

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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: November 10, 2023  
 Scheduled date to commence dividend payments: December 11, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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 September 30, 2023	120,052	1.7	2,968	(26.5)	3,669	(26.8)	2,021	(35.7)
Six months ended September 30, 2022	118,028	10.2	4,041	92.2	5,010	54.9	3,146	95.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	45.72		45.47	
Six months ended September 30, 2022	71.16		70.88	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	207,157	124,011	59.5	2,789.79
As of March 31, 2023	211,300	122,567	57.7	2,760.04

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, 2023	–	15.00	–	15.00	30.00
Year ending March 31, 2024	–	15.00			
Year ending March 31, 2024 (Forecast)			–	15.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	245,171	2.5	7,280	(12.6)	7,792	(15.7)	3,445	(36.2)	77.92

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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 September 30, 2023	47,911,023 shares	As of March 31, 2023	47,911,023 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	3,700,367 shares	As of March 31, 2023	3,700,307 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	44,210,668 shares	Six months ended September 30, 2022	44,210,958 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	32,890	25,973
Notes and accounts receivable - trade	23,414	20,950
Operating loans	878	845
Merchandise	80,714	82,959
Income taxes refund receivable	157	173
Other	8,188	8,060
Allowance for doubtful accounts	(438)	(441)
Total current assets	145,805	138,521
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,445	52,896
Accumulated depreciation	(38,560)	(38,091)
Buildings and structures, net	13,885	14,805
Land	13,984	14,060
Leased assets	6,091	6,072
Accumulated depreciation	(1,853)	(2,078)
Leased assets, net	4,238	3,994
Construction in progress	291	125
Other	22,463	23,766
Accumulated depreciation	(19,477)	(19,811)
Other, net	2,985	3,954
Total property, plant and equipment	35,385	36,939
Intangible assets		
Goodwill	330	125
Software	3,831	5,036
Other	2,622	2,540
Total intangible assets	6,784	7,702
Investments and other assets		
Investment securities	953	1,704
Long-term loans receivable	12	9
Deferred tax assets	4,574	4,418
Guarantee deposits	1,465	1,380
Leasehold deposits	14,013	14,106
Investment property	3,120	3,120
Accumulated depreciation	(1,289)	(1,297)
Investment property, net	1,831	1,822
Retirement benefit asset	103	127
Other	539	686
Allowance for doubtful accounts	(168)	(262)
Total investments and other assets	23,325	23,994
Total non-current assets	65,494	68,636
Total assets	211,300	207,157

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	23,429	19,498
Electronically recorded obligations - operating	29,032	28,643
Short-term borrowings	800	700
Current portion of long-term borrowings	1,840	1,844
Income taxes payable	1,521	1,463
Provision for bonuses	1,299	1,361
Provision for bonuses for directors (and other officers)	15	7
Provision for point card certificates	78	68
Other	14,160	14,208
<b>Total current liabilities</b>	<b>72,177</b>	<b>67,796</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,772	3,851
Lease liabilities	5,222	4,797
Retirement benefit liability	862	843
Provision for retirement benefits for directors (and other officers)	59	59
Asset retirement obligations	4,768	4,870
Other	870	928
<b>Total non-current liabilities</b>	<b>16,555</b>	<b>15,350</b>
<b>Total liabilities</b>	<b>88,732</b>	<b>83,146</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	15,935	15,935
Capital surplus	16,119	16,119
Retained earnings	96,499	97,858
Treasury shares	(6,498)	(6,498)
<b>Total shareholders' equity</b>	<b>122,056</b>	<b>123,414</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	185	336
Foreign currency translation adjustment	197	(65)
Remeasurements of defined benefit plans	(415)	(347)
<b>Total accumulated other comprehensive income</b>	<b>(32)</b>	<b>(75)</b>
Share acquisition rights	341	368
Non-controlling interests	202	303
<b>Total net assets</b>	<b>122,567</b>	<b>124,011</b>
<b>Total liabilities and net assets</b>	<b>211,300</b>	<b>207,157</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	118,028	120,052
Cost of sales	72,751	74,399
Gross profit	45,276	45,653
Selling, general and administrative expenses	41,235	42,684
Operating profit	4,041	2,968
Non-operating income		
Interest income	21	23
Dividend income	6	7
Rental income from real estate	345	355
Foreign exchange gains	623	396
Outsourcing service income	151	184
Subsidy income	83	–
Other	169	215
Total non-operating income	1,401	1,183
Non-operating expenses		
Interest expenses	48	51
Rental expenses on real estate	219	238
Commission expenses	124	151
Other	39	40
Total non-operating expenses	433	482
Ordinary profit	5,010	3,669
Extraordinary income		
Gain on sale of non-current assets	3	0
Insurance claim income	108	35
Settlement income	72	–
Margin deposit cancellation gain	8	–
Gain on reversal of share acquisition rights	102	0
Gain on sale of investment securities	–	4
Total extraordinary income	294	41
Extraordinary losses		
Loss on retirement of non-current assets	103	24
Loss on sale of non-current assets	0	0
Impairment losses	–	2
Loss on disaster	–	13
Loss on cancellation of rental contracts	21	8
Total extraordinary losses	126	48
Profit before income taxes	5,178	3,662
Income taxes - current	1,694	1,493
Income taxes - deferred	239	62
Total income taxes	1,933	1,556
Profit	3,244	2,106
Profit attributable to non-controlling interests	98	85
Profit attributable to owners of parent	3,146	2,021

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,244	2,106
Other comprehensive income		
Valuation difference on available-for-sale securities	66	150
Foreign currency translation adjustment	(762)	(246)
Remeasurements of defined benefit plans, net of tax	21	68
Total other comprehensive income	(675)	(27)
Comprehensive income	2,569	2,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,470	1,978
Comprehensive income attributable to non-controlling interests	98	101

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	5,178	3,662
Depreciation	1,909	2,053
Impairment losses	–	2
Amortization of goodwill	202	205
Increase (decrease) in allowance for doubtful accounts	83	97
Increase (decrease) in provision for bonuses	(88)	61
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	(7)
Increase (decrease) in provision for point card certificates	(0)	(10)
Decrease(increase) in contract liability	(55)	7
Increase (decrease) in retirement benefit liability	(1)	(19)
Decrease (increase) in retirement benefit asset	(0)	(24)
Interest and dividend income	(28)	(30)
Interest expenses	48	51
Insurance claim income	(108)	(35)
Settlement income	(72)	–
Subsidy income	(83)	–
Margin deposit cancellation gain	(8)	–
Gain on reversal of share acquisition rights	(102)	(0)
Loss (gain) on sale of investment securities	–	(4)
Loss on retirement of non-current assets	103	24
Gain on sale of non-current assets	(3)	(0)
Loss on sale of non-current assets	0	0
Loss on disaster	–	13
Loss on cancellation of rental contracts	21	8
Decrease (increase) in trade receivables	846	2,604
Decrease (increase) in operating loans receivable	49	33
Decrease (increase) in inventories	(509)	(2,044)
Increase (decrease) in trade payables	(2,605)	(4,412)
Increase (decrease) in accounts payable - other	(674)	(428)
Increase (decrease) in accrued consumption taxes	1,161	(161)
Other, net	(1,042)	(439)
Subtotal	4,212	1,206
Interest and dividends received	28	30
Interest paid	(51)	(51)
Income taxes paid	(2,210)	(1,585)
Income taxes refund	108	157
Proceeds from insurance income	108	35
Settlement received	72	–
Subsidies received	83	–
Net cash provided by (used in) operating activities	2,351	(205)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,272)	(2,649)
Payments for retirement of property, plant and equipment	(94)	(16)
Proceeds from sale of property, plant and equipment	20	13
Purchase of intangible assets	(1,398)	(1,345)
Purchase of investment securities	–	(519)
Proceeds from sale of investment securities	–	17
Proceeds from collection of loans receivable	7	6
Payments of leasehold and guarantee deposits	(98)	(454)
Proceeds from refund of leasehold and guarantee deposits	218	445
Refund of guarantee deposits received	(6)	(5)
Guarantee deposits received	11	8
Other, net	214	148
Net cash provided by (used in) investing activities	(2,399)	(4,350)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30	(100)
Repayments of long-term borrowings	(5,061)	(916)
Proceeds from long-term borrowings	170	–
Repayments of lease liabilities	(412)	(431)
Purchase of treasury shares	(0)	(0)
Dividends paid	(662)	(673)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	–
Net cash provided by (used in) financing activities	(5,937)	(2,121)
Effect of exchange rate change on cash and cash equivalents	(260)	(238)
Net increase (decrease) in cash and cash equivalents	(6,245)	(6,916)
Cash and cash equivalents at beginning of period	39,893	32,890
Cash and cash equivalents at end of period	33,648	25,973