

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: XEBIO HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8281 URL <http://www.xebio.co.jp>
 Representative: President & CEO Tomoyoshi Morohashi
 Inquiries: CFO Kazuhiko Nakamura TEL 03-6870-6008
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 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	%
Nine months ended December 31, 2022	180,364	8.0	7,459	36.4	7,956	7.9	5,220	13.6
Nine months ended December 31, 2021	167,045	11.6	5,469	125.3	7,371	138.2	4,596	417.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	118.07		117.58	
Nine months ended December 31, 2021	103.97		103.59	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	223,536	122,692	54.6	2,763.05
As of March 31, 2022	208,308	118,708	56.8	2,674.23

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	15.00	–	15.00	30.00
Year ending March 31, 2023	–	15.00	–		
Year ending March 31, 2023 (Forecast)				15.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 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	241,516	8.2	7,031	40.6	7,685	(2.1)	4,115	7.3	93.09

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 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: 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 December 31, 2022	47,911,023 shares	As of March 31, 2022	47,911,023 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	3,700,257 shares	As of March 31, 2022	3,699,987 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	44,210,919 shares	Nine months ended December 31, 2021	44,211,222 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	39,893	35,714
Notes and accounts receivable - trade	22,477	27,369
Operating loans	967	894
Merchandise	75,921	84,465
Income taxes refund receivable	1	12
Other	8,043	9,407
Allowance for doubtful accounts	(292)	(426)
Total current assets	147,012	157,437
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,403	51,490
Accumulated depreciation	(36,192)	(37,230)
Buildings and structures, net	14,211	14,260
Land	13,910	13,984
Leased assets	2,780	6,091
Accumulated depreciation	(1,424)	(1,717)
Leased assets, net	1,356	4,374
Construction in progress	75	396
Other	21,304	22,333
Accumulated depreciation	(18,965)	(19,498)
Other, net	2,339	2,834
Total property, plant and equipment	31,891	35,851
Intangible assets		
Goodwill	716	412
Software	1,854	3,490
Other	2,924	2,987
Total intangible assets	5,495	6,891
Investments and other assets		
Investment securities	727	863
Long-term loans receivable	24	14
Deferred tax assets	4,852	4,422
Guarantee deposits	1,851	1,623
Leasehold deposits	14,142	14,160
Investment property	3,126	3,131
Accumulated depreciation	(1,276)	(1,295)
Investment property, net	1,849	1,836
Retirement benefit asset	139	104
Other	582	585
Allowance for doubtful accounts	(260)	(253)
Total investments and other assets	23,908	23,356
Total non-current assets	61,295	66,099
Total assets	208,308	223,536

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,388	25,206
Electronically recorded obligations - operating	28,099	38,666
Short-term borrowings	770	800
Current portion of long-term borrowings	5,953	1,817
Income taxes payable	1,808	975
Provision for bonuses	1,470	723
Provision for bonuses for directors (and other officers)	15	10
Provision for point card certificates	91	85
Other	14,087	15,707
Total current liabilities	74,684	83,991
Non-current liabilities		
Long-term borrowings	6,459	5,255
Lease liabilities	2,001	4,969
Retirement benefit liability	905	814
Provision for retirement benefits for directors (and other officers)	59	59
Asset retirement obligations	4,640	4,805
Other	849	948
Total non-current liabilities	14,915	16,853
Total liabilities	89,599	100,844
Net assets		
Shareholders' equity		
Share capital	15,935	15,935
Capital surplus	16,119	16,119
Retained earnings	92,427	96,321
Treasury shares	(6,498)	(6,498)
Total shareholders' equity	117,984	121,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47	131
Foreign currency translation adjustment	638	528
Remeasurements of defined benefit plans	(439)	(381)
Total accumulated other comprehensive income	245	278
Share acquisition rights	435	368
Non-controlling interests	42	167
Total net assets	118,708	122,692
Total liabilities and net assets	208,308	223,536

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	167,045	180,364
Cost of sales	100,607	109,976
Gross profit	66,437	70,387
Selling, general and administrative expenses	60,968	62,928
Operating profit	5,469	7,459
Non-operating income		
Interest income	41	29
Dividend income	10	11
Rental income from real estate	464	503
Foreign exchange gains	32	30
Outsourcing service income	218	235
Subsidy income	1,372	93
Other	456	289
Total non-operating income	2,597	1,194
Non-operating expenses		
Interest expenses	72	54
Rental expenses on real estate	340	342
Commission expenses	181	232
Other	101	67
Total non-operating expenses	695	697
Ordinary profit	7,371	7,956
Extraordinary income		
Gain on sale of non-current assets	6	6
Insurance claim income	75	173
Settlement income	–	72
Compensation income relating store relocation	–	143
Gain on reversal of share acquisition rights	27	102
Margin deposit cancellation gain	–	9
Gain on sale of shares of subsidiaries and associates	102	–
Total extraordinary income	211	506
Extraordinary losses		
Loss on retirement of non-current assets	268	110
Loss on sale of non-current assets	3	0
Loss on cancellation of rental contracts	–	21
Loss on valuation of investment securities	149	–
Impairment losses	–	2
Loss on store closings	1	–
Total extraordinary losses	421	135
Profit before income taxes	7,161	8,327
Income taxes - current	2,657	2,593
Income taxes - deferred	(117)	370
Total income taxes	2,540	2,964
Profit	4,620	5,363
Profit attributable to non-controlling interests	23	143
Profit attributable to owners of parent	4,596	5,220

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,620	5,363
Other comprehensive income		
Valuation difference on available-for-sale securities	25	84
Foreign currency translation adjustment	(68)	(109)
Remeasurements of defined benefit plans, net of tax	53	57
Total other comprehensive income	11	32
Comprehensive income	4,631	5,395
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,608	5,252
Comprehensive income attributable to non-controlling interests	23	143