



QB Net Holdings Co., Ltd.

FYE June 2021

Financial Results Briefing Material

August 19, 2021

Executive Summary

Results for FYE June 2021

- Revenue for FYE June 2021 decreased 0.8% year on year to 18,933 million yen
- Operating profit for FYE June 2021 increased 93.5% year on year to 463 million yen (including subsidies of 690 million yen)
- The number of customers at salons hit bottom at about 80% of the pre-pandemic period (in January 2021), but the recovery slowed down due to the spread of infection
- Amid the uncertain business environment, the Company has decided not to pay any dividends for FYE June 2021, prioritizing financial stability and investment for future growth
- The cash flow has managed to remain positive even under the state of emergency, and the Company sees no problem with cash for the time being with a short-term credit line of 4.2 billion yen, in particular (refer to p.36)
- The Company received a notification of satisfying the "prime market" criteria for the Tokyo Stock Exchange market reorganization and has started preparations for application.



Plan for FYE June 2022

- The Company expects the number of customers visiting salons to recover moderately in FYE June 2022 partly due to a rise in vaccination rates
- Revenue for FYE June 2022 is forecast to increase 10.1% year on year to 20,840 million yen
- Operating profit for FYE June 2022 is forecast to grow 137.3% year on year to 1,100 million yen
- Through opening new-format salons and using new locations as well as implementing and improving measures for enhancing customer convenience

- I Full-Year Results for FYE June 2021**

- II Full-Year Earnings Forecast for FYE
June 2022

Consolidated Group Earnings for FYE June 2021 (Summary)

- Operating profit remained in the black (including subsidies of 690 million yen)
- In the earnings forecast for FYE June 2022, the Company plans higher revenue and higher profits. The dividend forecast is not yet determined.

Consolidated Group Earnings (Summary)

Unit: million yen	FYE June 2020	FYE June 2021		FYE June 2022	
	Results	Results	Year on year (%)	Forecast	Year on year (%)
Revenue	19,089	18,933	99.2%	20,840	110.1%
Operating profit	239	463	193.5%	1,100	237.3%
Profit before tax	98	286	291.9%	920	321.2%
Profit	104	243	233.5%	640	262.4%
Basic earnings per share	8.29yen	19.09yen		49.09yen	
Dividends per share	0.00yen	0.00yen		TBD	

Initiatives Taken in FYE June 2021 (Summary)

<p>(Recruitment and HR development)</p> <ul style="list-style-type: none">✓ In August 2020, LogiTHcut Professional Stylist School (training facility) Yokohama was opened (the sixth site in Japan)✓ From November 2020, the Company started reducing recruitment of salon stylists.✓ In the second half, hair-cut training was reinforced (number of trainees from January to June 2021: 337)	<p>(Response to digitization)</p> <ul style="list-style-type: none">✓ In December 2020, the introduction of a new app to all FaSS salons (13 salons) was completed.✓ In April 2021, the introduction of a new app to QB PREMIUM (Otemachi) was completed
<p>(SDGs)</p> <ul style="list-style-type: none">✓ From April 2021, the reuse of combs (using the same comb for multiple customers) was started with high levels of hygiene kept	<p>(Other)</p> <ul style="list-style-type: none">✓ Thorough infection prevention and reduction of various expenses✓ The Company received a notification of satisfying the “prime market” (a new market classification) criteria for the Tokyo Stock Exchange market reorganization and has started preparations for application

Track Records of New, Relocated, and Closed Salons

- A scrap-and-build effort was made in the face of the impact of COVID-19 (salon closure and consolidation is almost completed)

Unit: Salons	Business form at	End-FYE June 2020	New salon	Relocation	Change of business format	Closure (*1)	Change	End-FYE June 2021
Japan	QB HOUSE	568	11	3		-17	-3	565
	QB PREMIUM	1	0	0		0	0	1
	FaSS	13	1	0		-1	0	13
Subtotal in Japan		582	12	3		-18	-3	579
Singapore	QB HOUSE	26	0	0	-1	-2	-3	23
	QB HOUSE Premium	7	1	0	1	0	2	9
	Kids	3	0	0		-1	-1	2
Hong Kong	QB HOUSE	63	3	1		-1	3	66
	QB PREMIUM	1	0	0		-1	-1	0
Taiwan	QB HOUSE	29	4	1		-3	2	31
U.S.	QB HOUSE	4	0	0		0	0	4
Subtotal of overseas		133	8	2		-8	2	135
Consolidated group total		715	20	5		-26	-1	714

(*1) The number of closed salons includes closures resulting from relocation.

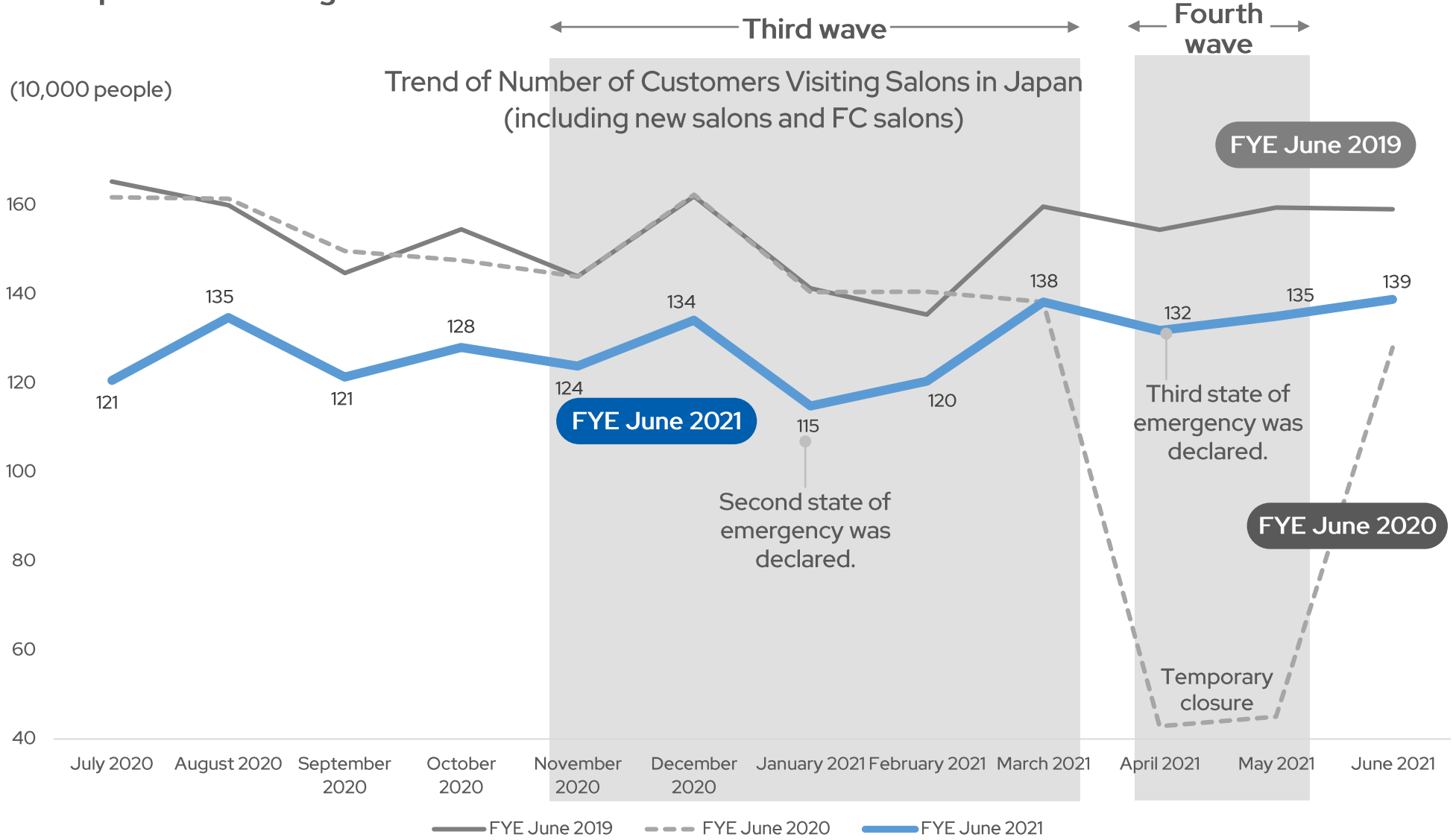
Seat Addition, Relocation and Closure in Japan (Summary)

- Salon closures in Japan increased as a result of proceeding with closure and consolidation of salons with poor revenue

Domestic operations		
QB HOUSE	Added seats in six salons	Gransta Marunouchi, AEON MALL Sakai Teppocho, AEON MALL Itami, and AEON MALL Kobe Minami, Belfa Miyakojima and Seibu Nerima Station
	Relocated three salons	Shibuya Mark City, youme Town Higashi-Hiroshima, and JR Suita Station
	Closed 17 salons	<p>(6 FC salons)</p> <ul style="list-style-type: none"> • Yaesu, JR Osaka Station Umesankoji, Keisei Yachiyodai Station, Makuhari Hongo Station, Keisei Chiba Chuo Station, and JR Kyobashi Station on the Inner Track <p>(11 directly managed salons)</p> <ul style="list-style-type: none"> • Closed three salons due to relocation • Ito Yokado Tsurumi (due to planned relocation to the same facility) • AEON Higashi-Osaka (closure of the facility accompanying the extension work of the Osaka Monorail Line) • Park City Musashi-Koyama THE MALL (due to poor revenue) • MAGNET by SHIBUYA109 (due to poor revenue) • Morioka FES"AN (due to poor revenue) • Hakata Ekimae-dori Street (due to poor revenue) • Hakodate-Ekimae (due to poor revenue) • AEON MALL Asahikawa Ekimae (due to contract expiration and poor revenue)
FaSS	Closed a salon	<ul style="list-style-type: none"> • Daikanyama Address Dixsept (due to poor revenue)

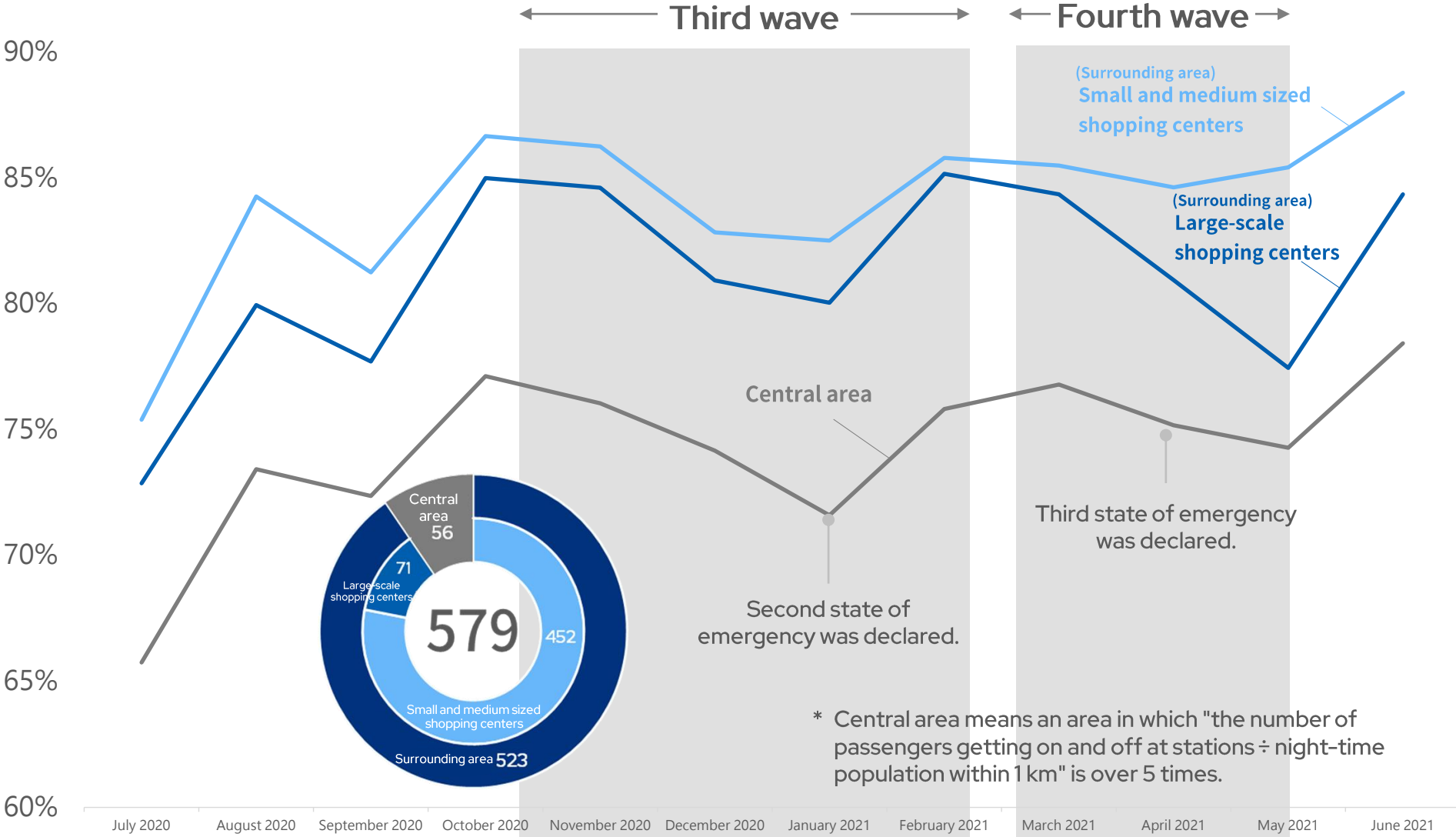
Trend of Number of Customers Visiting Salons in Japan Year-on-Year Comparison (including new salons and FC salons)

- After hitting bottom in January 2021, the trend is firm as a busy season started with the temperatures rising



Results of Recovery in the Number of Customers (Existing Salons) in Japan by Location

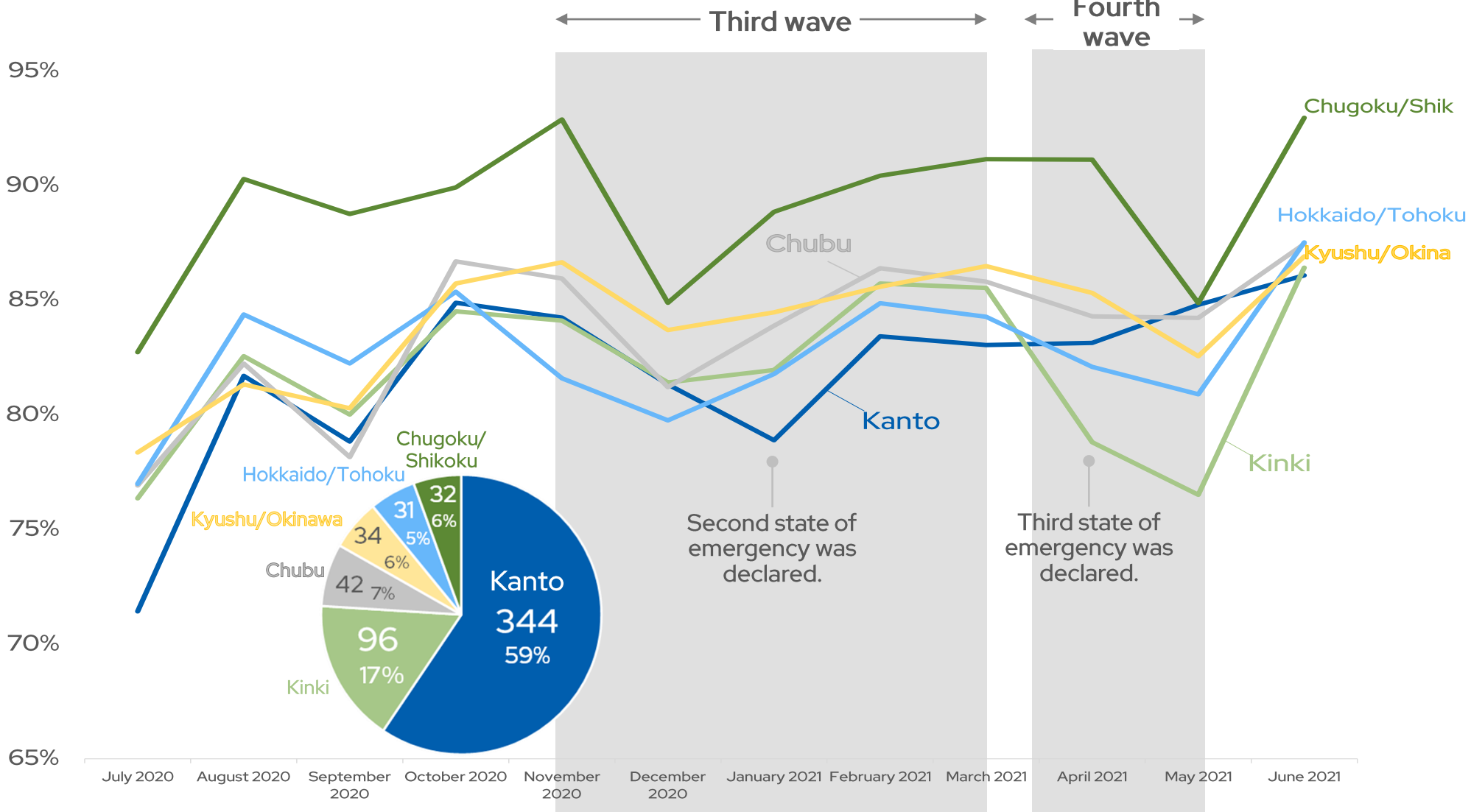
During the fourth wave of infections, large-scale shopping centers were affected due to the temporary closure from April 25 to May 11



* Year-on-year comparison up to February. After March, the ratio compared with the pre-pandemic level that is set as 100%

Results of Recovery in the Number of Customers (Existing Salons) in Japan by Region

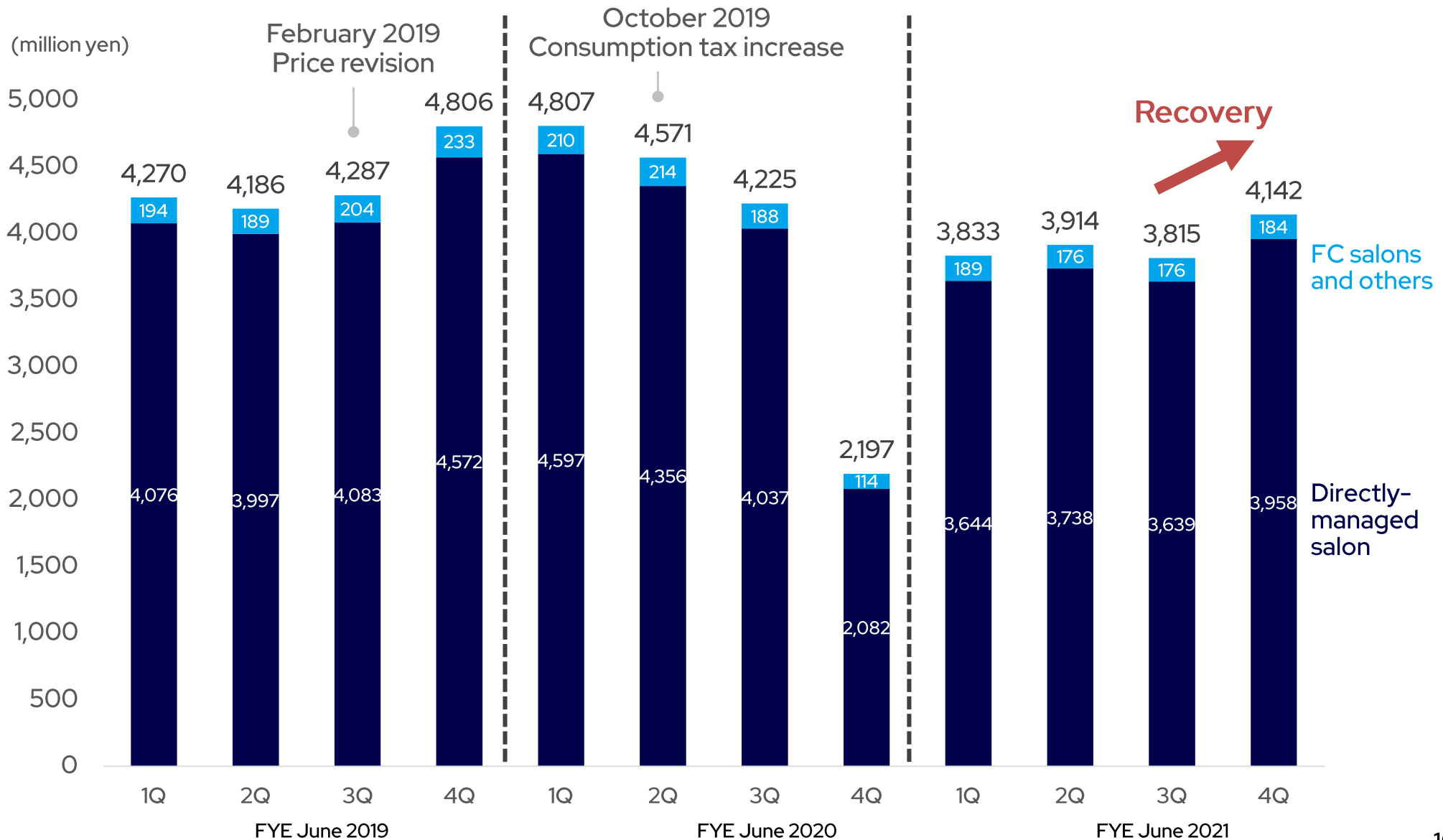
Recovery in June following the lifting of the declaration of the state of emergency on June 20. However, the recovery in the Kanto region is moderate



* Year-on-year comparison up to February. After March, the ratio compared with the pre-pandemic level that is set as 100%

Trend of Quarterly Revenue in Japan (including new salons)

- Total revenue in Japan recovered in Q4 partly due to a rise in the temperatures (Q1 and Q4 are busy seasons in usual years)



Overseas Situation

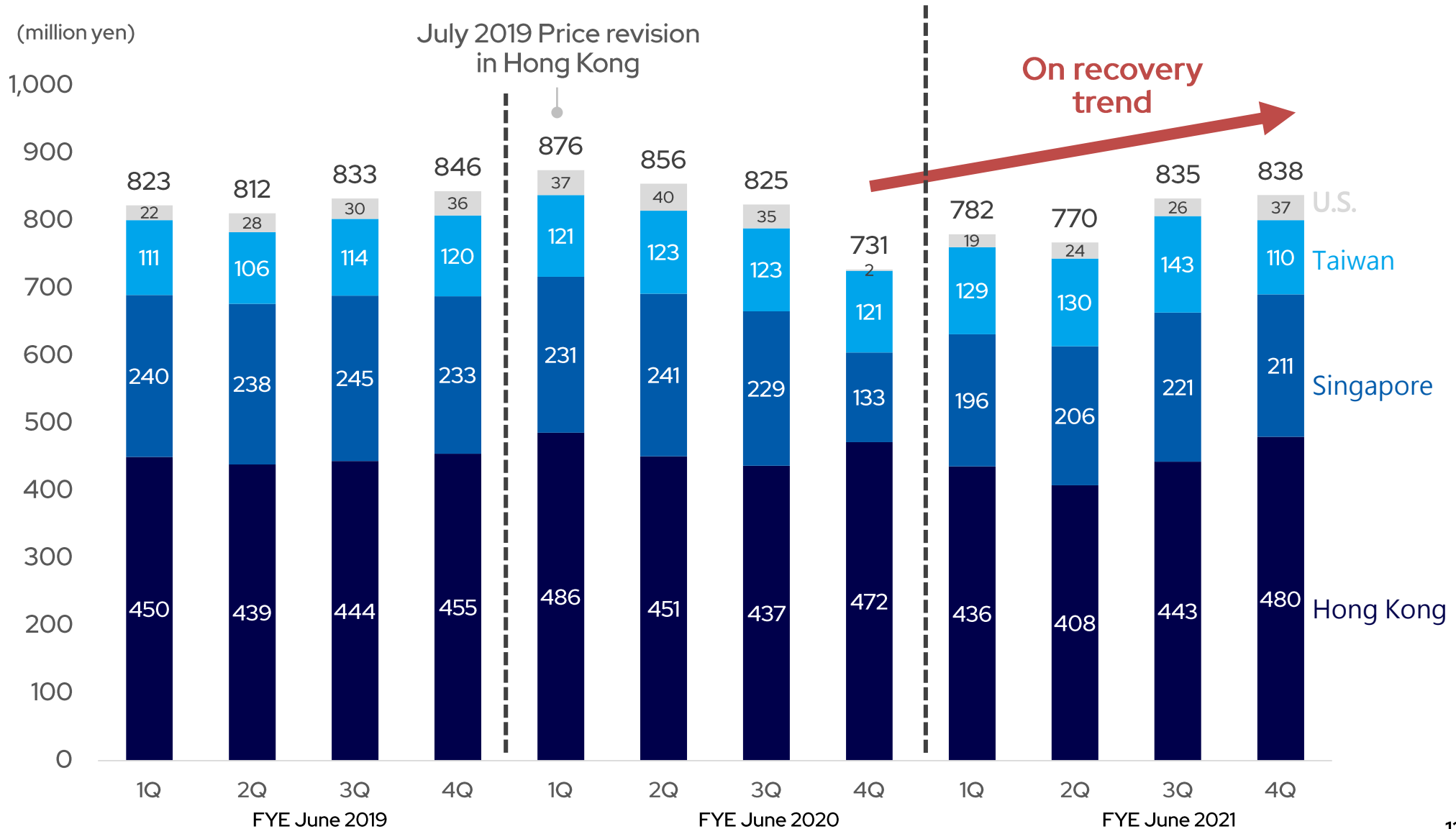
	Revenue 4Q Compared with the fiscal year before last	Number of customers 4Q Compared with the fiscal year before last	Situation
Hong Kong	105.5%	90.0%	The number of infections is decreasing, and the economy is also picking up with the streets returning to normal. The number of customers has recovered to a record high after the price revision in July 2019 [to \$70 (approx. ¥980) from \$60 (approx. ¥840)].
Singapore	90.5%	87.1%	In May 2021, quarantine regulations were tightened for about one month, and then were lifted on June 13. The government's strict quarantine measures have caused revenue to go up and down alternately.
Taiwan	91.1%	80.0%	On May 19, 2021, the government raised the quarantine level. In June, the situation almost returned to a state where people started a voluntary lockdown.
U.S.	103.3%	83.7%	Accelerated vaccination rollouts triggered a rapid recovery. There was the impact of the price revisions (to \$23 from \$20 in June 2020 and to \$25 from \$23 in November 2020)

* Revenue includes the impacts of exchange rate fluctuations and price revisions

* In order to compare with the pre-pandemic period, comparison was made with the same period of the fiscal year before last

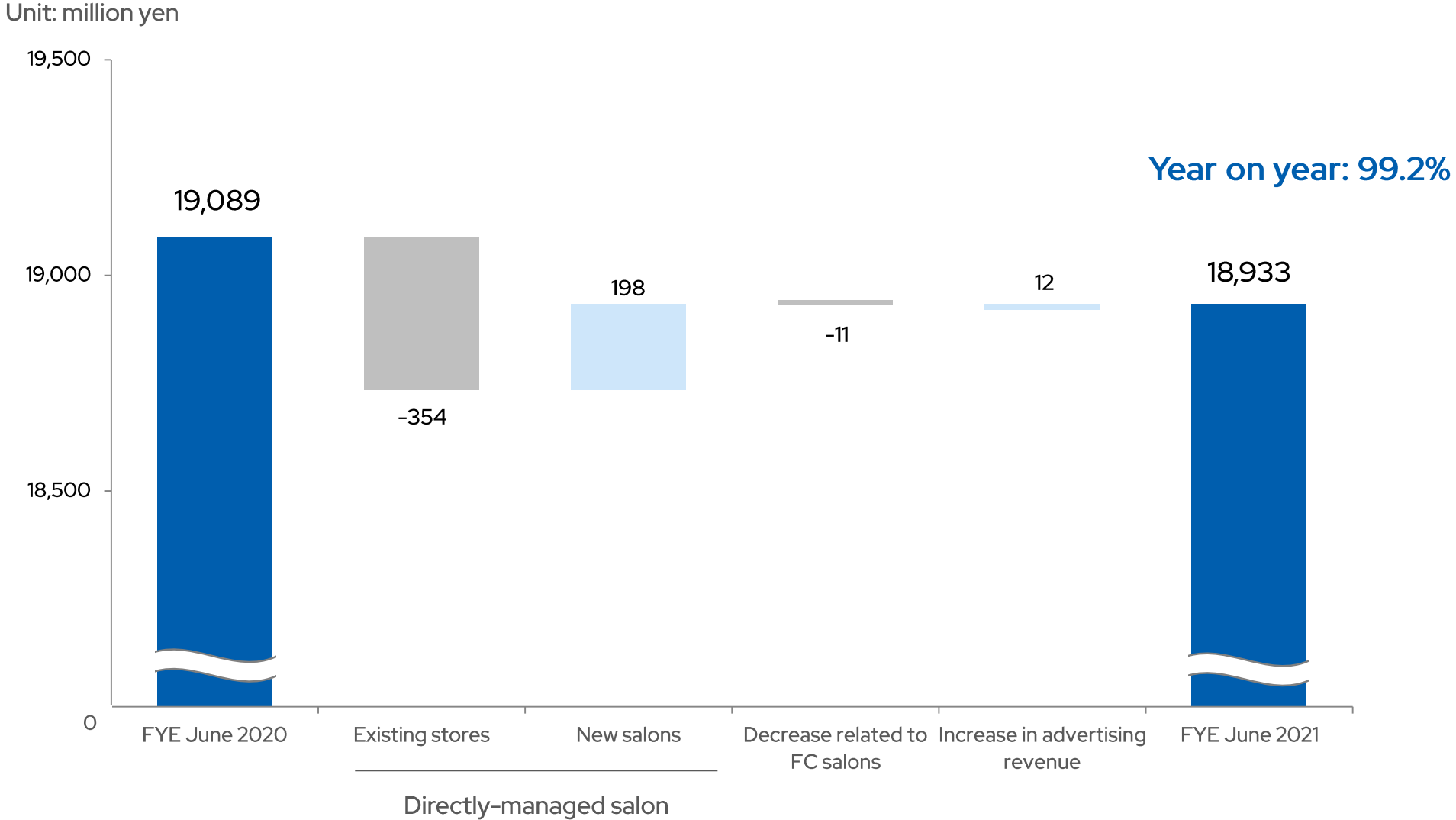
Trend of Quarterly Revenue Overseas (including new salons)

- Overseas total revenue was on a recovery trend after hitting bottom in the Q4 of the previous fiscal year (April to June 2020).



Breakdown of Changes in Revenue

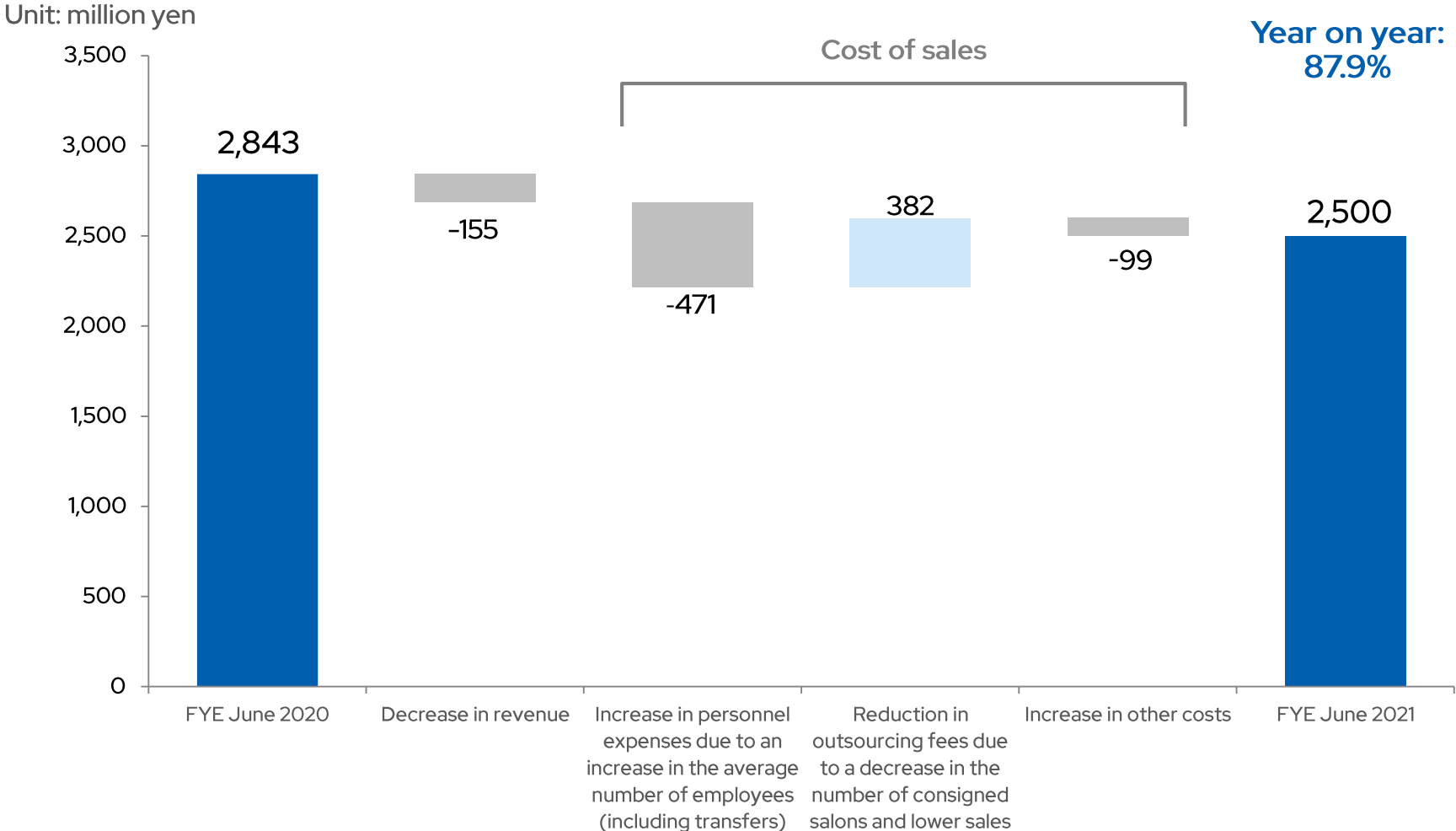
— Revenue decreased by 155 million yen year on year due to the impact of COVID-19.



* New salons are those less than 13 months since opening

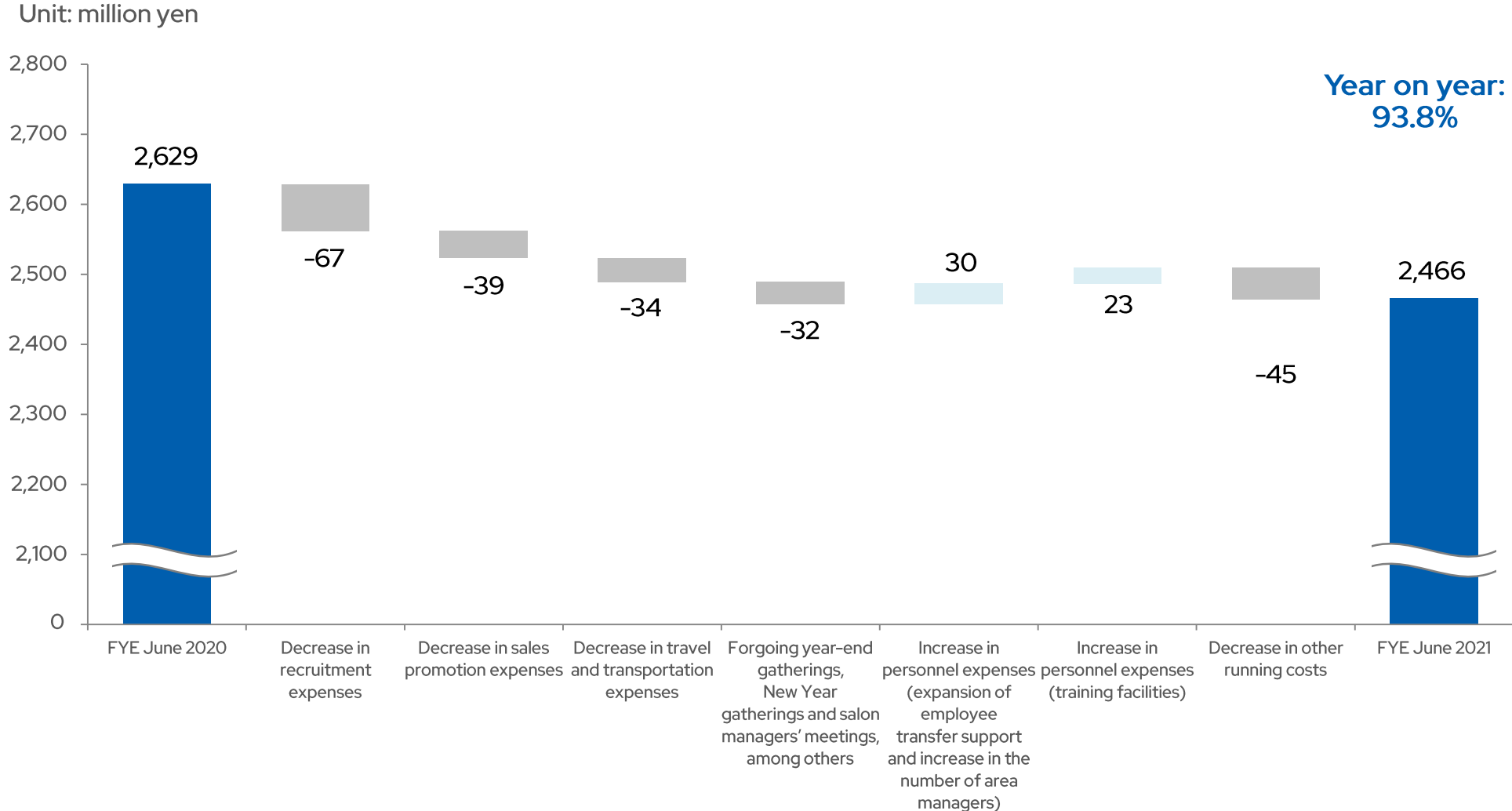
Breakdown of Changes in Gross Profit (Gross Margin)

- Gross margin decreased by ¥343 million year on year due to a decrease in revenue and increased personnel expenses resulting from transfers and new recruits



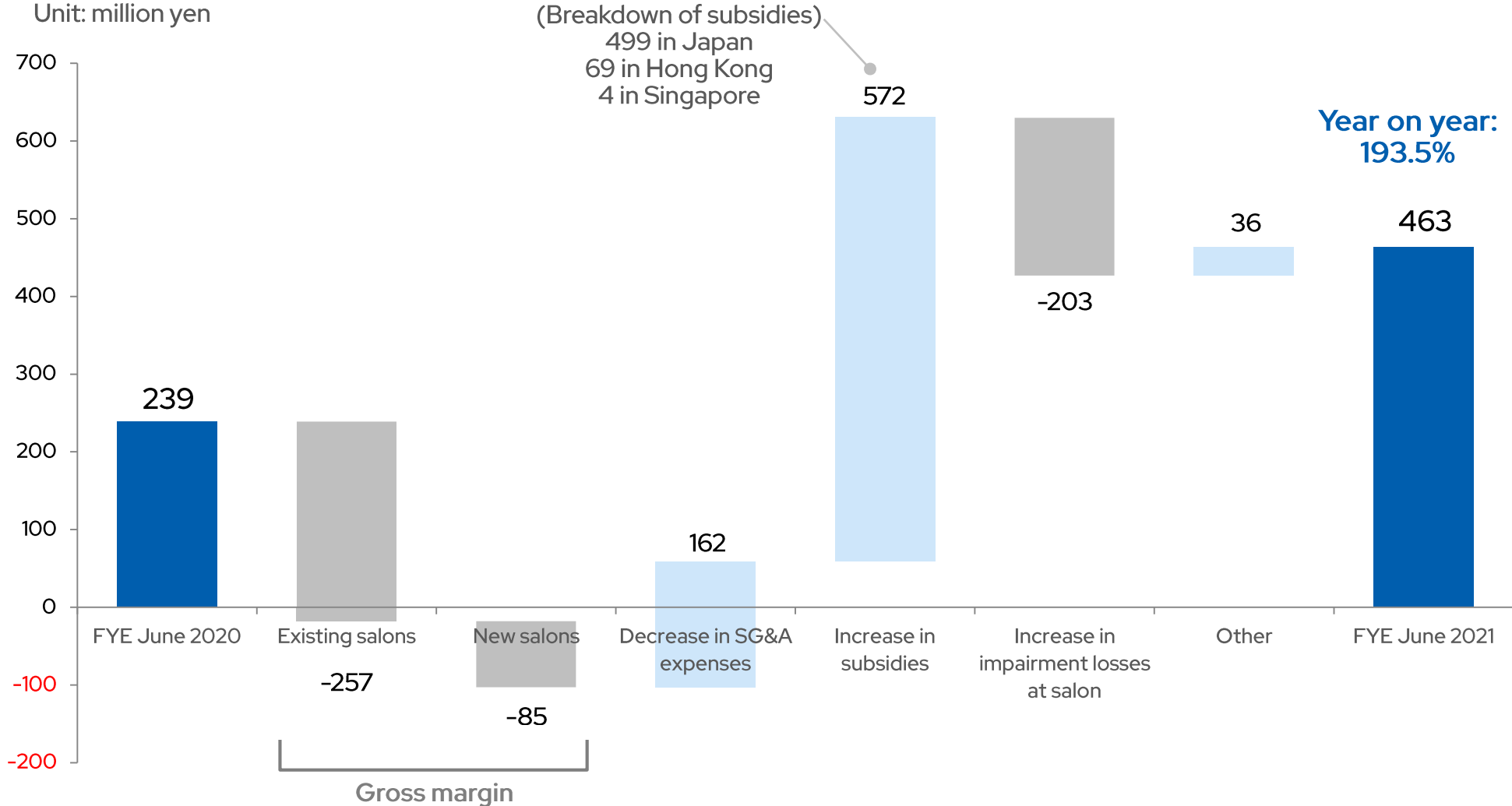
Breakdowns of Changes in SG&A Expenses

- SG&A expenses decreased by 162 million yen year on year as a result of efforts to reduce expenses, such as curbing promotional activities and recruitment, forgoing internal events and slashing travel expenses



Breakdown of Changes in Operating Profit

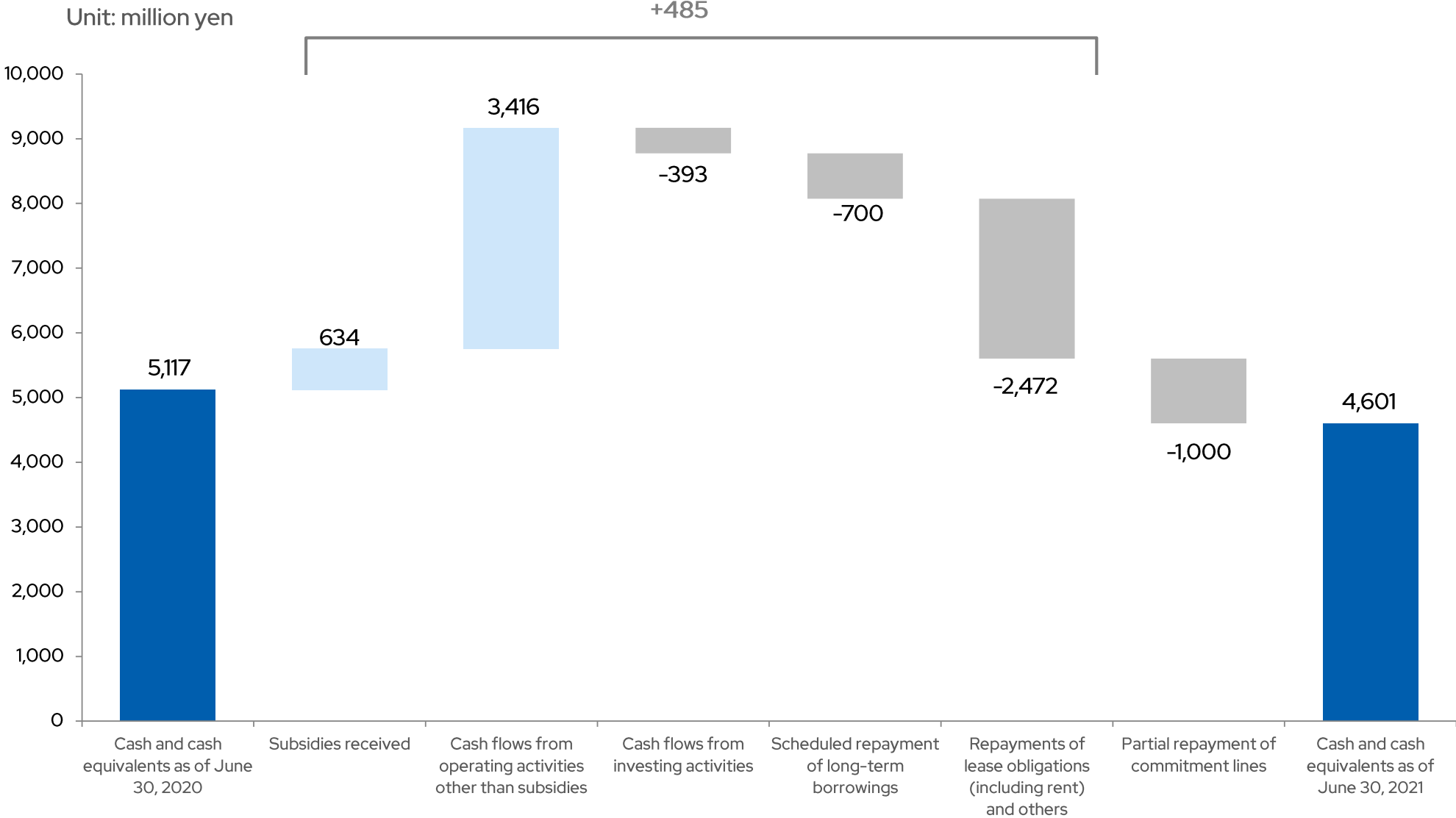
- Operating profit remained positive due an increase of 572 million in subsidies in Japan and overseas (subsidies in the previous fiscal year were 117 million yen)



* New salons are those less than 13 months since opening

Breakdown of Cash Flow Change

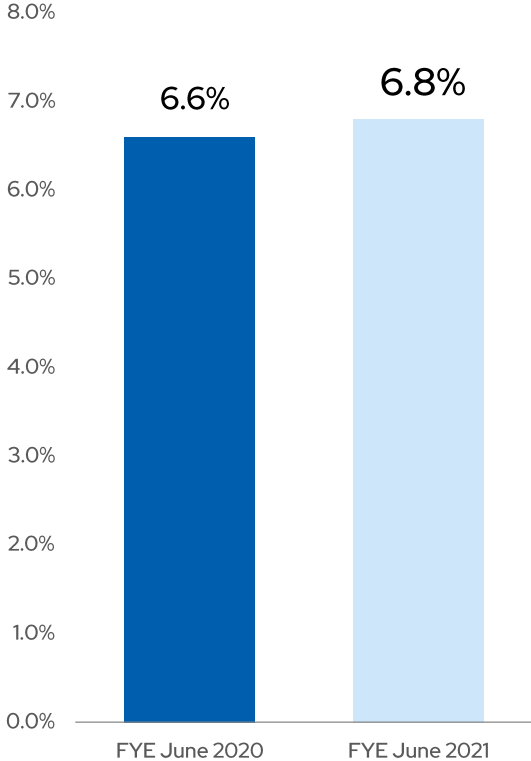
— Net cash provided by business activities remained positive on a full-year basis.



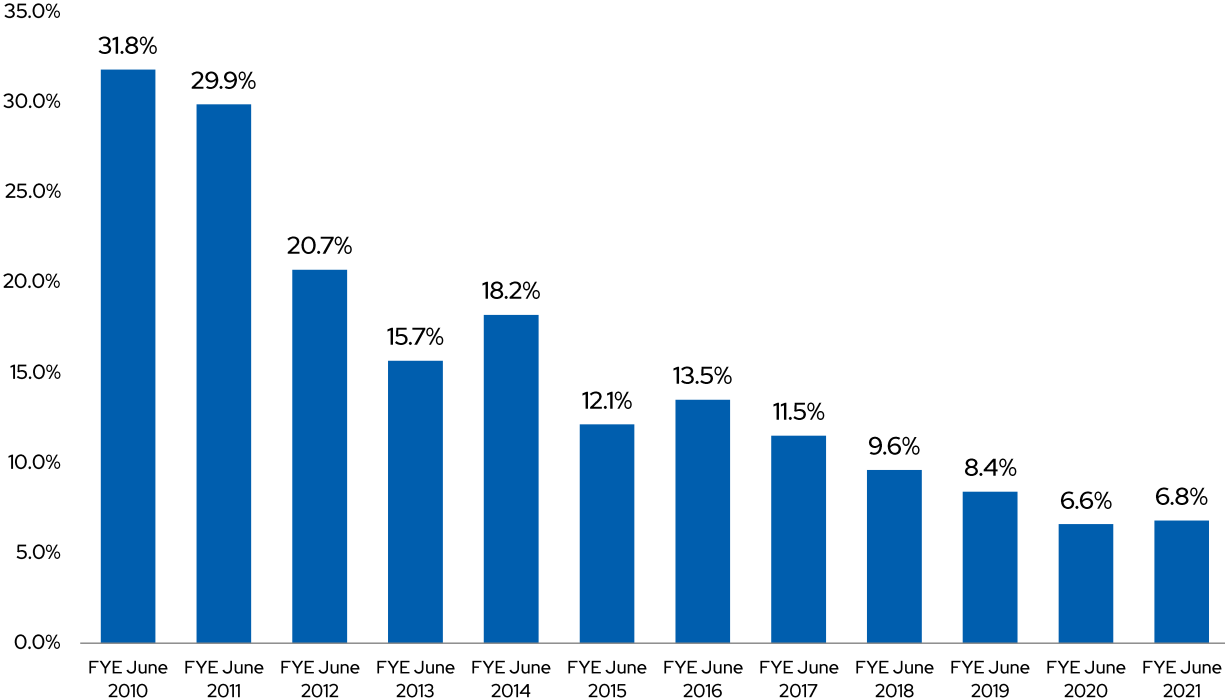
Trends in the Turnover Rate of Regular Employees in Japan

- Turnover rate of regular employees in Japan was 6.8% (up 0.2 percentage points from the previous fiscal year).

Turnover rate of regular employees in Japan



[Reference] Trends of turnover rate of regular employees in Japan (annual results)

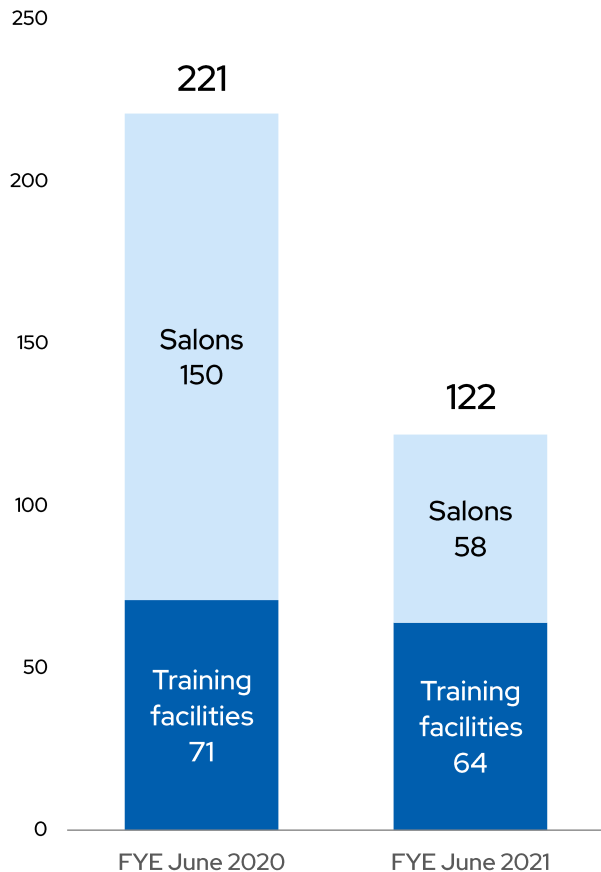


* Excluding the head office
* Including training facilities (LogiTHcut Professional Stylist School)

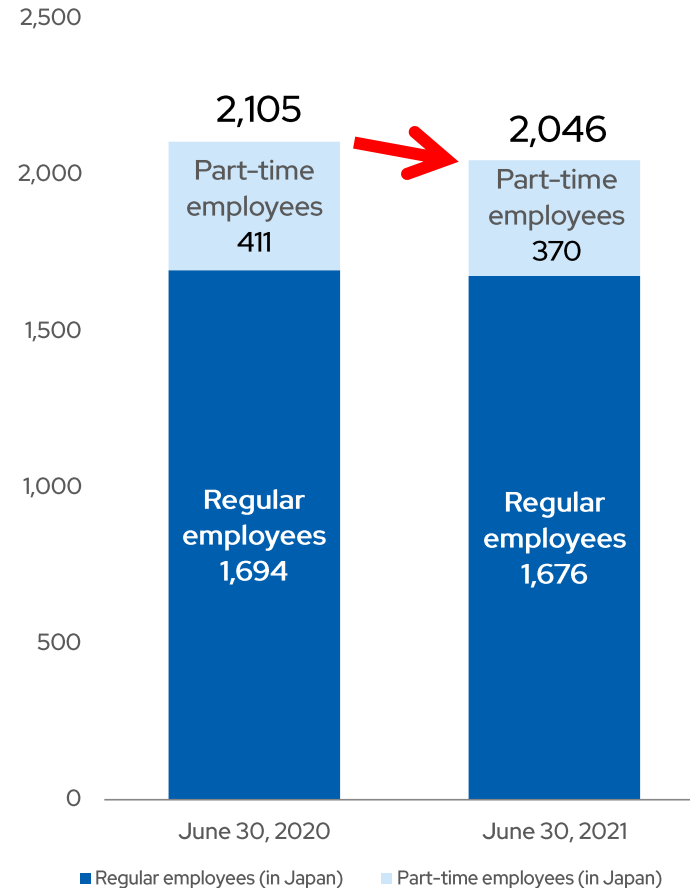
Number of Employees in Japan (Stylists)

- The number of regular employees newly hired in Japan was 122 on an annual basis (down 99 from the previous year) by reducing the employment of salon stylists
- The number of employees in Japan (including part-timers) showed a net decrease of 59 from one year ago

Number of regular employees newly hired in Japan
Unit: person



Number of employees in Japan as of June 30, 2021
Unit: person



* Excluding regular employees who were transferred from consigned salons. Excluding the head office. Including training facilities (LogiTHcut Professional Stylist School).

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- I Full-Year Results for FYE June 2021
- II Full-Year Earnings Forecast for FYE
June 2022**

Full-Year Earnings Forecast for FYE June 2022

- Revenue and profit are expected to increase for FYE June 2022. Dividend per share forecast is yet to be determined

Consolidated Group Earnings Forecast for FYE June 2022

Unit: million yen	FYE June 2021		FYE June 2022	
	Results	Forecast	Variance	Year on year
Revenue	18,933	20,840	1,906	110.1%
Operating profit	463	1,100	636	237.3%
Profit before tax	286	920	633	321.2%
Profit	243	640	396	262.4%

Shareholder returns for FYE June 2022

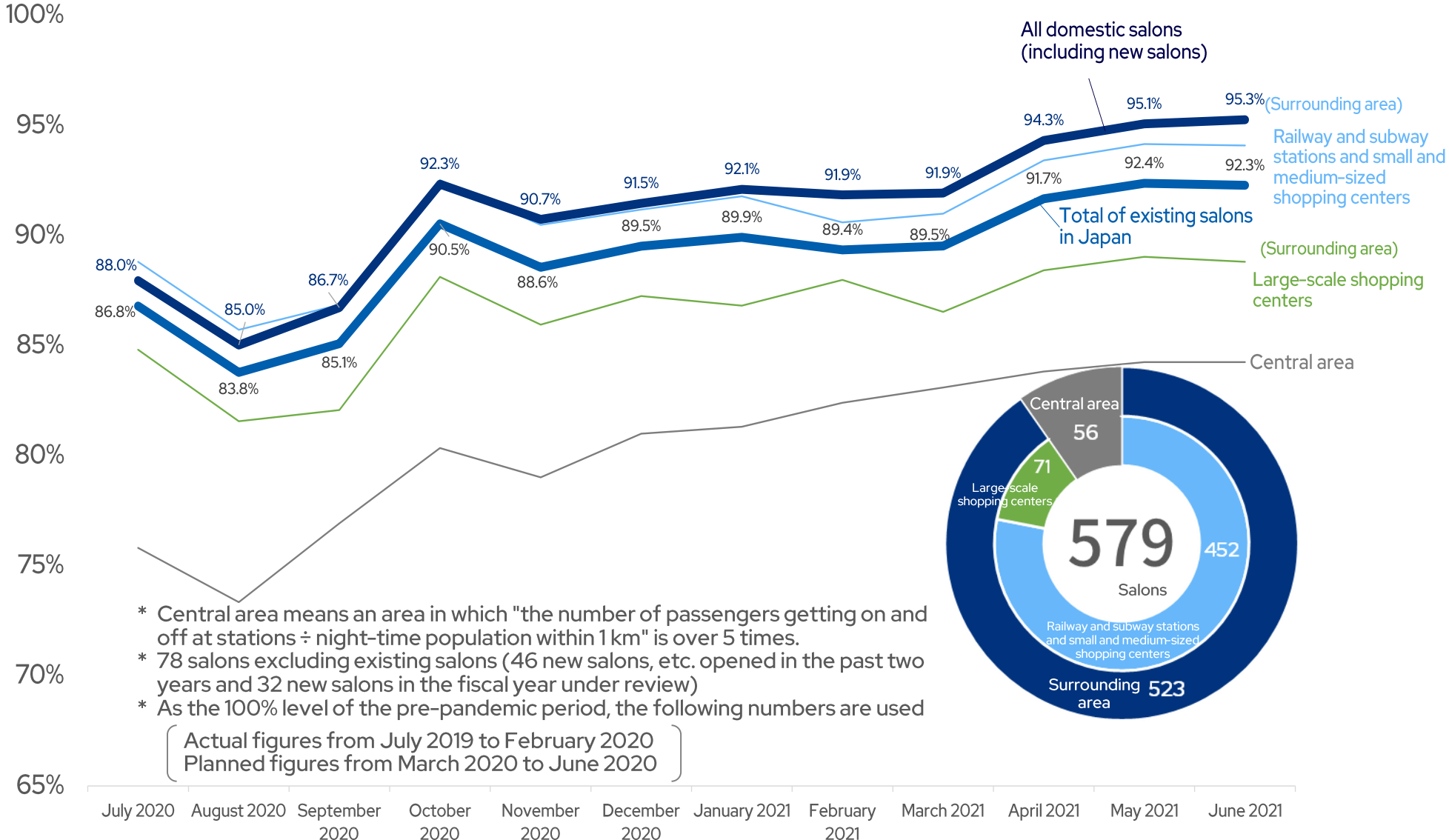
- Dividend per share for FYE June 2022 has not been determined due to a number of uncertain factors caused by the impact of the novel coronavirus (COVID-19).

Assumptions for Full-Year Earnings Forecast for FYE June 2022

Assumptions	
Domestic operations	<p>With the impact of the pandemic expected to gradually improve with rising vaccination rates, revenue is projected to recover moderately (It is assumed that revenue will recover to 95% or so of the pre-pandemic level by June 2022 including new salons)</p> <ul style="list-style-type: none"> → The assumption includes resumption of sales promotion activities, reinforcement of training for stylists, introduction of electronic haircut charts and others → Measures to prevent infections at salons, which were established in the previous fiscal year, will remain in place <p>Thorough cost control</p> <ul style="list-style-type: none"> → Regarding the increased personnel expense ratio resulting from lower revenue, the Company plans to improve the mechanism for personnel management → Cost reduction in response to the pandemic environment will remain underway (reduction of salon manager meetings, transportation expenses, research expenses, etc.) → New investment for future growth will be implemented (reinforcement of new salons, training expenses, development of electronic haircut charts, etc.)
Overseas operations	<p>It is expected that although the pace of increase in vaccination rates will vary by country (city), COVID-19 infections will be contained in general, and revenue will also recover moderately</p>

Forecast for FYE June 2022 Projected Recovery in the Number of Customers in Japan (by Location)

It is assumed that the number will return to about 95% of that in the pre-pandemic period by June 2022 (including new salons)

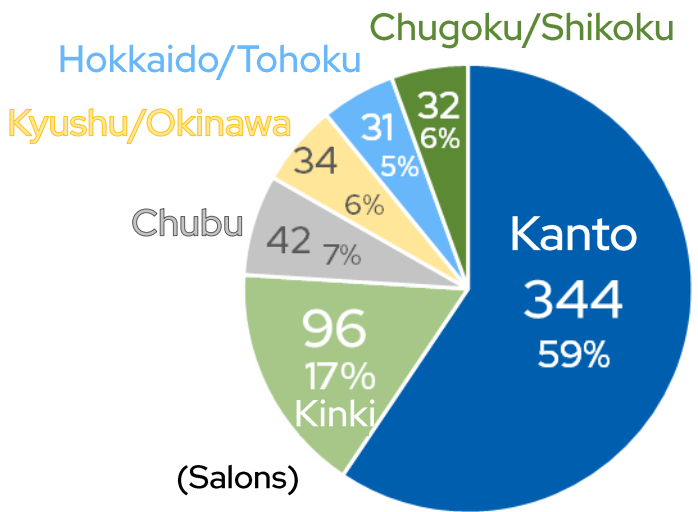
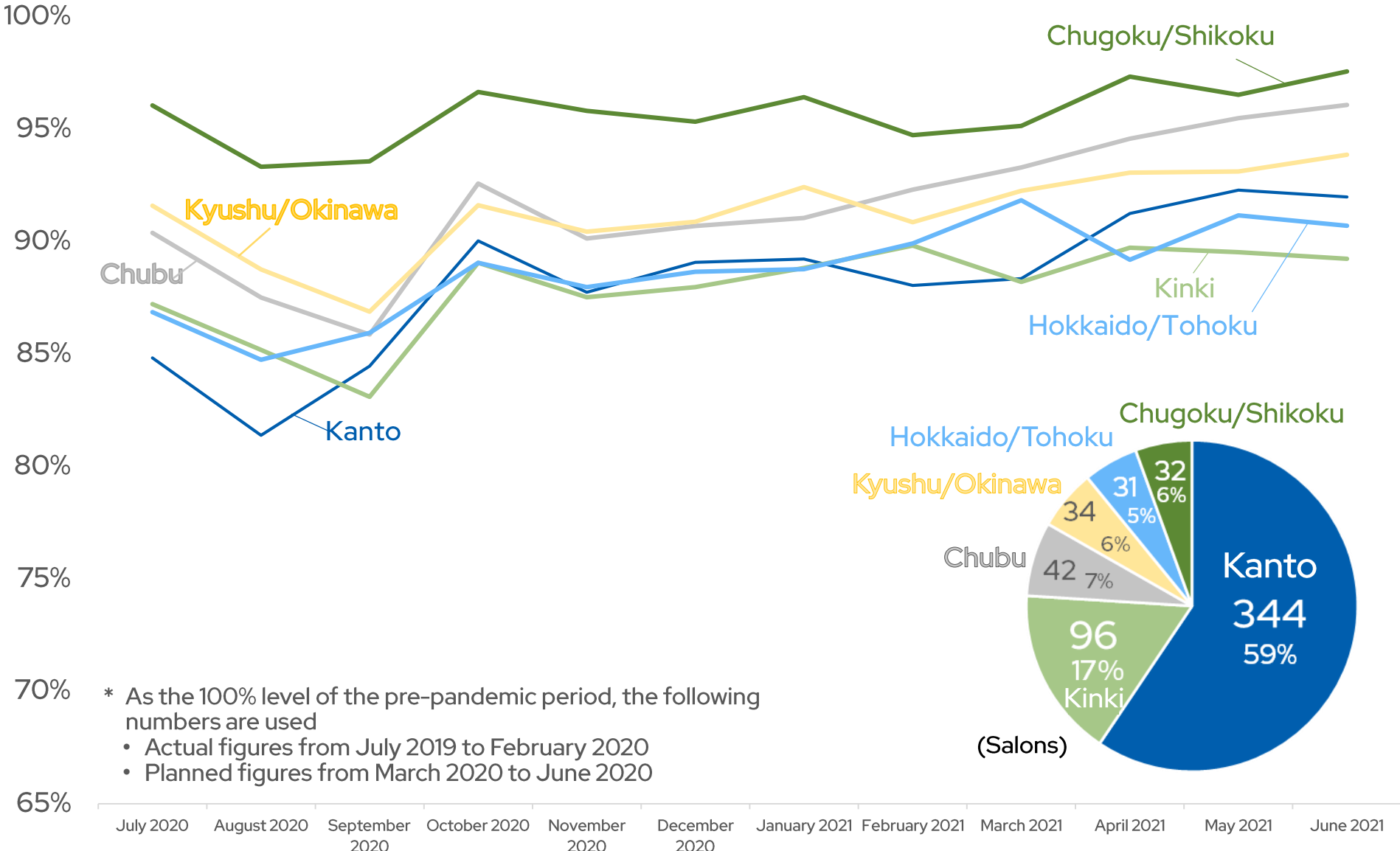


- * Central area means an area in which "the number of passengers getting on and off at stations ÷ night-time population within 1 km" is over 5 times.
- * 78 salons excluding existing salons (46 new salons, etc.) opened in the past two years and 32 new salons in the fiscal year under review
- * As the 100% level of the pre-pandemic period, the following numbers are used

Actual figures from July 2019 to February 2020
 Planned figures from March 2020 to June 2020

Forecast for FYE June 2022 Projected Recovery in the Number of Customers in Japan (by Region)

Kanto, Kinki and Hokkaido regions are assumed to take time to recover



* As the 100% level of the pre-pandemic period, the following numbers are used

- Actual figures from July 2019 to February 2020
- Planned figures from March 2020 to June 2020

Salon Opening Plan

- Regarding opening salons, the Company will resume the pace of opening salons in the pre-pandemic period to reinforce new salons

Plans for new openings, relocations, closures for FYE June 2022

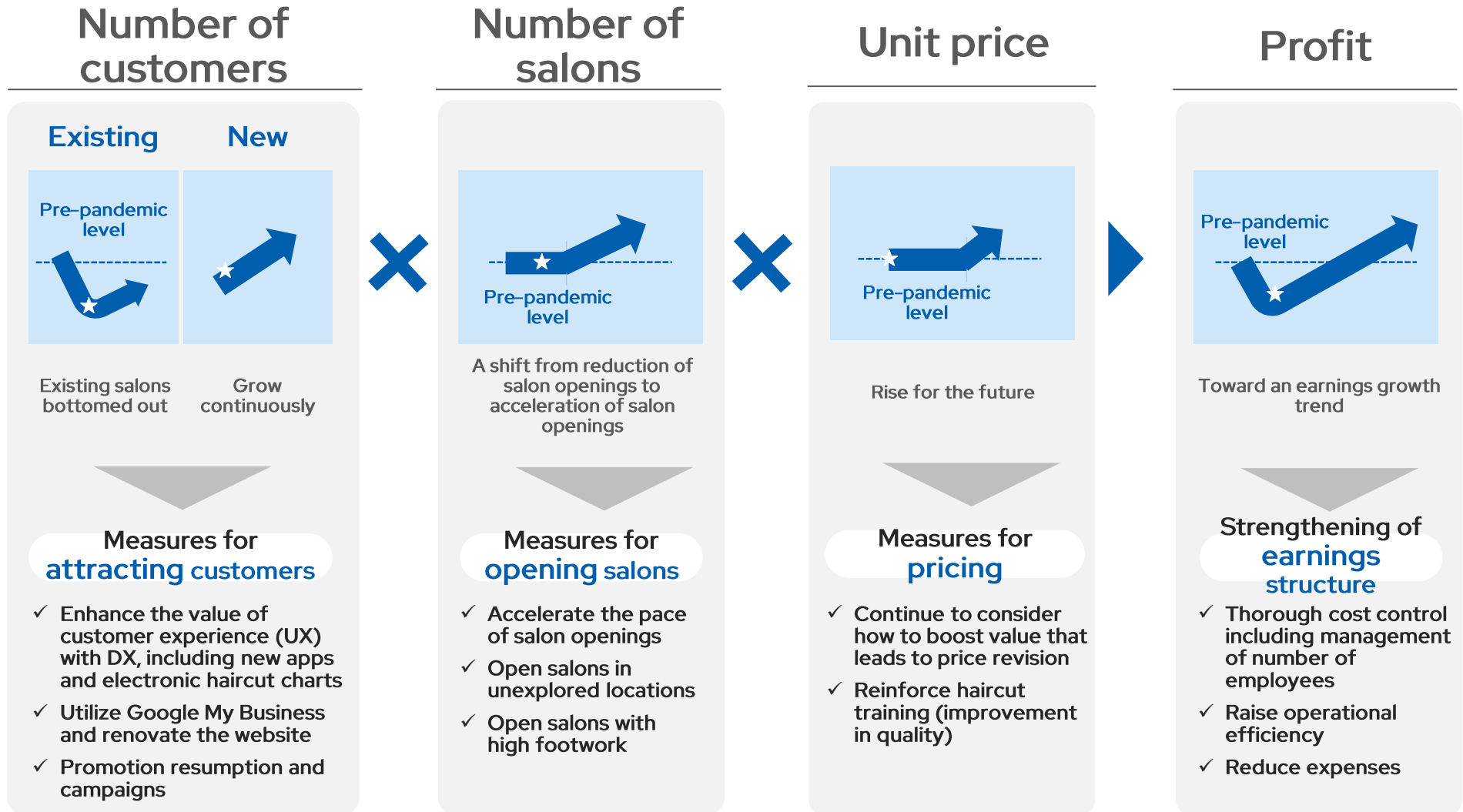
Unit: Salons	Business format	End-FYE June			Change	End-FYE June 2022
		2021	New salon	Closure		
Japan	QB HOUSE QB PREMIUM	566	30	-6	24	590
	FaSS	13	2	0	2	15
	Subtotal in Japan	579	32	-6	26	605
Singapore	QB HOUSE QB HOUSE Premium Kids	34	0	0	0	34
Hong Kong	QB HOUSE	66	5	0	5	71
Taiwan	QB HOUSE	31	5	-1	4	35
U.S.	QB HOUSE	4	1	0	1	5
Subtotal in overseas		135	11	-1	10	145
Consolidated group total		714	43	-7	36	750

(*) The number of new and closed salons includes the opening and closing of salons caused by relocations.

(*) In Singapore, the Company plans a format change of two salons from QB HOUSE to QB HOUSE Premium

Business KPIs in Future

- Aim to exceed pre-pandemic profit levels by making up for the decline in the number of customers visiting existing salons with other items



* A white star indicates progress made up to the present.

1. Measure for Attracting Customers (new app)

Already installed at 13 FaSS salons and QB PREMIUM

The ratio of use of bookings in FaSS is exceeding 30%



Introduction of the new app will make possible:



- Booking with priority on appointment time
Improve convenience and reduce opportunity loss
- Enhance customer satisfaction
Use of electronic haircut charts to ease the communication problem when customers try to inform stylists of their style preferences
- Greater efficiency of salon operation
Cashless payment and shorter counseling time

1. Measures for Attracting Customers (Improvement of contact points on the Internet)



➤ QB House website has been renovated

➤ Corporate website is planned to be renovated

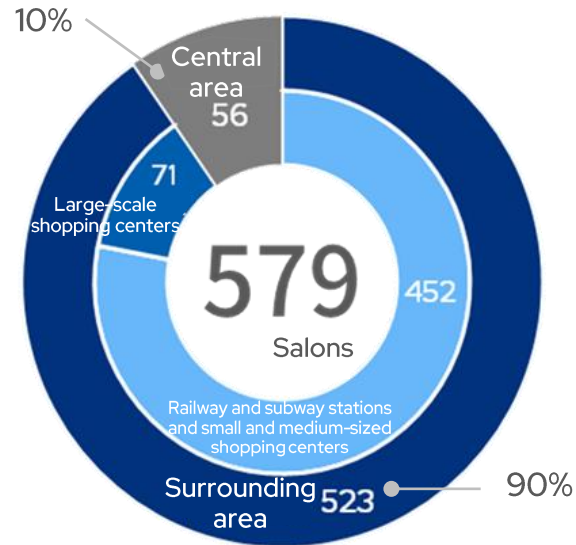


➤ To improve convenience by searching for nearby salons by GPS and registering favorite salons (accesses to the site doubled or trebled)

➤ IR site too is planned to be renovated

➤ A sustainability site is scheduled to be released, as well

2. Measures for Salon Openings (Locations of salons in Japan)



- **Spheres of everyday life tend to diverse** from the central area to the surrounding area as people telework and restrain themselves from going out in the pandemic crisis.



- **The Company has established a regional portfolio** with central areas and surrounding areas before the pandemic hit.

- Having established dominance in terms of salons in a variety of regions and facilities, it is **easy to open a series of new salons after reassessing locations**

Definition of Location Classifications

Region	Central area	An area in which "the number of passengers getting on and off at stations ÷ night-time population within 1 km" is over 5 times. Example: Areas around railway stations, such as Tokyo Station, Shinjuku Station, Osaka Station, and Hakata Station
	Surrounding area	Areas other than the above central areas Residential areas and mixed commercial and residential areas

Facilities	Stations	Stations, station buildings, and roadside salons around stations
	Small and medium-sized shopping centers	Shopping centers with a store area of 60,000 m ² or less (SC) Example: Food supermarkets and GMS-centered shopping centers
	Large-scale shopping centers	Shopping centers with a store area of over 60,000 m ² (SC) Example: Large shopping centers with multiple core tenants

2. Measures for Salon Openings (salon opening strategy)

Number of new salons (Salons)

	Results for FYE June 2019	Results for FYE June 2020	Results for FYE June 2021	Plan for FYE June 2022
Domestic operations	25	23	12	32
Overseas operations	10	9	8	11
Total	35	32	20	43

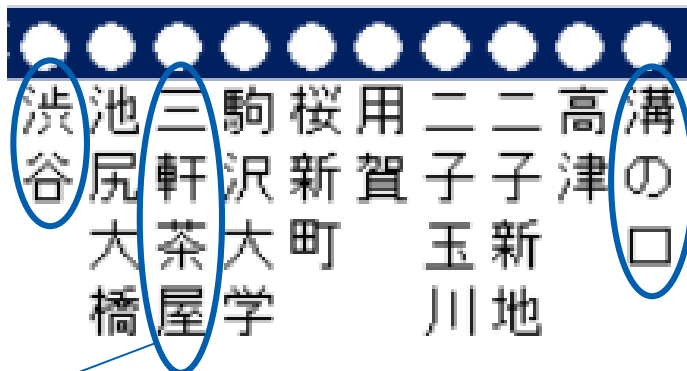
- The impact of the pandemic has accelerated the consolidation and closure of salons and stores of the same and other industries, **increasing the chances of acquiring excellent properties**



- Open a series of new salons in unexplored areas by **taking advantage of the Company's dominant position** along railway lines connecting the central and surrounding areas

- **Aim to open more new salons than in the pre-pandemic period** by combining the opening of high-footwork salons

Example:



Opened in
June 2021

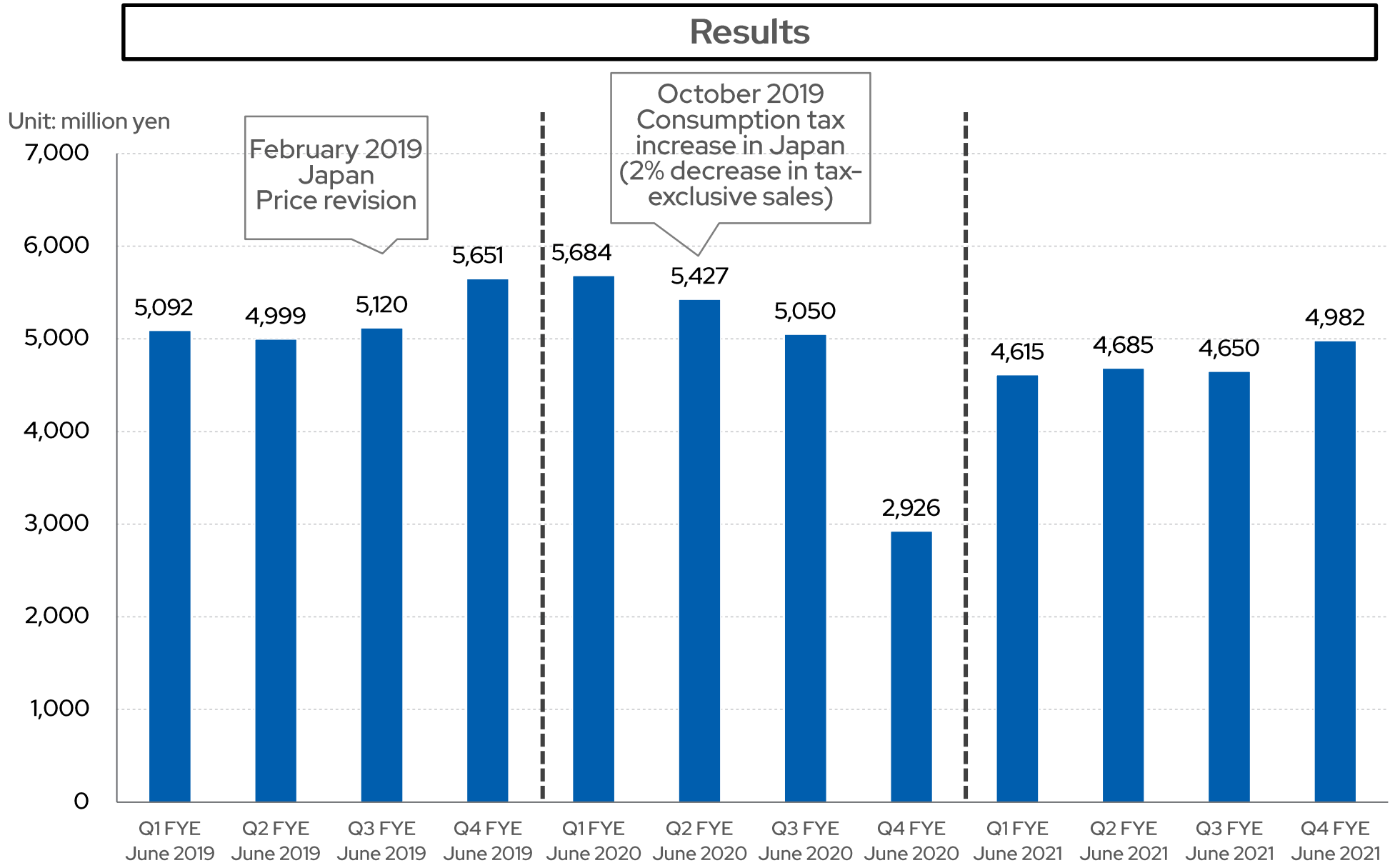
STATEMENT

LESS IS MORE

Power-Saving, Labor-Saving,
Time-Saving and Resources-Saving

Appendix

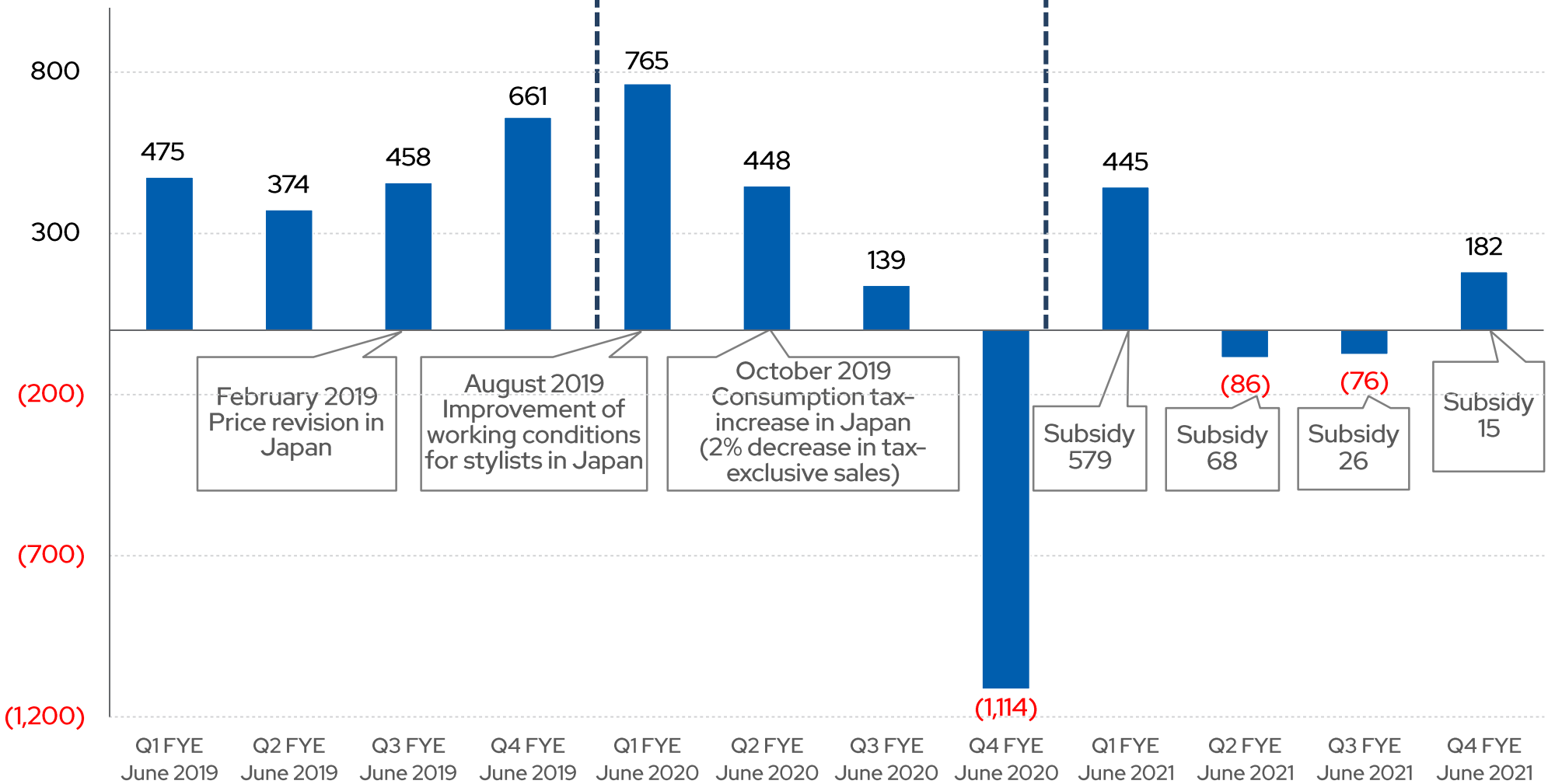
Quarterly Revenue (Consolidated) Trends



Quarterly Operating Profit (Consolidated) Trends

Results

Unit: million yen



New salon

(Domestic operations)

AEON MALL Shinrifu South Building (Miyagi)

AEON MALL Ageo (Saitama)

AEON MALL Kawaguchi (Saitama)

JR Itabashi Station (Tokyo)

mi:ts Kokubunji (Tokyo)

GRANDUO Kamata (Tokyo)

Seiyu Sangenjaya (Tokyo)

FaSS Musashi Kosugi (Kanagawa)

LaLaport Aichi Togo (Aichi)

AEON MALL Yokkaichi-Kita (Mie)

Crost Osaka Station (Osaka)

Kohnan Higashiosaka Hishie (Osaka)

(Overseas operations)

Woods Square (Singapore)

Hung Hom Station (Hong Kong)

Citygate (Hong Kong)

Tai Wo Plaza (Hong Kong)

Tamsui (Taiwan)

Nanjing Sanmin (Taiwan)

Kuang San SOGO (Taiwan)

Chungyo Department Store (Taiwan)

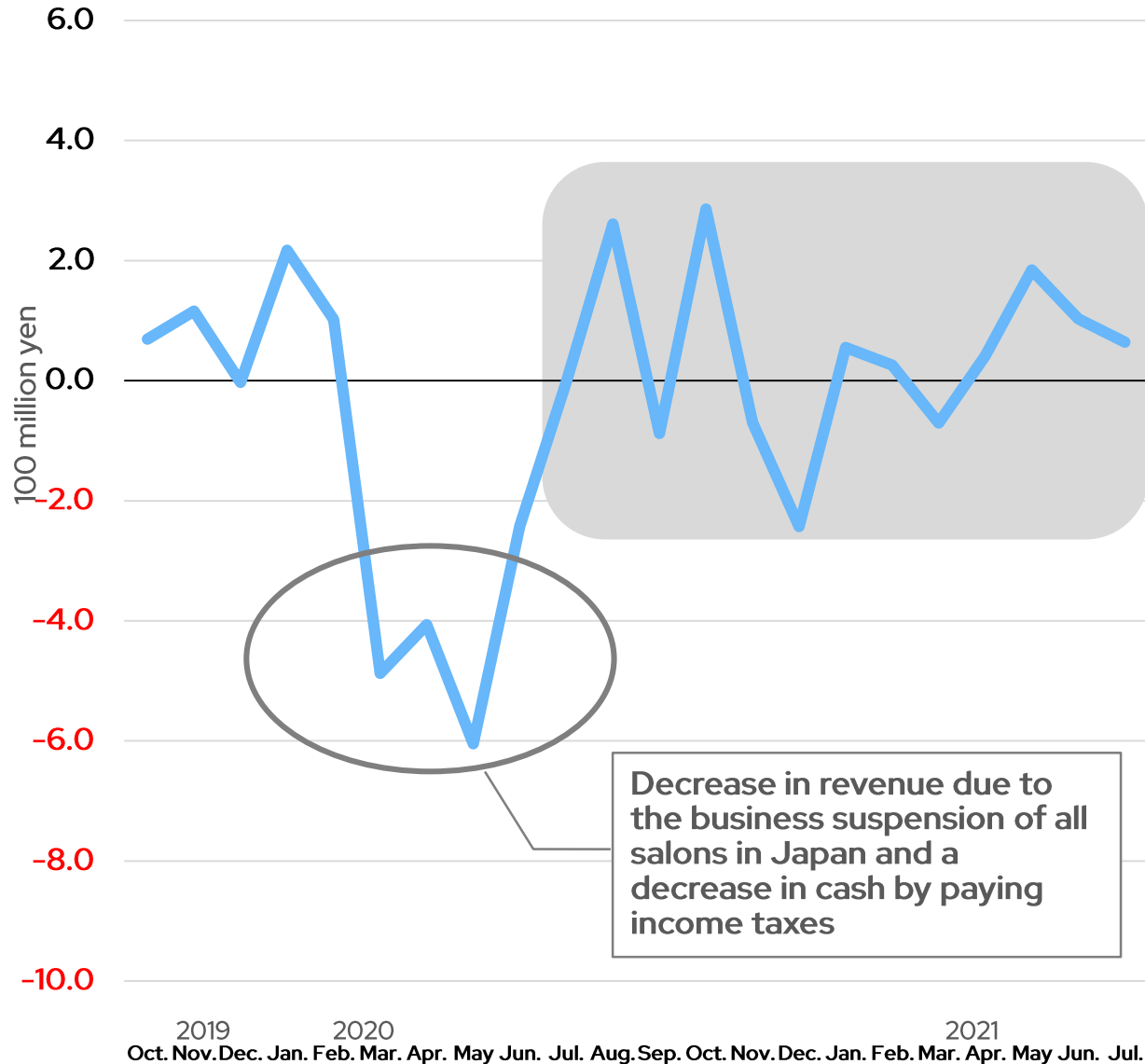
* Orange color indicates new salons opened during Q4

AEON MALL Kawaguchi
(Saitama)



Funding Situation (Consolidated)

Monthly Trend in Changes to Consolidated Cash Balance



During the period of the first declaration of a state of emergency, cash decreased significantly due to a decrease in revenue accompanying the business suspension of all salons.

During the periods of the subsequent declarations of a state of emergency, salons were kept open with thorough infection-prevention measures in place. As a result, the incoming and outgoing cash is almost balanced.



A short-term credit line of 4.2 billion yen was set up, and there will be no problem with financing for the time being.

* Out of 1 billion yen in overdrafts and 6 billion yen in commitment lines that were concluded last year, the contract for 3.2 billion yen has been extended by one year.

Reuse of combs



Reuse of combs started in April 2021.



Reuse of **combs** will be started.

QB HOUSE is thinking of starting measures that it can implement in efforts to improve environmental issues. Firstly, we will reduce the "volume of comb waste." Accordingly, we will disinfect combs used in accordance with the law and reuse them. We would appreciate your understanding and cooperation in advance.



- Response to the plastic waste problem
Reduce CO₂ emissions by 659 tons per year
- Reuse the same comb for multiple customers by ensuring hygiene. Until recently, one comb was used for one customer and then thrown away.

* Salons outside the Kanto region started reusing combs on April 1, 2021.
* Salons in the Kanto region started reusing combs on May 1, 2021.

QB PREMIUM



Number of customers visiting QB PREMIUM



QB PREMIUM

Price

¥1,500 (excluding tax)

Payment

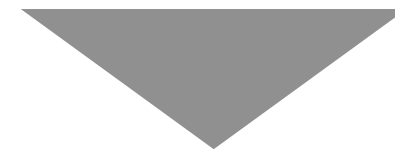
Payment at the counter
(in salons where there is no ticket vending machine)

Services

Haircut & styling

Drink service (charge)

Reservation service



The experiment is underway
with an eye set on the future
QB HOUSE

New Your Turn Information System (Domestic QB HOUSE)

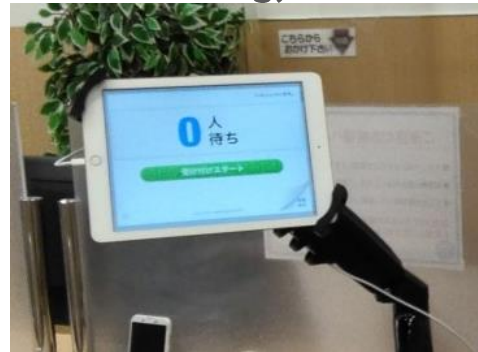
New Your Turn Information System (off-the-shelf product) has been introduced on a trial basis. The system allows users to put themselves on the waiting list for a haircut by using a smartphone, etc.

(Two salons in Keio Mall Annex and Ito-Yokado Kiba)

Your Turn Information System V2.0
(a version for online booking)



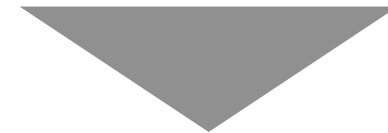
Smartphone screen



本社テスト店		待ち数:23
現在の順番待ち状況		
さいとう 様	17	やまぐち 様
わたへ 様	18	いのうえ 様
いしかわ 様	19	きむら 様
やまもと 様	20	はやし 様
なかむら 様	21	しみず 様

In-store monitor

- New Your Turn Information System has been introduced on a trial basis
- One salon is testing call buzzers that are used in food courts.



- Response to the customer need of "I don't want to wait inside the salon" is under consideration
- Effective use of waiting time

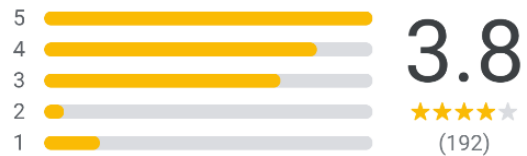
Google My Business

[Utilization of Google My Business]



概要 最新情報 商品 クチコミ 写真

Google でのクチコミの概要

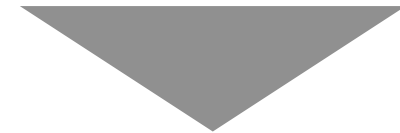


Link to the website of the Company
• Display how busy the salon is

Merchandise
• Important matters, such as prices

➤ Post correct salon information (Business hours, addresses, photos, etc.)

➤ To create contact points with users by replying to word of mouth



**Appeal to new customers
(acquisition of new customers)**

Overview of Consolidated Group Earnings for FYE June 2021

Consolidated statement of profit or loss

Unit: million yen	FYE June 2020		FYE June 2021			
	Results	Sales ratio	Results	Sales ratio	Changes	Year on year
Revenue	19,089	100.0%	18,933	100.0%	- 155	99.2%
Cost of sales	-16,245		-16,433		-188	101.2%
Gross profit	2,843	14.9%	2,500	13.2%	- 343	87.9%
Other operating income	129		742 * Recording of subsidy		612	
Selling, general and administration	-2,629		-2,466		162	93.8%
Other operating expenses	-104		-312 * Recording of salon impairment		-207	
Operating profit	239	1.3%	463	2.4%	223	193.5%
Finance income	16		12		-4	74.5%
Finance costs	-157		-189		-31	119.9%
Profit before tax	98	0.5%	286	1.5%	188	291.9%
Income tax expense	6		-42		-48	-677.3%
Profit	104	0.5%	243	1.3%	139	233.5%

Overview of Consolidated Group Finance for FYE June 2021

Consolidated statement of financial position

Unit: million yen	End of Q4 FYE June 2020	End of Q4 FYE June 2021	Changes	
Total current assets	6,544	5,641	- 903	Partial repayment of commitment lines, etc.
Cash and cash equivalents	5,117	4,601	- 515	
Trade and other receivables	775	781	6	
Inventories	169	104	- 64	
Other	482	152	- 329	Recording of income taxes receivable that were refunded at the end of the previous fiscal year.
Total non-current assets	26,176	24,992	- 1,183	
Property, plant and equipment	1,857	1,502	- 355	Decrease in number of new and renovated salons
Right-of-use assets	6,062	5,313	- 748	Decrease in fixed rents during the remaining contract period due to an increase in new salons and an increase in salon closures
Goodwill	15,430	15,430	-	
Other financial assets	1,856	1,854	- 2	
Deferred tax assets	639	654	14	
Other	330	238	- 91	
Total assets	32,721	30,634	- 2,087	
Total liabilities	22,935	20,477	- 2,457	Scheduled repayment of borrowings (minus 700 million yen) Partial repayment of commitment lines (minus 1,000 million yen)
Trade and other payables	342	202	- 139	
Interest-bearing liabilities	14,532	12,843	- 1,689	Decrease in fixed rents during the remaining contract period due to an increase in new salons and an increase in salon closures
Lease obligations	5,993	5,366	- 627	
Other	2,066	2,065	- 1	
Total equity	9,786	10,156	370	
Total liabilities and equity	32,721	30,634	- 2,087	

Overview of Consolidated Group Finance for FYE June 2021

Consolidated statement of cash flows

Unit: million yen

	Q4 FYE June 2020	Q4 FYE June 2021	Changes	
Cash flows from operating activities	2,747	4,050	1,302	
Profit before tax	98	286	188	
Depreciation and amortization	3,205	3,254	48	
Decrease (increase) in trade and other receivables	529	- 10	- 540	Difference in the timing of receivables collection due to bank holiday at period-end
Interest paid	- 137	- 151	- 14	
Proceeds from subsidy income	174	634	460	Refunded amount of interim payment of the previous fiscal year
Income taxes refund	-	271	271	
Income taxes paid	- 832	- 95	737	Decrease in payment due to a decline in the taxable income of QB Net in Japan
Other	- 290	- 139	150	
Cash flows from investing activities	- 838	- 393	444	
Purchase of property, plant and equipment	- 683	- 377	306	Decrease in number of new and renovated salons
Purchase of intangible assets	- 39	- 10	28	
Other	- 115	- 5	109	
Free cash flows	1,909	3,656	1,747	
Cash flows from financing activities	721	- 4,216	- 4,937	
Net increase (decrease) in short-term borrowings	3,982	- 1,018	- 5,000	Borrowing from commitment lines in the previous fiscal year → Partial repayment in the fiscal year under review
Repayments of long-term borrowings	- 700	- 700	-	
Dividends paid	- 237	-	236	Dividends per share decreased to 0 yen from 19 yen
Repayments of lease obligations	- 2,559	- 2,599	- 39	
Other	235	102	- 133	
Exchange differences of cash and cash equivalents	- 1	44	45	
Net increase (decrease) in cash and cash equivalents	2,628	- 515	- 3,144	
Cash and cash equivalents at end of period	5,117	4,601	- 515	

This document has been created for the purpose of disclosure of information on the Company and its subsidiaries and does not constitute a solicitation to sell or buy.

The document contains forward looking statements related to the QB Group that are based on our assumptions and judgment made on the basis of information currently available to the Company and may include known and unknown risks, uncertainties and other factors. Due to such risks, uncertainties and other factors, the Company's actual results or financial position may differ materially from any future performance or financial position expressed or implied by these forward looking statements.



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