,966,382 shares

Number of treasury shares at the end of the period

As of July 31, 2024	– shares	As of January 31, 2024	– shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2024	43,905,997 shares	Six months ended July 31, 2023	45,866,382 shares

Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	4,163,366	3,828,358
Accounts receivable - trade	1,046,295	993,423
Merchandise	3,123,325	3,000,441
Other	345,847	350,657
Total current assets	8,678,834	8,172,881
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,348,649	1,280,169
Tools, furniture and fixtures, net	57,270	56,906
Construction in progress	8,173	15,277
Right-of-use assets, net	307,530	211,065
Total property, plant and equipment	1,721,622	1,563,418
Intangible assets		
Software	37,726	29,546
Total intangible assets	37,726	29,546
Investments and other assets		
Deferred tax assets	140,531	140,531
Guarantee deposits	1,280,225	1,320,293
Long-term loans receivable	–	150,000
Other	29,196	71,466
Total investments and other assets	1,449,953	1,682,290
Total non-current assets	3,209,302	3,275,255
Total assets	11,888,137	11,448,136
Liabilities		
Current liabilities		
Accounts payable - trade	717,929	632,210
Short-term borrowings	900,000	900,000
Current portion of long-term borrowings	1,361,796	1,770,175
Accrued expenses	338,019	383,260
Income taxes payable	390,259	272,565
Lease liabilities	199,696	151,120
Contract liabilities	78,161	59,454
Provision for bonuses	71,361	65,324
Other	272,466	319,027
Total current liabilities	4,329,691	4,553,139
Non-current liabilities		
Long-term borrowings	1,852,165	2,335,110
Lease liabilities	130,766	72,159
Asset retirement obligations	41,855	30,227
Total non-current liabilities	2,024,788	2,437,497
Total liabilities	6,354,480	6,990,636

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Net assets		
Shareholders' equity		
Share capital	576,337	576,337
Capital surplus	560,337	560,337
Retained earnings	4,470,408	3,543,165
Total shareholders' equity	5,607,084	4,679,841
Accumulated other comprehensive income		
Foreign currency translation adjustment	(81,127)	(231,164)
Total accumulated other comprehensive income	(81,127)	(231,164)
Share acquisition rights	7,700	8,823
Total net assets	5,533,657	4,457,499
Total liabilities and net assets	11,888,137	11,448,136

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Net sales	9,656,688	9,109,429
Cost of sales	4,784,962	4,298,919
Gross profit	4,871,726	4,810,510
Selling, general and administrative expenses	4,555,206	4,286,784
Operating profit	316,519	523,725
Non-operating income		
Interest income	97	182
Subsidy income	8,122	4,275
Foreign exchange gains	102,577	31,704
Other	6,433	3,254
Total non-operating income	117,231	39,416
Non-operating expenses		
Interest expenses	19,301	14,400
Commission expenses	–	2,224
Other	697	606
Total non-operating expenses	19,998	17,232
Ordinary profit	413,752	545,910
Extraordinary income		
Gain on adjustment of account payable	35,138	–
Total extraordinary income	35,138	–
Extraordinary losses		
Impairment losses	25,264	23,632
Loss on store closings	–	20,016
Total extraordinary losses	25,264	43,648
Profit before income taxes	423,627	502,261
Income taxes	230,573	245,665
Profit	193,053	256,595
Profit attributable to owners of parent	193,053	256,595

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Profit	193,053	256,595
Other comprehensive income		
Foreign currency translation adjustment	(85,187)	(150,037)
Total other comprehensive income	(85,187)	(150,037)
Comprehensive income	107,866	106,558
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	107,866	106,558
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Cash flows from operating activities		
Profit before income taxes	423,627	502,261
Depreciation	535,850	273,087
Amortization of software	14,580	8,784
Gain on adjustment of account payable	(35,138)	–
Impairment losses	25,264	23,632
Increase (decrease) in provision for bonuses	(2,544)	(6,146)
Interest and dividend income	(97)	(212)
Interest expenses	19,301	14,400
Decrease (increase) in trade receivables	15,366	58,818
Decrease (increase) in inventories	85,125	180,841
Increase (decrease) in trade payables	(389,662)	(374,371)
Increase (decrease) in accrued expenses	(35,567)	44,284
Other, net	(180,292)	79,241
Subtotal	475,812	804,622
Interest and dividends received	97	187
Interest paid	(19,289)	(14,385)
Expenditure for loss on store cancellation	(16,202)	(20,016)
Income taxes paid	(166,962)	(356,798)
Net cash provided by (used in) operating activities	273,455	413,610
Cash flows from investing activities		
Purchase of property, plant and equipment	(80,147)	(107,040)
Payments for asset retirement obligations	(36,765)	(20,587)
Payments of guarantee deposits	(10,971)	(69,646)
Proceeds from refund of guarantee deposits	20,780	45,274
Purchase of shares of subsidiaries and associates	–	(46,521)
Loan advances to subsidiaries and associates	–	(150,000)
Other, net	(20,871)	(2,979)
Net cash provided by (used in) investing activities	(127,974)	(351,500)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,100,000	1,600,000
Repayments of long-term borrowings	(436,515)	(708,676)
Repayments of lease liabilities	(309,443)	(123,048)
Dividends paid	(91,445)	(183,405)
Purchase of treasury shares	–	(1,000,973)
Other, net	–	(325)
Net cash provided by (used in) financing activities	262,595	(416,429)
Effect of exchange rate change on cash and cash equivalents	9,425	19,310
Net increase (decrease) in cash and cash equivalents	417,501	(335,007)
Cash and cash equivalents at beginning of period	2,504,646	4,163,366
Cash and cash equivalents at end of period	2,922,147	3,828,358