

Translation

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Summary of Consolidated Financial Results for the Year Ended August 31, 2023 (Based on Japanese GAAP)

September 29, 2023

Company name: HIMARAYA Co.,Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7514 URL <https://www.hmry.jp/>
 Representative: Chairman and CEO Yusaku Komori
 Inquiries: Director and General Manager of Administration Department Nobuaki Mitsui TEL 058-271-6622
 Scheduled date of ordinary general meeting of shareholders: November 29, 2023
 Scheduled date to file Securities Report: November 29, 2023
 Scheduled date to commence dividend payments: November 30, 2023
 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 year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(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 August 31, 2023	60,156	2.1	968	(52.5)	1,125	(52.4)	589	(58.9)
Year ended August 31, 2022	58,914	–	2,041	0.8	2,366	6.8	1,431	1.4

	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 August 31, 2023	47.99	–	3.6	3.1	1.6
Year ended August 31, 2022	116.76	–	9.2	6.0	3.5

(Note) The “Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been applied since the previous fiscal year. Therefore, the rate of change in “Net sales” for the year ended August 31, 2022 is not stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	35,540	16,590	46.7	1,350.23
As of August 31, 2022	38,260	16,177	42.3	1,320.03

(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 August 31, 2023	(42)	(2,196)	(3,040)	4,396
Year ended August 31, 2022	838	(1,188)	(3,726)	9,676

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	Final year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2022	–	10.00	–	15.00	25.00	306	21.4	2.0
Year ended August 31, 2023	–	13.00	–	13.00	26.00	319	54.2	1.9
Year ending August 31, 2024 (Forecast)	–	13.00	–	13.00	26.00		41.0	

(Note) Breakdown of a year-end dividend for the fiscal year ended August 31, 2022: Ordinary dividend 13.00 yen, commemorative dividend 2.00 yen

3. Forecast of consolidated financial results for the year ending August 31, 2024 (from September 1, 2023 to August 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
Six months ending February 29, 2024	27,800	(5.5)	100	(90.2)	200	(81.5)	130	(84.4)	10.58
Full year	61,140	1.6	1,200	23.9	1,400	24.4	780	32.4	63.48

4. Notes

(1) Changes in significant subsidiaries during the year ended August 31, 2023

(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: No

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 August 31, 2023	12,320,787 shares	As of August 31, 2022	12,320,787 shares
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Number of treasury shares at the end of the period

As of August 31, 2023	33,793 shares	As of August 31, 2022	65,183 shares
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Average number of shares during the period

Year ended August 31, 2023	12,279,147 shares	Year ended August 31, 2022	12,263,481 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of August 31, 2022	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	9,676	4,396
Accounts receivable - trade	1,750	1,736
Merchandise	14,753	15,767
Supplies	11	25
Other	1,013	923
Total current assets	27,206	22,849
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,376	4,716
Land	1,388	1,388
Leased assets	—	4
Construction in progress	471	19
Other, net	264	764
Total property, plant and equipment	5,501	6,893
Intangible assets		
Software	272	444
Other	63	47
Total intangible assets	335	492
Investments and other assets		
Investment securities	1,189	1,121
Long-term loans receivable	448	389
Guarantee deposits	2,820	3,021
Deferred tax assets	235	116
Retirement benefit asset	329	481
Other	207	188
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,216	5,305
Total non-current assets	11,053	12,691
Total assets	38,260	35,540

(Millions of yen)

	As of August 31, 2022	As of August 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,129	10,036
Current portion of long-term borrowings	2,696	2,511
Lease liabilities	—	1
Income taxes payable	426	125
Contract liabilities	—	154
Provision for bonuses	409	340
Provision for loss on store closings	39	8
Provision for shareholder benefit program	70	52
Provision for point card certificates	—	0
Asset retirement obligations	7	4
Other	1,574	1,354
Total current liabilities	15,353	14,588
Non-current liabilities		
Long-term borrowings	5,534	3,022
Lease liabilities	—	3
Asset retirement obligations	834	931
Other	360	403
Total non-current liabilities	6,728	4,361
Total liabilities	22,082	18,950
Net assets		
Shareholders' equity		
Share capital	2,544	2,544
Capital surplus	3,998	3,998
Retained earnings	9,604	9,847
Treasury shares	(65)	(34)
Total shareholders' equity	16,081	16,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(88)	1
Deferred gains or losses on hedges	3	—
Remeasurements of defined benefit plans	181	232
Total accumulated other comprehensive income	96	234
Total net assets	16,177	16,590
Total liabilities and net assets	38,260	35,540

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

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Net sales	58,914	60,156
Cost of sales	37,282	39,213
Gross profit	21,631	20,942
Selling, general and administrative expenses	19,590	19,973
Operating profit	2,041	968
Non-operating income		
Interest income	8	6
Dividend income	37	35
Purchase discounts	24	17
Rental income	137	128
Sponsorship money income	43	42
Subsidy income	85	5
System introduction burden charge	60	—
Other	99	80
Total non-operating income	495	315
Non-operating expenses		
Interest expenses	26	19
Rental expenses on real estate	127	125
Other	15	14
Total non-operating expenses	169	159
Ordinary profit	2,366	1,125
Extraordinary income		
Gain on sale of non-current assets	5	—
Gain on sale of investment securities	2	194
Total extraordinary income	7	194
Extraordinary losses		
Loss on retirement of non-current assets	8	—
Impairment losses	116	215
Loss on store closings	163	31
Provision for loss on store closings	30	—
Loss on sale of investment securities	—	33
Loss on valuation of investment securities	8	1
Loss on cancellation of insurance policies	—	8
Total extraordinary losses	328	290
Profit before income taxes	2,046	1,030
Income taxes - current	564	370
Income taxes - deferred	49	70
Total income taxes	614	440
Profit	1,431	589
Profit attributable to owners of parent	1,431	589

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Profit	1,431	589
Other comprehensive income		
Valuation difference on available-for-sale securities	(48)	90
Deferred gains or losses on hedges	4	(3)
Remeasurements of defined benefit plans, net of tax	53	51
Total other comprehensive income	8	137
Comprehensive income	1,440	726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,440	726
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended August 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,544	4,004	8,483	(0)	15,032
Changes during period					
Dividends of surplus			(307)		(307)
Profit attributable to owners of parent			1,431		1,431
Purchase of treasury shares				(101)	(101)
Disposal of treasury shares		(27)		35	8
Restricted stock payment		17			17
Transfer from retained earnings to capital surplus		3	(3)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(5)	1,120	(65)	1,049
Balance at end of period	2,544	3,998	9,604	(65)	16,081

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(39)	(0)	127	87	15,119
Changes during period					
Dividends of surplus				—	(307)
Profit attributable to owners of parent				—	1,431
Purchase of treasury shares				—	(101)
Disposal of treasury shares				—	8
Restricted stock payment				—	17
Transfer from retained earnings to capital surplus				—	—
Net changes in items other than shareholders' equity	(48)	4	53	8	8
Total changes during period	(48)	4	53	8	1,058
Balance at end of period	(88)	3	181	96	16,177

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,544	3,998	9,604	(65)	16,081
Changes during period					
Dividends of surplus			(343)		(343)
Profit attributable to owners of parent			589		589
Purchase of treasury shares					—
Disposal of treasury shares		(27)		31	4
Restricted stock payment		24			24
Transfer from retained earnings to capital surplus		2	(2)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	243	31	274
Balance at end of period	2,544	3,998	9,847	(34)	16,356

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(88)	3	181	96	16,177
Changes during period					
Dividends of surplus				—	(343)
Profit attributable to owners of parent				—	589
Purchase of treasury shares				—	—
Disposal of treasury shares				—	4
Restricted stock payment				—	24
Transfer from retained earnings to capital surplus				—	—
Net changes in items other than shareholders' equity	90	(3)	51	137	137
Total changes during period	90	(3)	51	137	412
Balance at end of period	1	—	232	234	16,590

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended August 31, 2022	Fiscal year ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,046	1,030
Depreciation	593	726
Impairment losses	116	215
Increase (decrease) in allowance for doubtful accounts	(0)	—
Increase (decrease) in provision for bonuses	(169)	(69)
Increase (decrease) in provision for loss on store closings	29	(30)
Increase (decrease) in provision for shareholder benefit program	40	(18)
Decrease (increase) in retirement benefit asset	(66)	(78)
Interest and dividend income	(45)	(41)
Interest expenses	26	19
Loss (gain) on sale of investment securities	(2)	(161)
Decrease (increase) in trade receivables	(246)	14
Decrease (increase) in inventories	(1,395)	(1,027)
Increase (decrease) in trade payables	793	(92)
Increase (decrease) in accrued consumption taxes	(391)	(5)
Other, net	145	25
Subtotal	1,474	505
Interest and dividends received	37	35
Interest paid	(24)	(17)
Income taxes refund (paid)	(648)	(565)
Net cash provided by (used in) operating activities	838	(42)
Cash flows from investing activities		
Purchase of property, plant and equipment	(992)	(2,217)
Proceeds from sale of property, plant and equipment	5	—
Purchase of investment securities	(37)	(44)
Proceeds from sale of investment securities	37	388
Proceeds from cancellation of insurance funds	—	19
Payments of leasehold and guarantee deposits	(135)	(210)
Proceeds from refund of leasehold and guarantee deposits	40	142
Other, net	(106)	(273)
Net cash provided by (used in) investing activities	(1,188)	(2,196)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,318)	(2,696)
Dividends paid	(307)	(343)
Other, net	(101)	(0)
Net cash provided by (used in) financing activities	(3,726)	(3,040)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(4,077)	(5,279)
Cash and cash equivalents at beginning of period	13,753	9,676
Cash and cash equivalents at end of period	9,676	4,396