

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended February 29, 2024
(Based on Japanese GAAP)**

April 9, 2024

Company name: HIMARAYA Co.,Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7514 URL <https://www.hmry.jp/>
 Representative: President and CEO Manabu Oda
 Inquiries: General Manager of Administration and CFO Nobuaki Mitsui TEL 058-271-6622
 Scheduled date to file Quarterly Securities Report: April 12, 2024
 Scheduled date to commence dividend payments: May 15, 2024
 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 six months ended February 29, 2024 (from September 1, 2023 to February 29, 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 February 29, 2024	28,059	(4.6)	(42)	–	11	(99.0)	98	(88.1)
Six months ended February 28, 2023	29,413	4.2	1,027	(10.1)	1,080	(19.4)	831	3.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended February 29, 2024	8.03	–
Six months ended February 28, 2023	67.74	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2024	36,654	16,553	45.2
As of August 31, 2023	35,540	16,590	46.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2023	–	13.00	–	13.00	26.00
Year ending August 31, 2024	–	13.00	–	–	–
Year ending August 31, 2024 (Forecast)	–	–	–	13.00	26.00

(Note) Revisions to the forecast of cash dividends most recently announced: No

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
Full year	61,140	1.6	1,200	19.8	1,400	24.4	780	32.4	63.48

(Note) Revisions to recent business forecast: No

4. Notes

(1) Changes in significant subsidiaries during the six months ended February 29, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Adoption of accounting treatment specific to the preparation of 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 February 29, 2024	12,320,787 shares	As of August 31, 2023	12,320,787 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	2,353 shares	As of August 31, 2023	33,793 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 29, 2024	12,302,363 shares	Six months ended February 28, 2023	12,271,299 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	4,396	4,406
Accounts receivable - trade	1,736	1,725
Merchandise	15,767	16,810
Supplies	25	13
Other	923	1,011
Total current assets	22,849	23,967
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,716	4,641
Land	1,388	1,461
Leased assets	4	6
Construction in progress	19	1
Other, net	764	756
Total property, plant and equipment	6,893	6,867
Intangible assets		
Software	444	440
Other	47	35
Total intangible assets	492	475
Investments and other assets		
Investment securities	1,121	1,201
Long-term loans receivable	389	361
Guarantee deposits	3,021	2,998
Deferred tax assets	116	207
Retirement benefit asset	481	489
Other	188	98
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,305	5,343
Total non-current assets	12,691	12,686
Total assets	35,540	36,654

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,036	10,713
Short-term borrowings	—	2,000
Current portion of long-term borrowings	2,511	2,396
Lease liabilities	1	1
Income taxes payable	125	114
Contract liabilities	154	274
Provision for bonuses	340	287
Provision for loss on store closings	8	8
Other provisions	52	38
Asset retirement obligations	4	4
Other	1,354	1,278
Total current liabilities	14,588	17,116
Non-current liabilities		
Long-term borrowings	3,022	1,878
Lease liabilities	3	6
Asset retirement obligations	931	928
Other	403	171
Total non-current liabilities	4,361	2,984
Total liabilities	18,950	20,101
Net assets		
Shareholders' equity		
Share capital	2,544	2,544
Capital surplus	3,998	3,998
Retained earnings	9,847	9,739
Treasury shares	(34)	(2)
Total shareholders' equity	16,356	16,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	71
Deferred gains or losses on hedges	—	1
Remeasurements of defined benefit plans	232	200
Total accumulated other comprehensive income	234	273
Total net assets	16,590	16,553
Total liabilities and net assets	35,540	36,654

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Net sales	29,413	28,059
Cost of sales	18,650	18,242
Gross profit	10,763	9,817
Selling, general and administrative expenses	9,735	9,859
Operating profit (loss)	1,027	(42)
Non-operating income		
Interest income	3	2
Dividend income	18	15
Purchase discounts	4	3
Rental income	64	63
Sponsorship money income	18	17
Subsidy income	3	1
Other	20	31
Total non-operating income	131	136
Non-operating expenses		
Interest expenses	10	7
Rental expenses on real estate	62	62
Other	6	12
Total non-operating expenses	79	82
Ordinary profit	1,080	11
Extraordinary income		
Gain on sale of non-current assets	174	—
Gain on sale of investment securities	—	121
Total extraordinary income	174	121
Extraordinary losses		
Impairment losses	12	34
Provision for loss on store closings	—	44
Loss on sale of investment securities	14	—
Loss on valuation of investment securities	33	—
Provision of allowance for doubtful accounts	1	—
Loss on cancellation of insurance policies	8	—
Total extraordinary losses	69	79
Profit before income taxes	1,185	53
Income taxes - current	338	42
Income taxes - deferred	15	(87)
Total income taxes	354	(45)
Profit	831	98
Profit attributable to owners of parent	831	98

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Profit	831	98
Other comprehensive income		
Valuation difference on available-for-sale securities	41	70
Deferred gains or losses on hedges	(3)	1
Remeasurements of defined benefit plans, net of tax	(34)	(31)
Total other comprehensive income	3	39
Comprehensive income	834	138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	834	138
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	1,185	53
Depreciation	312	414
Impairment losses	12	34
Increase (decrease) in provision for bonuses	(72)	(52)
Increase (decrease) in provision for loss on store closings	(15)	—
Increase (decrease) in other provisions	(8)	(14)
Decrease (increase) in retirement benefit asset	(38)	(53)
Interest and dividend income	(21)	(18)
Interest expenses	10	7
Loss (gain) on sale of investment securities	(141)	—
Surrender value of insurance policies	—	(121)
Decrease (increase) in trade receivables	123	10
Decrease (increase) in inventories	(109)	(1,031)
Increase (decrease) in trade payables	331	676
Increase (decrease) in accrued consumption taxes	107	104
Other, net	(252)	(283)
Subtotal	1,424	(272)
Interest and dividends received	18	15
Interest paid	(9)	(7)
Income taxes refund (paid)	(270)	(46)
Net cash provided by (used in) operating activities	1,162	(311)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,244)	(336)
Purchase of investment securities	(10)	—
Proceeds from sale of investment securities	324	—
Proceeds from cancellation of insurance funds	19	185
Payments of leasehold and guarantee deposits	(64)	(18)
Proceeds from refund of leasehold and guarantee deposits	103	37
Other, net	(82)	(127)
Net cash provided by (used in) investing activities	(956)	(259)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	2,000
Repayments of long-term borrowings	(1,424)	(1,259)
Dividends paid	(183)	(159)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(1,608)	580
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(1,402)	9
Cash and cash equivalents at beginning of period	9,676	4,396
Cash and cash equivalents at end of period	8,274	4,406