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October 10, 2024

Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (Under Japanese GAAP)

Company name: Watts Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2735
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Scheduled date of annual general meeting of shareholders: November 27, 2024
Scheduled date to commence dividend payments: November 28, 2024
Scheduled date to file annual securities report: November 27, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2024	61,257	3.3	1,246	100.5	1,228	89.4	904	260.8
August 31, 2023	59,309	1.6	621	-37.7	648	-43.5	250	-67.9

Note: Comprehensive income For the fiscal year ended August 31, 2024: ¥928 million [215.3%]
For the fiscal year ended August 31, 2023: ¥294 million [-66.0%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2024	68.45	-	7.4	4.4	2.0
August 31, 2023	18.46	-	2.1	2.5	1.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended August 31, 2024: ¥7 million
For the fiscal year ended August 31, 2023: ¥-15 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2024	30,280	12,517	41.3	949.80
August 31, 2023	25,489	11,964	46.9	887.48

Reference: Equity
As of August 31, 2024: ¥12,500 million
As of August 31, 2023: ¥11,952 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2024	4,043	-538	233	9,380
August 31, 2023	221	-667	-633	5,646

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2023	-	0.00	-	15.00	15.00	202	81.2	1.7
Fiscal year ended August 31, 2024	-	0.00	-	20.00	20.00	263	29.2	2.2
Fiscal year ending August 31, 2025 (Forecast)	-	7.50	-	7.50	15.00		20.8	

Note: Breakdown of year-end dividend for the fiscal year ending August 31, 2024

Ordinary dividend: 15.00 yen, Special dividend: 5.00 yen

3. Forecast of consolidated financial results for the year ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months	30,500	0.8	750	0.9	750	0.1	450	3.2	34.19
Full year	62,000	1.2	1,350	8.3	1,300	5.8	950	5.1	72.18

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury stock)

As of August 31, 2024	13,458,800 shares
As of August 31, 2023	13,898,800 shares

- (ii) Number of treasury stock at the end of the period

As of August 31, 2024	297,853 shares
As of August 31, 2023	431,092 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2024	13,208,473 shares
Fiscal year ended August 31, 2023	13,570,974 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements regarding future performance in this material are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Therefore, the Company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.

Please refer to “(4) Future outlook” of “1. Results of Operations” on page 4 for the suppositions that form the assumptions for business forecasts and cautions concerning the use of business forecasts.

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1. Results of Operations

(1) Overview of operating results for the current fiscal year

During the fiscal year under review, there is no clear outlook for a steady recovery in the Japanese economy, as higher costs of living, especially for food products, have yet to subside. On the other hand, the effects of the wage increases resulting from the annual wage negotiations in the spring have gradually begun to appear, coupled with the timing of the summer bonus payments. This has led to a positive turnaround in real wages, and the effect of the flat tax cut is also thought to be contributing to a recovery in consumer spending. The yen-dollar exchange rate is shifting toward a stronger yen due to the start of interest rate cuts in the U.S. and the Bank of Japan's continued stance on maintaining interest rate hikes. As a result, the Japanese economy has entered a recovery phase.

Given this environment, in addition to the 100-Yen Shop business in Japan, the Company, which operates the "Watts", "Watts with", "meets.", "silk", etc., has been working on diversifying its revenue sources by undertaking other domestic businesses, centering on the sale of lifestyle goods and discount goods as well as overseas business.

In the domestic 100-Yen Shop business, the Company is proceeding with store renovations as planned to increase the product lineup of miscellaneous goods, mainly in roadside large-scale stores with a wide range of food products. In addition, the Company is steadily introducing full-function self-checkout registers to streamline the purchasing process. At the same time, to further improve customer convenience, it is expanding the Watts Online Shop's in-store pickup service, which has been available only in limited regions, to all areas of Japan.

As for new store openings, the Company opened 156 stores to the full-year plan of 160 stores. There were 113 store closings (including 5 franchised stores), including certain unprofitable stores and unpredictable closing of stores where the Company's stores were located in. As a result, the total number of 100-Yen shops at the end of the current fiscal year was 1,812, which includes 1,798 directly managed stores (net increase of 48), and 14 franchised/other stores (net decrease of 5). Of these, the number of the Watts brand stores "Watts" and "Watts with" was 1,383 (net increase of 136), accounting for 76.3% of the total.

As for the number of the domestic other stores, "Buona Vita," a lifestyle goods store offering comfortable life, was 12 stores (net decrease of 3). "Tokino:ne", a household items brand under the theme of "time", operates 1 directly-managed store (net decrease of 1). In addition, "Tokino:ne" sells its products in the Company's 100-Yen shops. "Value- 100," the fresh-foods supermarket collaboration, continues with 1 store (unchanged). "Real", a discount store, was 7 stores (net increase of 2).

Regarding the overseas operation, the Company operates "KOMONOYA", a fixed-price store mainly in Southeast Asia. "KOMONOYA" operates 14 stores in Thailand (net decrease of 11), and 5 stores in Peru (net decrease of 5). In China, there were 4 stores (unchanged) named "小物家园"(KOMONOKAEN), a fixed price store. The total number of own-brand stores "KOMONOYA" and "小物家园"(KOMONOKAEN) was 23 (net decrease of 16).

Sales for the fiscal year under review amounted to 61,257 million yen (up 3.3% YoY and 101.8% to the plan), mainly thanks to strong sales in the 100-Yen Shop business, while the Company has been closing unprofitable stores.

The gross profit exceeded the plan due to an improvement in the gross margin as a result of measures to increase sales proportion of miscellaneous goods and products priced above 100 yen. With this, operating profit was 1,246 million yen (up 100.5% YoY, 118.7% to the plan), recurring profit was 1,228 million yen (up 89.4% YoY, 122.8% to the plan), and net income attributable to owners of parent was 904 million yen (up 260.8% YoY, 145.8% to the plan). (*Year on year: comparison with the results for the previous fiscal year. Ratio to plan: ratio to the business forecasts for the fiscal year ended August 2024 which were announced in the "Notice Concerning Revision to Business Forecasts" dated March 28, 2024.)

Since the Group operates under a single segment consisting of the operation of 100-yen shops and its associated business, segment information is omitted.

(2) Overview of financial position for the current fiscal year

(Assets)

As of the end of the fiscal year under review, current assets stood at 24,050 million yen, an increase of 5,130 million yen from the end of the previous fiscal year. This was due to an increase in cash and deposits of 3,733 million yen as the last day of the Company's fiscal year was a bank holiday. In addition, there were increases in merchandise and finished goods of 1,096 million yen, notes and accounts receivable-trade of 732 million yen, while there was a decrease in deposits, which are included in other current assets, of 233 million yen.

Noncurrent assets stood at 6,230 million yen, decreased by 339 million yen from the end of the previous fiscal year. This was mainly due to decreases in guarantee deposits of 222 million yen, goodwill of 131 million yen and software included in other intangible assets of 98 million yen, and an increase in tools, furniture and fixtures of 83 million yen.

As a result, total assets stood at 30,280 million yen, increased by 4,790 million yen from the end of the previous fiscal year.

(Liabilities)

As of the end of the fiscal year under review, current liabilities stood at 14,116 million yen, an increase of 4,150 million yen from the end of the previous fiscal year. This was due to an increase in notes and accounts payable-trade of 1,637 million yen, electronically recorded obligations of 1,213 million yen, and accounts payable-other included in other current liabilities of 660 million yen because the last day of the fiscal year was a bank holiday. In addition, there was also an increase in current portion of long-term loans payable of 295 million yen.

Noncurrent liabilities stood at 3,646 million yen, increased by 88 million yen from the end of the previous fiscal year. This was mainly due to decreases in asset retirement obligations of 41 million yen, while increases in long-term loans payable of 103 million yen.

As a result, total liabilities stood at 17,762 million yen, increased by 4,238 million yen from the end of the previous fiscal year.

(Net assets)

As of the end of the fiscal year under review, total net assets stood at 12,517 million yen, an increase of 552 million yen from the end of the previous fiscal year. This was mainly due to an increase in retained earnings of 702 million yen and a decrease in treasury stock of 48 million yen, while there was a decrease in capital surplus of 226 million yen.

As a result, shareholders' equity ratio stood at 41.3% (46.9% at the end of the previous fiscal year).

(3) Overview of cash flows for the current fiscal year

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year under review amounted to 9,380 million yen, an increase of 3,733 million yen from the end of the previous fiscal year.

Details and breakdown of each cash flow in the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 4,043 million yen (221 million yen was provided in the previous fiscal year). Cash was provided mainly by increase in notes and accounts payable-trade of 2,851 million yen, income before income taxes of 1,210 million yen, and depreciation of 607 million yen. Cash was used mainly for an increase of 1,086 million yen in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was 538 million yen (667 million yen was used in the previous fiscal year). Cash was used mainly for purchase of property, plant and equipment of 555 million yen, payments for asset retirement obligations of 105 million yen, and payments of leasehold and guarantee deposits of 69 million yen. Cash was provided mainly by proceeds from refund of leasehold and guarantee deposits of 216 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 233 million yen (633 million yen was used in the previous fiscal year). Cash was provided mainly for proceeds from long-term borrowings of 1,400 million yen and decrease in deposits paid for acquisition of treasury stock of 40 million yen. Cash was used mainly for long-term loans payable of 1,001 million yen and cash dividends paid of 202 million yen.

(4) Future outlook

The sustainability of wage increases in response to higher cost of living is likely to affect consumer sentiment in the future. In terms of trends in domestic corporations, it is expected that their performances are likely to be affected by exchange rates, commodity prices and economic conditions in overseas countries, including the US, Europe and China.

Under these circumstances, while adhering to the selling price of 100 yen, the Group will continue to offer value-for-money products also for items in various price ranges. Furthermore, to meet the diversified consumer needs, the Group will continue to aim for being the store where customers can find a value of more than the price.

Furthermore, with the aim of building a new revenue source to complement the 100-Yen Shop business, the Group is actively working on developing lines like “Buona Vita”, “Tokino:ne” and “Real”, to provide the new driving force for further growth in the future.

As for the overseas business, the Company will strive to expand existing business and develop new markets, in order to further expand the sales share within the Group and to earn profits.

Based on the above, the Company expects the following performance for the next fiscal year: sales of 62,000 million yen (up 1.2% year on year), operating profit of 1,350 million yen (up 8.3% year on year), recurring profit of 1,300 million yen (up 5.8% year on year) and net income attributable to owners of parent of 950 million yen (up 5.1% year on year).

(Reference) Cash flow indicators

	FY8/20	FY8/21	FY8/22	FY8/23	FY8/24
Equity ratio (%)	48.7	52.6	46.6	46.9	41.3
Market value equity ratio (%)	58.5	55.7	38.0	32.5	32.7
Interest-bearing debt to cash flows ratio (years)	1.4	3.0	1.7	13.0	0.8
Interest coverage ratio (times)	197.5	30.8	157.1	18.9	257.2

(Notes) Equity ratio: Equity/Total assets

Market value equity ratio: Total market capitalization/Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

1. Total market capitalization is calculated by multiplying closing stock price at the end of the period by the total number of shares issued at the end of the period (excluding treasury stock).
2. Net cash provided by operating activities in the consolidated statements of cash flows is used as ‘Operating cash flow.’
3. Interest-bearing debt includes all debt on which interest is paid reported on the consolidated balance sheet.
4. For interest payment, interest expenses paid in the consolidated statements of cash flows are used.

2. Basic policy regarding selection of accounting standards

In order to secure comparability with domestic peer companies, the Company applies Japanese accounting standards.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (August 31, 2023)	Current fiscal year (August 31, 2024)
Assets		
Current assets		
Cash and deposits	5,646,608	9,380,370
Notes and accounts receivable-trade	2,797,383	3,530,170
Merchandise and finished goods	9,719,862	10,816,387
Raw materials and supplies	16,785	19,206
Consumption taxes receivable	47,393	20,631
Other	721,037	319,837
Allowance for doubtful accounts	-29,071	-36,467
Total current assets	18,919,998	24,050,136
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	4,074,010	3,774,322
Accumulated depreciation and impairment loss	-3,167,522	-2,874,645
Buildings and structures, net	906,488	899,677
Vehicles	33,390	27,992
Accumulated depreciation and impairment loss	-29,153	-20,985
Vehicles, net	4,236	7,007
Tools, furniture and fixtures	5,049,332	5,215,171
Accumulated depreciation and impairment loss	-4,228,762	-4,310,840
Tools, furniture and fixtures, net	820,569	904,330
Land	257,800	257,800
Leased assets	109,161	101,017
Accumulated depreciation and impairment loss	-103,187	-97,801
Leased assets, net	5,973	3,215
Construction in progress	16,139	-
Total property, plant and equipment	2,011,208	2,072,031
Intangible assets		
Goodwill	406,767	274,842
Other	442,753	343,937
Total intangible assets	849,521	618,780
Investments and other assets		
Investment securities	345,682	350,264
Deferred tax assets	545,983	591,167
Guarantee deposits	2,690,009	2,467,565
Other	134,581	137,836
Allowance for doubtful accounts	-7,801	-7,609
Total investments and other assets	3,708,455	3,539,224
Total noncurrent assets	6,569,184	6,230,036
Total assets	25,489,183	30,280,173

(Thousands of yen)

	Previous fiscal year (August 31, 2023)	Current fiscal year (August 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,974,812	5,612,554
Electronically recorded obligations	3,886,711	5,100,681
Current portion of long-term loans payable	779,496	1,074,807
Income taxes payable	117,202	310,882
Accrued consumption taxes	102,700	223,287
Provision for bonuses	142,008	158,384
Other	963,362	1,635,707
Total current liabilities	9,966,293	14,116,305
Noncurrent liabilities		
Long-term loans payable	2,104,658	2,207,659
Retirement benefit liability	456,153	513,631
Provision for directors' retirement benefits	31,673	35,546
Asset retirement obligations	681,263	639,867
Other	284,156	249,711
Total noncurrent liabilities	3,557,905	3,646,415
Total liabilities	13,524,198	17,762,720
Net assets		
Shareholders' equity		
Capital stock	440,297	440,297
Capital surplus	1,350,605	1,124,379
Retained earnings	10,261,701	10,963,834
Treasury stock	-200,885	-152,850
Total shareholders' equity	11,851,719	12,375,661
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,553	150
Foreign currency translation adjustment	96,073	124,433
Total accumulated other comprehensive income	100,627	124,583
Stock acquisition right	12,639	17,208
Total net assets	11,964,985	12,517,453
Total liabilities and net assets	25,489,183	30,280,173

(2) Consolidated Statements of Income and Statements of Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Sales	59,309,148	61,257,283
Cost of sales	36,854,440	37,666,314
Gross profit	22,454,708	23,590,969
Selling, general and administrative expenses	21,832,915	22,344,202
Operating profit	621,793	1,246,767
Non-operating revenues		
Interest income	4,485	7,863
Dividends income	372	186
Equity in earnings of affiliates	-	7,785
Foreign exchange gains	33,274	-
Royalty income	4,809	3,583
Compensation income	32,655	15,512
Subsidy income	1,789	930
Other	7,608	14,821
Total non-operating income	84,995	50,683
Non-operating expenses		
Interest expenses	12,158	15,428
Early-withdrawal penalty	21,974	39,984
Share of loss of entities accounted for using equity method	15,842	-
Exchange loss	-	5,569
Other	8,143	8,170
Total non-operating expenses	58,118	69,152
Recurring profit	648,670	1,228,298
Extraordinary income		
Gain on sale of investment securities	1,810	10,659
Gain on sales of noncurrent assets	684	588
Compensation income	-	113,202
Total extraordinary income	2,495	124,450
Extraordinary loss		
Loss on sales of noncurrent assets	-	4,241
Loss on retirement of noncurrent assets	72,882	24,403
Impairment loss	241,626	113,857
Total extraordinary losses	314,508	142,502
Income before income taxes and minority interests	336,657	1,210,246
Income taxes-current	115,559	349,844
Income taxes-deferred	-29,480	-43,747
Total income taxes	86,078	306,097
Net income	250,578	904,148
Net income attributable to owners of parent	250,578	904,148

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Net income	250,578	904,148
Other comprehensive income		
Valuation difference on available-for-sale securities	-408	-4,403
Foreign currency translation adjustment	32,909	11,566
Share of other comprehensive income of associates accounted for using equity method	11,310	16,793
Total other comprehensive income	43,810	23,956
Comprehensive income	294,389	928,105
(Breakdown)		
Comprehensive income attributable to owners of parent	294,389	928,105

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from September 1, 2022 to August 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period under review	440,297	1,348,550	10,214,752	-133,386	11,870,213
Changes of items during the period					
Dividends from surplus			-203,629		-203,629
Net income attributable to owners of parent			250,578		250,578
Acquisition of treasury stock				-70,465	-70,465
Disposal of treasury stock		2,055		2,966	5,022
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	2,055	46,948	-67,498	-18,494
Balance at the end of period under review	440,297	1,350,605	10,261,701	-200,885	11,851,719

	Accumulated other comprehensive income			Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of period under review	4,962	51,854	56,816	3,989	11,931,019
Changes of items during the period					
Dividends from surplus					-203,629
Net income attributable to owners of parent					250,578
Acquisition of treasury stock					-70,465
Disposal of treasury stock					5,022
Net changes of items other than shareholders' equity	-408	44,219	43,810	8,649	52,460
Total changes of items during the period	-408	44,219	43,810	8,649	33,965
Balance at the end of period under review	4,553	96,073	100,627	12,639	11,964,985

Current fiscal year (from September 1, 2023 to August 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period under review	440,297	1,350,605	10,261,701	-200,885	11,851,719
Changes of items during the period					
Dividends from surplus			-202,015		-202,015
Net income attributable to owners of parent			904,148		904,148
Acquisition of treasury stock				-191,701	-191,701
Disposal of treasury stock		1,253		12,256	13,510
Cancellation of treasury stock		-227,480		227,480	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-226,226	702,133	48,034	523,942
Balance at the end of period under review	440,297	1,124,379	10,963,834	-152,850	12,375,661

	Accumulated other comprehensive income			Stock acquisition right	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of period under review	4,553	96,073	100,627	12,639	11,964,985
Changes of items during the period					
Dividends from surplus					-202,015
Net income attributable to owners of parent					904,148
Acquisition of treasury stock					-191,701
Disposal of treasury stock					13,510
Cancellation of treasury stock					-
Net changes of items other than shareholders' equity	-4,403	28,360	23,956	4,569	28,525
Total changes of items during the period	-4,403	28,360	23,956	4,569	552,467
Balance at the end of period under review	150	124,433	124,583	17,208	12,517,453

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	336,657	1,210,246
Depreciation and amortization	615,974	607,823
Impairment loss	241,626	113,857
Amortization of goodwill	131,924	131,924
Increase (decrease) in allowance for doubtful accounts	2,035	7,204
Increase (decrease) in provision for bonuses	15,350	16,376
Increase (decrease) in liabilities relating to retirement benefits	43,240	57,478
Increase (decrease) in provision for directors' retirement benefits	-2,621	3,872
Interest and dividends income	-4,858	-8,049
Interest expenses	12,158	15,428
Loss (gain) on sale of investment securities	-1,810	-10,659
Loss on retirement of noncurrent assets	72,882	24,403
Decrease (increase) in accounts receivable-trade	-111,690	-732,774
Decrease (increase) in inventories	-954,935	-1,086,716
Increase (decrease) in notes and accounts payable-trade	116,285	2,851,920
Increase (decrease) in accrued consumption taxes	-90,869	148,220
Other	6,268	709,543
Subtotal	427,617	4,060,099
Interest and dividends income received	4,846	8,111
Interest expenses paid	-11,673	-15,724
Income taxes paid	-280,593	-150,601
Income taxes refund	80,860	141,906
Net cash provided by (used in) operating activities	221,058	4,043,791
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-547,787	-555,835
Proceeds from sales of property, plant and equipment	684	1,129
Purchase of intangible assets	-72,040	-54,607
Payments for asset retirement obligations	-59,285	-105,673
Payments for lease and guarantee deposits	-114,535	-69,715
Proceeds from collection of lease and guarantee deposits	113,270	216,331
Proceeds from sale of investment securities	11,125	29,623
Other	600	600
Net cash provided by (used in) investing activities	-667,968	-538,148
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	700,000	1,400,000
Repayment of long-term loans payable	-822,287	-1,001,688
Repayment of lease obligations	-5,531	-2,605
Purchase of treasury stock	-67,498	-0
Decrease (increase) in deposits paid for acquisition of treasury stock	-233,884	40,171
Cash dividends paid	-203,952	-202,650
Net cash provided by (used in) financing activities	-633,154	233,225
Effect of exchange rate change on cash and cash equivalents	38,824	-5,106
Net increase (decrease) in cash and cash equivalents	-1,041,240	3,733,762
Cash and cash equivalents at beginning of period	6,687,848	5,646,608
Cash and cash equivalents at end of period	5,646,608	9,380,370

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on Segment information, etc.)

[Segment information]

Since we operate 100-yen shops and its associated business under the single segment, this information is omitted.

(Per share information)

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Net assets per share	887.48 yen	949.80 yen
Net income per share	18.46 yen	68.45 yen

(Notes) 1. No diluted net income per share is presented because dilutive shares do not exist.

2. The basis for calculating net income per share is as follows.

	Previous fiscal year (from September 1, 2022 to August 31, 2023)	Fiscal year under review (from September 1, 2023 to August 31, 2024)
Net income attributable to owners of parent (thousand yen)	250,578	904,148
Amount that does not belong to common shareholders (thousand yen)	-	-
Net income attributable to owners of parent available to common shareholders (thousand yen)	250,578	904,148
Average number of common shares during the period (shares)	13,570,974	13,208,473
Outline of dilutive shares not included in the calculation of diluted net income per share due to the absence of dilutive effects.	Stock acquisition rights by resolution of the Board of Directors on March 22, 2022 (Number of stock acquisition rights issued: 1,238 Common shares: 123,800)	Stock acquisition rights by resolution of the Board of Directors on March 22, 2022 (Number of stock acquisition rights issued: 1,238 Common shares: 123,800)

(Important subsequent events)

No items to report

4. Other

(1) Changes in directors

① Change in the representative director

No items to report

② Changes in other directors

No items to report

(2) Sales information

Since the Group operates under a single segment, the figures are based on sales by region and business division.

Business Divisions	Area	Amount (thousand yen)	Year-on-year change (%)
	Hokkaido area	2,496,334	110.3%
	Tohoku area	2,387,468	106.3%
	Kanto area	14,649,095	101.5%
	Chubu area	8,326,935	108.4%
	Kinki area	15,322,504	100.4%
	Chugoku/Shikoku area	6,762,453	111.5%
	Kyushu area	5,263,376	104.3%
100-Yen Shop business		55,208,168	104.2%
Wholesale		5,953,362	96.3%
Revenue from contracts with customers		61,161,531	103.3%
Other revenue		95,752	73.6%
Sales to outside customers		61,257,283	103.3%