

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 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 to file Semi-annual Securities Report: November 8, 2024
 Scheduled date to commence dividend payments: December 11, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 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 September 30, 2024	125,179	4.3	4,106	38.3	4,248	15.8	2,016	(0.3)
Six months ended September 30, 2023	120,052	1.7	2,968	(26.5)	3,669	(26.8)	2,021	(35.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	46.12		45.82	
Six months ended September 30, 2023	45.72		45.47	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	203,139	125,692	61.5
As of March 31, 2024	209,530	124,813	59.2

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, 2024	–	15.00	–	15.00	30.00
Year ending March 31, 2025	–	15.00			
Year ending March 31, 2025 (Forecast)			–	15.00	30.00

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
Full year	250,958	3.5	6,002	42.8	6,284	16.3	3,002	15.8	67.90

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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, 2024	47,911,023 shares	As of March 31, 2024	47,911,023 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	4,833,702 shares	As of March 31, 2024	3,700,367 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, 2024	43,721,791 shares	Six months ended September 30, 2023	44,210,668 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	24,941	21,625
Notes and accounts receivable - trade	22,584	19,939
Operating loans	809	763
Merchandise	82,943	82,950
Income taxes refund receivable	239	14
Other	8,850	8,041
Allowance for doubtful accounts	(399)	(761)
Total current assets	139,969	132,573
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,162	54,399
Accumulated depreciation	(38,614)	(39,756)
Buildings and structures, net	14,547	14,642
Land	14,066	14,218
Leased assets	6,072	6,072
Accumulated depreciation	(2,308)	(2,535)
Leased assets, net	3,763	3,536
Construction in progress	199	596
Other	24,264	25,449
Accumulated depreciation	(20,302)	(20,821)
Other, net	3,961	4,627
Total property, plant and equipment	36,539	37,621
Intangible assets		
Goodwill	44	34
Software	5,659	6,083
Other	2,500	2,392
Total intangible assets	8,203	8,509
Investments and other assets		
Investment securities	2,521	2,826
Long-term loans receivable	6	2
Deferred tax assets	3,792	3,319
Guarantee deposits	1,267	1,181
Leasehold deposits	13,972	13,942
Investment property	3,119	2,238
Accumulated depreciation	(1,305)	(615)
Investment property, net	1,813	1,623
Retirement benefit asset	1,055	1,085
Other	549	702
Allowance for doubtful accounts	(161)	(246)
Total investments and other assets	24,818	24,435
Total non-current assets	69,561	70,566
Total assets	209,530	203,139

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,535	18,202
Electronically recorded obligations - operating	32,966	27,220
Short-term borrowings	700	500
Current portion of long-term borrowings	1,838	1,793
Income taxes payable	547	1,482
Provision for bonuses	1,319	1,287
Provision for bonuses for directors (and other officers)	15	7
Provision for point card certificates	170	191
Other	15,467	13,949
Total current liabilities	70,559	64,634
Non-current liabilities		
Long-term borrowings	2,936	2,062
Lease liabilities	4,479	4,087
Retirement benefit liability	842	809
Provision for retirement benefits for directors (and other officers)	59	59
Asset retirement obligations	4,991	4,966
Other	847	827
Total non-current liabilities	14,157	12,812
Total liabilities	84,717	77,447
Net assets		
Shareholders' equity		
Share capital	15,935	15,935
Capital surplus	16,119	16,119
Retained earnings	97,765	99,118
Treasury shares	(6,498)	(7,805)
Total shareholders' equity	123,321	123,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	442	722
Foreign currency translation adjustment	(32)	472
Remeasurements of defined benefit plans	337	355
Total accumulated other comprehensive income	748	1,550
Share acquisition rights	381	383
Non-controlling interests	361	390
Total net assets	124,813	125,692
Total liabilities and net assets	209,530	203,139

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, 2023	Six months ended September 30, 2024
Net sales	120,052	125,179
Cost of sales	74,399	76,634
Gross profit	45,653	48,544
Selling, general and administrative expenses	42,684	44,437
Operating profit	2,968	4,106
Non-operating income		
Interest income	23	12
Dividend income	7	14
Rental income from real estate	355	306
Foreign exchange gains	396	–
Outsourcing service income	184	289
Other	215	215
Total non-operating income	1,183	838
Non-operating expenses		
Interest expenses	51	71
Rental expenses on real estate	238	252
Foreign exchange losses	–	100
Commission expenses	151	206
Other	40	65
Total non-operating expenses	482	696
Ordinary profit	3,669	4,248
Extraordinary income		
Gain on sale of non-current assets	0	7
Insurance claim income	35	78
Gain on reversal of share acquisition rights	0	34
Gain on sale of investment securities	4	15
Total extraordinary income	41	135
Extraordinary losses		
Loss on retirement of non-current assets	24	69
Loss on sale of non-current assets	0	0
Impairment losses	2	31
Loss on disaster	13	6
Loss on cancellation of rental contracts	8	72
Loss on valuation of investment securities	–	500
Total extraordinary losses	48	680
Profit before income taxes	3,662	3,703
Income taxes - current	1,493	1,312
Income taxes - deferred	62	363
Total income taxes	1,556	1,676
Profit	2,106	2,026
Profit attributable to non-controlling interests	85	10
Profit attributable to owners of parent	2,021	2,016

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,106	2,026
Other comprehensive income		
Valuation difference on available-for-sale securities	150	279
Foreign currency translation adjustment	(246)	524
Remeasurements of defined benefit plans, net of tax	68	17
Total other comprehensive income	(27)	821
Comprehensive income	2,079	2,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,978	2,818
Comprehensive income attributable to non-controlling interests	101	29

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,662	3,703
Depreciation	2,053	2,768
Impairment losses	2	31
Amortization of goodwill	205	9
Increase (decrease) in allowance for doubtful accounts	97	447
Increase (decrease) in provision for bonuses	61	(31)
Increase (decrease) in provision for bonuses for directors (and other officers)	(7)	(7)
Increase (decrease) in provision for point card certificates	(10)	20
Increase (decrease) in contract liabilities	7	33
Increase (decrease) in retirement benefit liability	(19)	(33)
Decrease (increase) in retirement benefit asset	(24)	(29)
Interest and dividend income	(30)	(26)
Interest expenses	51	71
Insurance claim income	(35)	(78)
Gain on reversal of share acquisition rights	(0)	(34)
Loss (gain) on valuation of investment securities	–	500
Loss (gain) on sale of investment securities	(4)	(15)
Loss on retirement of non-current assets	24	69
Gain on sale of non-current assets	(0)	(7)
Loss on sale of non-current assets	0	0
Loss on disaster	13	6
Loss on cancellation of rental contracts	8	72
Decrease (increase) in trade receivables	2,604	2,816
Decrease (increase) in operating loans receivable	33	45
Decrease (increase) in inventories	(2,044)	261
Increase (decrease) in trade payables	(4,412)	(5,166)
Increase (decrease) in accounts payable - other	(428)	(1,338)
Increase (decrease) in accrued consumption taxes	(161)	474
Other, net	(439)	(66)
Subtotal	1,206	4,497
Interest and dividends received	30	26
Interest paid	(51)	(72)
Income taxes paid	(1,585)	(256)
Income taxes refund	157	239
Proceeds from insurance income	35	78
Net cash provided by (used in) operating activities	(205)	4,513

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,649)	(3,004)
Payments for retirement of property, plant and equipment	(16)	(12)
Proceeds from sale of property, plant and equipment	13	77
Purchase of intangible assets	(1,345)	(1,019)
Purchase of investment securities	(519)	–
Proceeds from sale of investment securities	17	15
Proceeds from collection of loans receivable	6	5
Payments of leasehold and guarantee deposits	(454)	(309)
Proceeds from refund of leasehold and guarantee deposits	445	381
Refund of guarantee deposits received	(5)	(43)
Guarantee deposits received	8	18
Proceeds from share of profits on investments in capital	–	26
Other, net	148	40
Net cash provided by (used in) investing activities	(4,350)	(3,823)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100)	(200)
Repayments of long-term borrowings	(916)	(919)
Repayments of lease liabilities	(431)	(536)
Purchase of treasury shares	(0)	(1,308)
Proceeds from exercise of employee share options	–	0
Dividends paid	(673)	(662)
Net cash provided by (used in) financing activities	(2,121)	(3,626)
Effect of exchange rate change on cash and cash equivalents	(238)	(379)
Net increase (decrease) in cash and cash equivalents	(6,916)	(3,315)
Cash and cash equivalents at beginning of period	32,890	24,941
Cash and cash equivalents at end of period	25,973	21,625