

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

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 of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 12, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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 March 31, 2024	242,433	1.3	4,204	(49.5)	5,405	(41.5)	2,592	(52.0)
Year ended March 31, 2023	239,293	7.2	8,327	66.6	9,242	17.7	5,397	40.7

	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 March 31, 2024	58.62	58.31	2.1	2.6	1.7
Year ended March 31, 2023	122.09	121.58	4.5	4.4	3.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	209,530	124,813	59.2	2,806.34
As of March 31, 2023	211,300	122,567	57.7	2,760.04

(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 March 31, 2024	4,274	(8,041)	(4,138)	24,941
Year ended March 31, 2023	7,020	(5,477)	(7,911)	32,890

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 March 31, 2023	—	15.00	—	15.00	30.00	1,326	24.6	1.1
Year ended March 31, 2024	—	15.00	—	15.00	30.00	1,326	51.2	1.1
Year ending March 31, 2025 (Forecast)	—	15.00	—	15.00	30.00		44.2	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 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
Six months ending September 30, 2024	124,858	4.0	3,183	7.2	3,355	(8.6)	1,984	(1.8)	44.88
Full year	250,958	3.5	6,002	42.8	6,284	16.3	3,002	15.8	67.90

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 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: Yes

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 March 31, 2024	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 March 31, 2024	3,700,367 shares	As of March 31, 2023	3,700,307 shares
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Average number of shares during the period

Year ended March 31, 2024	44,210,662 shares	Year ended March 31, 2023	44,210,876 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	32,890	24,941
Notes and accounts receivable - trade	23,414	22,584
Operating loans	878	809
Merchandise	80,714	82,943
Income taxes refund receivable	157	239
Other	8,188	8,850
Allowance for doubtful accounts	(438)	(399)
Total current assets	145,805	139,969
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,445	53,162
Accumulated depreciation	(38,560)	(38,614)
Buildings and structures, net	13,885	14,547
Land	13,984	14,066
Leased assets	6,091	6,072
Accumulated depreciation	(1,853)	(2,308)
Leased assets, net	4,238	3,763
Construction in progress	291	199
Other	22,463	24,264
Accumulated depreciation	(19,477)	(20,302)
Other, net	2,985	3,961
Total property, plant and equipment	35,385	36,539
Intangible assets		
Goodwill	330	44
Software	3,831	5,659
Other	2,622	2,500
Total intangible assets	6,784	8,203
Investments and other assets		
Investment securities	953	2,521
Long-term loans receivable	12	6
Deferred tax assets	4,574	3,792
Guarantee deposits	1,465	1,267
Leasehold deposits	14,013	13,972
Investment property	3,120	3,119
Accumulated depreciation	(1,289)	(1,305)
Investment property, net	1,831	1,813
Retirement benefit asset	103	1,055
Other	539	549
Allowance for doubtful accounts	(168)	(161)
Total investments and other assets	23,325	24,818
Total non-current assets	65,494	69,561
Total assets	211,300	209,530

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,429	17,535
Electronically recorded obligations - operating	29,032	32,966
Short-term borrowings	800	700
Current portion of long-term borrowings	1,840	1,838
Income taxes payable	1,521	547
Provision for bonuses	1,299	1,319
Provision for bonuses for directors (and other officers)	15	15
Provision for point card certificates	78	170
Other	14,160	15,467
Total current liabilities	72,177	70,559
Non-current liabilities		
Long-term borrowings	4,772	2,936
Lease liabilities	5,222	4,479
Retirement benefit liability	862	842
Provision for retirement benefits for directors (and other officers)	59	59
Asset retirement obligations	4,768	4,991
Other	870	847
Total non-current liabilities	16,555	14,157
Total liabilities	88,732	84,717
Net assets		
Shareholders' equity		
Share capital	15,935	15,935
Capital surplus	16,119	16,119
Retained earnings	96,499	97,765
Treasury shares	(6,498)	(6,498)
Total shareholders' equity	122,056	123,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	185	442
Foreign currency translation adjustment	197	(32)
Remeasurements of defined benefit plans	(415)	337
Total accumulated other comprehensive income	(32)	748
Share acquisition rights	341	381
Non-controlling interests	202	361
Total net assets	122,567	124,813
Total liabilities and net assets	211,300	209,530

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	239,293	242,433
Cost of sales	147,519	149,546
Gross profit	91,773	92,887
Selling, general and administrative expenses	83,446	88,682
Operating profit	8,327	4,204
Non-operating income		
Interest income	76	84
Dividend income	11	14
Rental income from real estate	717	747
Foreign exchange gains	323	555
Outsourcing service income	321	389
Subsidy income	114	13
Other	365	427
Total non-operating income	1,931	2,232
Non-operating expenses		
Interest expenses	64	104
Rental expenses on real estate	451	453
Commission expenses	343	321
Other	157	151
Total non-operating expenses	1,016	1,031
Ordinary profit	9,242	5,405
Extraordinary income		
Gain on sale of non-current assets	5	2
Insurance claim income	173	40
Settlement income	72	–
Compensation income relating store relocation	143	45
Gain on reversal of share acquisition rights	135	0
Gain on cancellation of guarantee deposits received	9	–
Gain on sale of investment securities	–	4
Total extraordinary income	538	93
Extraordinary losses		
Loss on retirement of non-current assets	122	30
Loss on sale of non-current assets	0	0
Impairment losses	655	694
Loss on disaster	–	105
Loss on store closings	–	25
Loss on liquidation of business	49	–
Loss on cancellation of rental contracts	116	14
Loss on point system	–	106
Total extraordinary losses	944	977
Profit before income taxes	8,836	4,521
Income taxes - current	3,032	1,434
Income taxes - deferred	209	355
Total income taxes	3,241	1,789
Profit	5,594	2,731
Profit attributable to non-controlling interests	196	139
Profit attributable to owners of parent	5,397	2,592

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,594	2,731
Other comprehensive income		
Valuation difference on available-for-sale securities	138	257
Foreign currency translation adjustment	(440)	(209)
Remeasurements of defined benefit plans, net of tax	24	753
Total other comprehensive income	(278)	800
Comprehensive income	5,316	3,531
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,138	3,372
Comprehensive income attributable to non-controlling interests	178	158

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,935	16,119	92,427	(6,498)	117,984
Changes during period					
Dividends of surplus			(1,326)		(1,326)
Profit attributable to owners of parent			5,397		5,397
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	4,071	(0)	4,071
Balance at end of period	15,935	16,119	96,499	(6,498)	122,056

	Accumulated other comprehensive income				Share acquisition rights	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	47	638	(439)	245	435	42	118,708
Changes during period							
Dividends of surplus							(1,326)
Profit attributable to owners of parent							5,397
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	138	(440)	24	(278)	(94)	159	(212)
Total changes during period	138	(440)	24	(278)	(94)	159	3,858
Balance at end of period	185	197	(415)	(32)	341	202	122,567

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,935	16,119	96,499	(6,498)	122,056
Changes during period					
Dividends of surplus			(1,326)		(1,326)
Profit attributable to owners of parent			2,592		2,592
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	1,265	(0)	1,265
Balance at end of period	15,935	16,119	97,765	(6,498)	123,321

	Accumulated other comprehensive income				Share acquisition rights	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	185	197	(415)	(32)	341	202	122,567
Changes during period							
Dividends of surplus							(1,326)
Profit attributable to owners of parent							2,592
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	257	(229)	753	780	40	158	980
Total changes during period	257	(229)	753	780	40	158	2,245
Balance at end of period	442	(32)	337	748	381	361	124,813

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,836	4,521
Depreciation	3,640	4,806
Impairment losses	655	694
Amortization of goodwill	427	286
Increase (decrease) in allowance for doubtful accounts	53	(46)
Increase (decrease) in provision for bonuses	(170)	19
Increase (decrease) in provision for point card certificates	(12)	91
Increase (decrease) in contract liabilities	(89)	(132)
Increase (decrease) in retirement benefit liability	(42)	(20)
Decrease (increase) in retirement benefit asset	35	(952)
Interest and dividend income	(88)	(99)
Interest expenses	64	104
Insurance claim income	(173)	(40)
Subsidy income	(114)	(13)
Gain on sale of non-current assets	(5)	(2)
Gain on reversal of share acquisition rights	(135)	(0)
Loss (gain) on sale of investment securities	–	(4)
Gain on cancellation of guarantee deposits received	(9)	–
Loss on retirement of non-current assets	122	30
Loss on sale of non-current assets	0	0
Loss on disaster	–	105
Loss on store closings	–	25
Loss on cancellation of rental contracts	116	14
Loss on liquidation of business	49	–
Compensation income relating store relocation	(143)	(45)
Settlement income	(72)	–
Loss on point system	–	106
Decrease (increase) in trade receivables	(718)	963
Decrease (increase) in operating loans receivable	89	69
Decrease (increase) in inventories	(4,581)	(2,037)
Increase (decrease) in trade payables	1,846	(2,026)
Increase (decrease) in accrued consumption taxes	750	(131)
Other, net	(176)	342
Subtotal	10,155	6,629
Interest and dividends received	88	99
Interest paid	(66)	(75)
Income taxes paid	(3,768)	(2,635)
Income taxes refund	108	157
Proceeds from insurance income	173	40
Subsidies received	114	13
Proceeds from compensation for forced relocation	143	45
Settlement received	72	–
Net cash provided by (used in) operating activities	7,020	4,274

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,357)	(4,325)
Proceeds from sale of property, plant and equipment	27	14
Payments for retirement of property, plant and equipment	(101)	(1)
Purchase of intangible assets	(2,184)	(2,807)
Purchase of long-term prepaid expenses	–	(112)
Purchase of investment securities	(21)	(1,193)
Proceeds from sale of investment securities	–	17
Payments of leasehold and guarantee deposits	(490)	(876)
Proceeds from refund of leasehold and guarantee deposits	569	1,157
Refund of guarantee deposits received	(10)	(19)
Guarantee deposits received	22	31
Other, net	68	74
Net cash provided by (used in) investing activities	(5,477)	(8,041)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30	(100)
Repayments of long-term borrowings	(6,020)	(1,836)
Proceeds from long-term borrowings	220	–
Repayments of lease liabilities	(755)	(864)
Purchase of treasury shares	(0)	(0)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(59)	–
Dividends paid	(1,326)	(1,336)
Net cash provided by (used in) financing activities	(7,911)	(4,138)
Effect of exchange rate change on cash and cash equivalents	(634)	(43)
Net increase (decrease) in cash and cash equivalents	(7,003)	(7,949)
Cash and cash equivalents at beginning of period	39,893	32,890
Cash and cash equivalents at end of period	32,890	24,941