



# **QB Net Holdings Co., Ltd.**

First half FYE June 2022

Financial Results Briefing Material

February 14, 2022

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# Executive Summary

## (H1 Results)

- Revenue was picking up, and increased to 10,178 million yen, 109.4% of the same period of the previous year. This was because salons had kept open during the state of emergency in Q1, and foot traffic to commercial facilities and public transport stations rose after the state of emergency was lifted in Q2.
- Operating profit was 804 million yen, 224.6% year on year. The increase in profit was due to higher operational efficiency, such as the optimization of salon stylists and operational cost reduction, in addition to the recovery in revenue.  
(Note: However, in respect of the full-year earnings forecast, the forecast at the beginning of the fiscal year remains unchanged due to uncertainty in the impact of the COVID-19 Omicron variant.)



## (Efforts in H2)

- The discount campaign for senior customers in Japan (a discount of 100 yen from the standard price) will end at the end of March 2022.
- As a measure against the lengthening of the haircut cycle, a limited-period campaign for senior customers will take place between April and June 2022 (if customers aged 65 or over visit our store again within a month after their previous visit, a 100-yen discount will be offered.)
- To push forward with digital transformation (DX), LINE mini app and QB HOUSE customer haircut charts are under development.
- In preparation for market growth after the end of the spread of Omicron, the hiring of stylists in particular will be strengthened in H2.

## Consolidated Group Earnings (Summary)

- In H1 FYE June 2022, with revenue on a recovery trend, both revenue and profit increased.
- The full-year earnings forecast remains unchanged due to uncertainty in the impact of the COVID-19 Omicron variant.

### Consolidated Group Earnings (Summary)

| Unit: million yen               | H1 FYE June 2022 |                  | First half FYE June 2022 Forecast |                  |              | Full year FYE June 2022 Forecast |                  |               |
|---------------------------------|------------------|------------------|-----------------------------------|------------------|--------------|----------------------------------|------------------|---------------|
|                                 | Results          | Year on year (%) | Initial plan                      | Year on year (%) | Against plan | Initial plan                     | Year on year (%) | Progress rate |
|                                 |                  |                  |                                   |                  |              |                                  |                  |               |
| <b>Revenue</b>                  | 10,178           | 109.4%           | 10,140                            | 109.0%           | 100.4%       | 20,840                           | 110.1%           | 48.8%         |
| <b>Operating profit</b>         | 804              | 224.6%           | 480                               | 133.9%           | 167.7%       | 1,100                            | 237.3%           | 73.2%         |
| <b>Profit before tax</b>        | 727              | 272.6%           | 390                               | 146.2%           | 186.5%       | 920                              | 321.2%           | 79.0%         |
| <b>Profit</b>                   | 493              | 215.5%           | 270                               | 117.9%           | 182.7%       | 640                              | 262.4%           | 77.1%         |
| <b>Basic earnings per share</b> | 38.39 yen        |                  | 21.02 yen                         |                  |              | 49.09 yen                        |                  |               |
| <b>Dividends per share</b>      | —                |                  | —                                 |                  |              | TBD                              |                  |               |

## [Consolidated] Track Records of New, Relocated, and Closed Salons

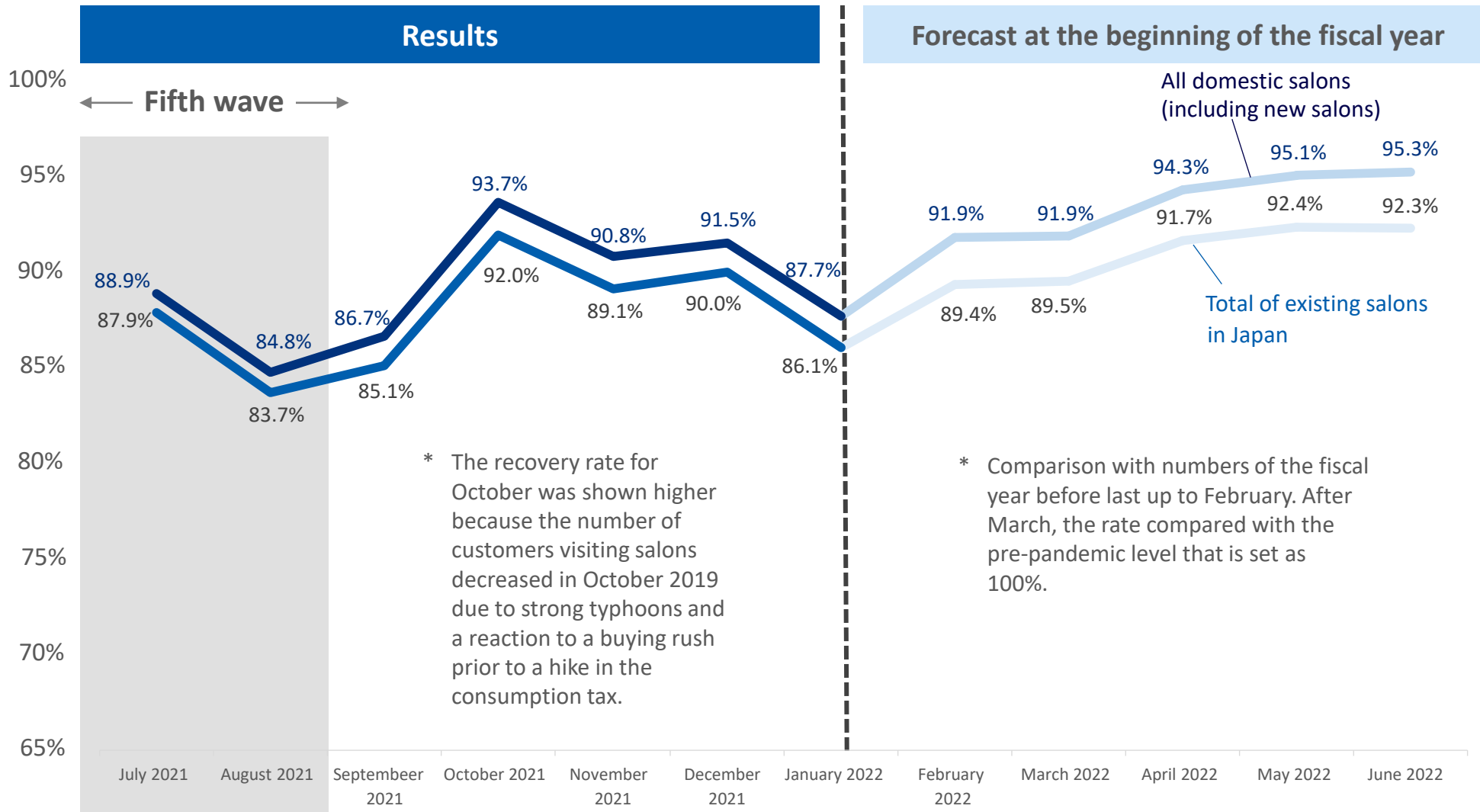
- The net increase in the number of salons in H1 was nine on a consolidated basis.
- The main reasons for salon closures were redevelopment projects of railway stations, relocation, etc.

| Unit: Salons                    | Business form at | End-FYE June |           |            | Change     | End of H1  |
|---------------------------------|------------------|--------------|-----------|------------|------------|------------|
|                                 |                  | 2021         | New salon | Relocation |            |            |
| Japan                           | QB HOUSE         | 565          | 9         | 3          | - 5        | 572        |
|                                 | QB PREMIUM       | 1            | 1         | 0          | 0          | 2          |
|                                 | FaSS             | 13           | 0         | 0          | 0          | 13         |
| <b>Subtotal in Japan</b>        |                  | <b>579</b>   | <b>10</b> | <b>3</b>   | <b>- 5</b> | <b>587</b> |
| Singapore                       | QB HOUSE         | 23           | 0         | 0          | 0          | 23         |
|                                 | QB HOUSE Premium | 9            | 0         | 0          | 0          | 9          |
|                                 | QB HOUSE Kids    | 2            | 0         | 0          | 0          | 2          |
| Hong Kong                       | QB HOUSE         | 66           | 1         | 0          | - 1        | 66         |
| Taiwan                          | QB HOUSE         | 31           | 1         | 0          | - 1        | 31         |
| U.S.                            | QB HOUSE         | 4            | 1         | 0          | 0          | 5          |
| <b>Subtotal of overseas</b>     |                  | <b>135</b>   | <b>3</b>  | <b>0</b>   | <b>- 2</b> | <b>136</b> |
| <b>Consolidated group total</b> |                  | <b>714</b>   | <b>13</b> | <b>3</b>   | <b>- 7</b> | <b>723</b> |

(\*1) The number of closures includes those by relocations.

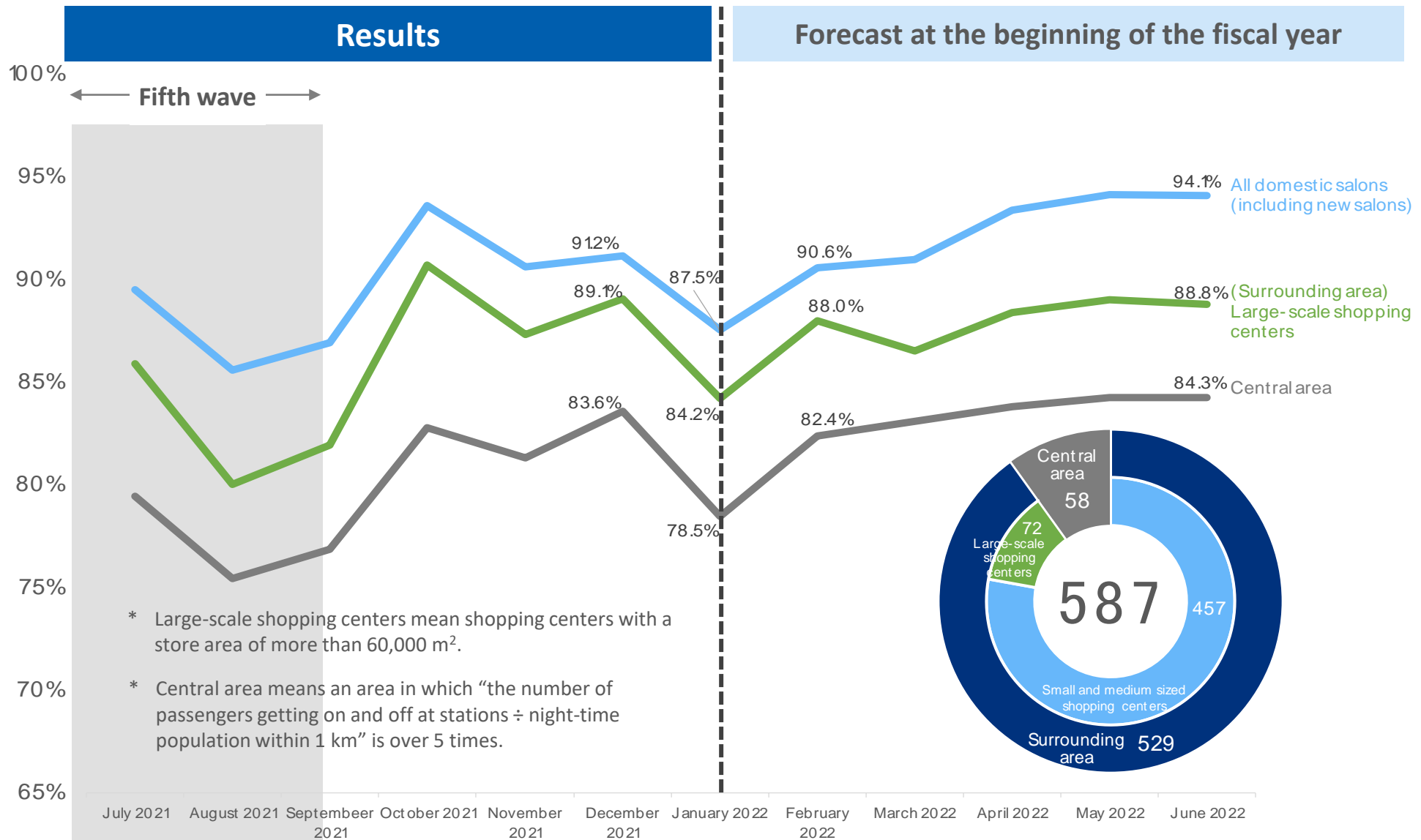
# [Domestic] Results and Assumptions of Recovery Rate in Number of Customers Visiting Salons

- The recovery rate in the number of customers visiting salons in H1 trended almost as planned.
- The recovery rate in January was affected by the impact of Omicron in addition to the lower average temperature than those of usual years.



# [Domestic] Results and Assumptions of Recovery Rate in Number of Customers Visiting Salons by Location

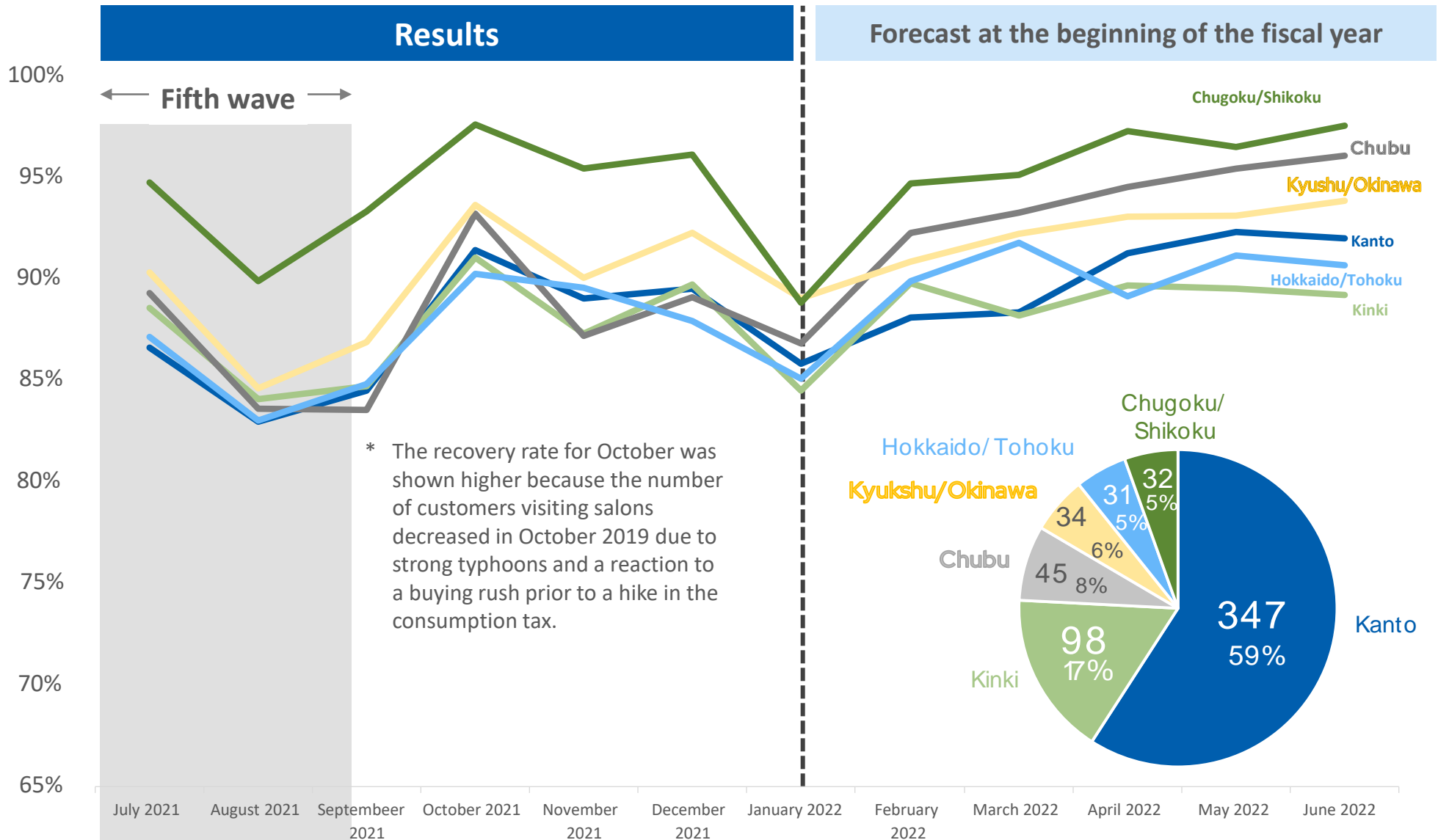
- In Q2, the recovery rate improved in all locations in the wake of the lifting of the state of emergency at the end of September.



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

# [Domestic] Results and Assumptions of Recovery Rate in Number of Customers Visiting Salons by Region

- By region in Q2, the rate recovered in “Chugoku/Shikoku” and “Kyushu/Okinawa.”

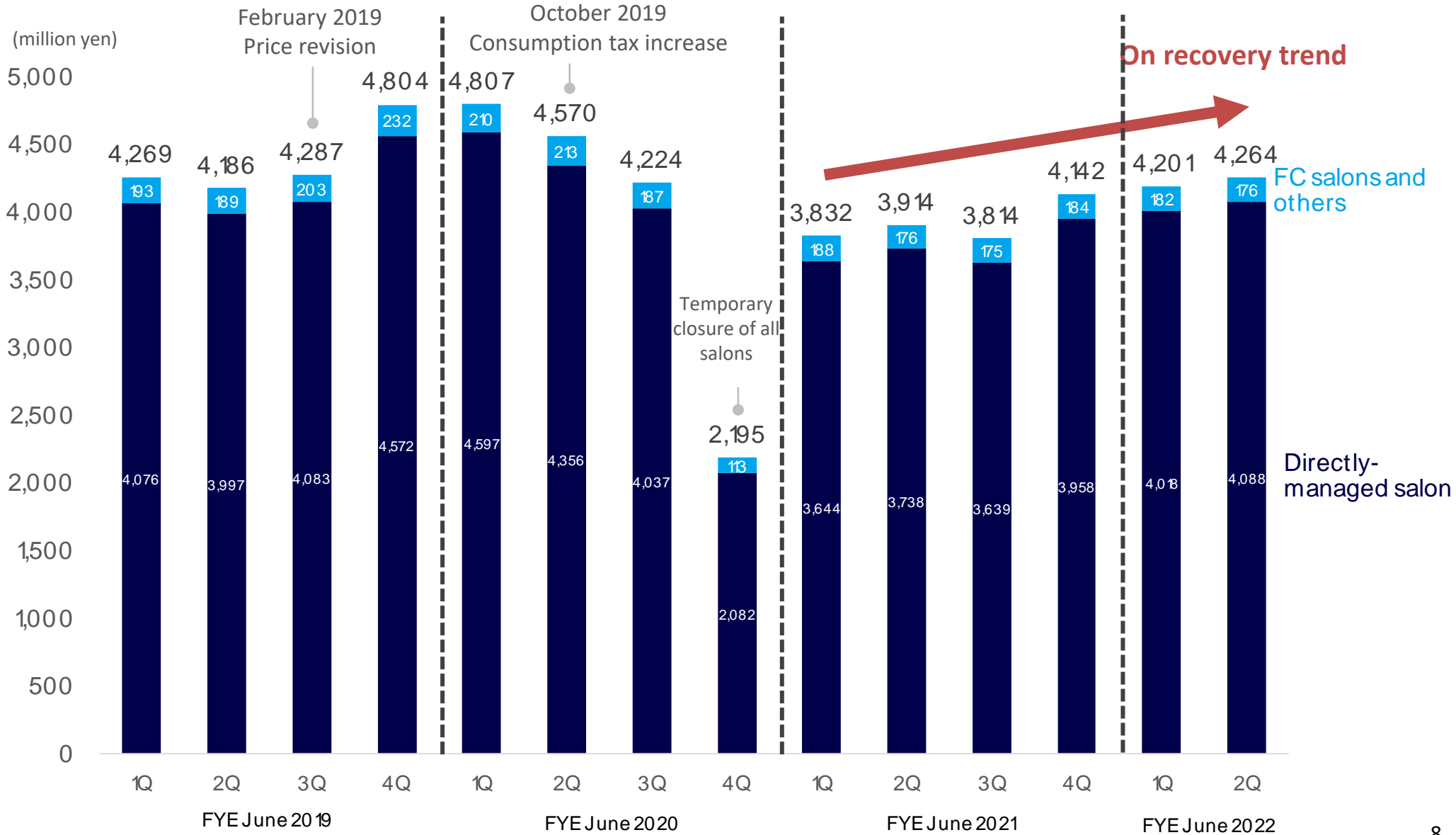


\* Year-on-year comparison up to February. After March, the ratio compared with the pre-pandemic level that is set as 100%



# [Domestic] Trend in Revenue

- Domestic revenue continues to recover (Q1 and Q4 are busy periods under normal circumstances.)



# [Overseas] Business Situation

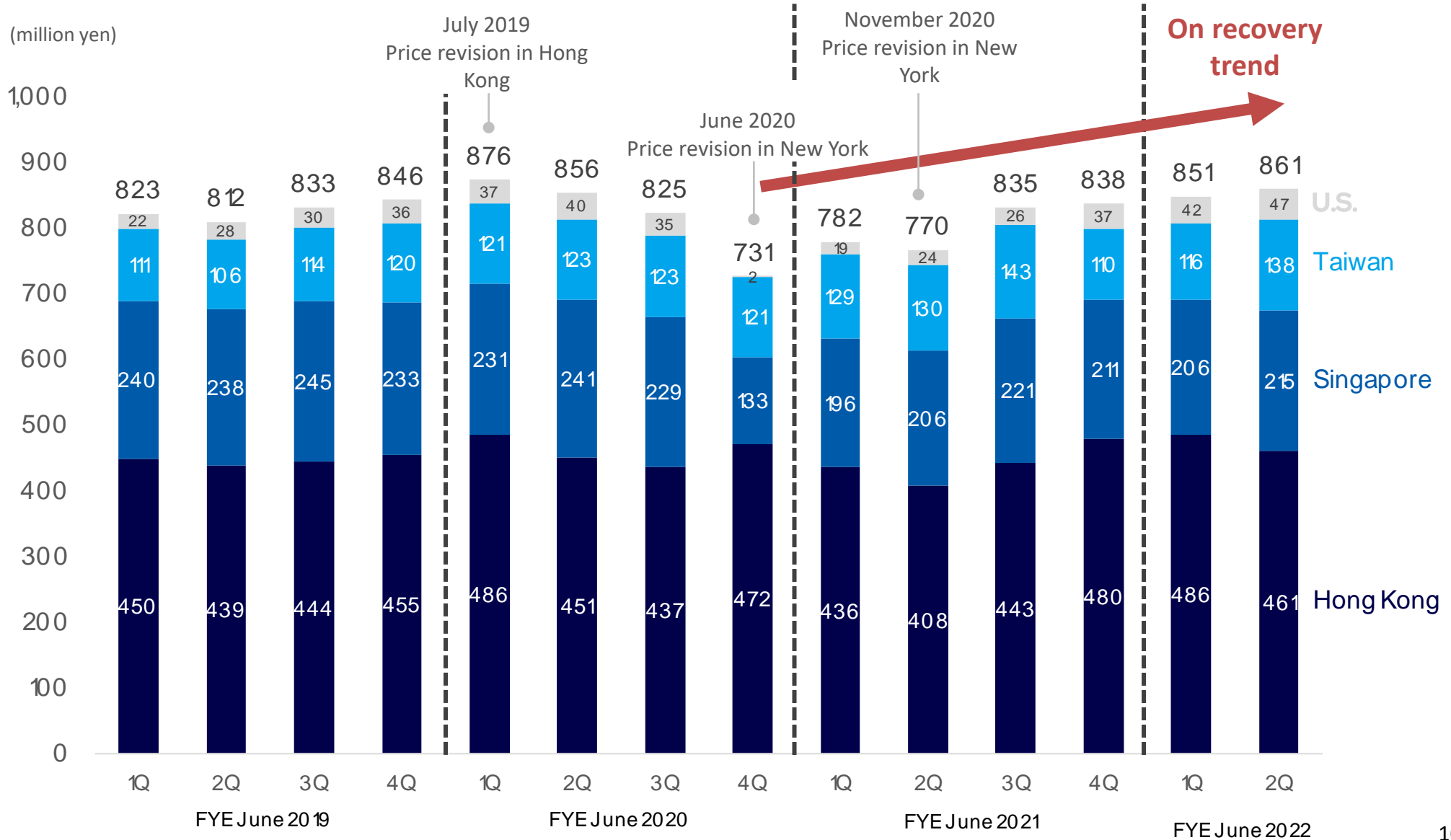
|           | Revenue<br>Q2 only<br>Compared with<br>the fiscal year<br>before last | Number of<br>customers<br>Q2 only<br>Compared with<br>the fiscal year<br>before last | Situation   | Second-<br>vaccination rate             |
|-----------|---|--|---|---|
| Hong Kong | 102.1%  | 97.6%  | In October, business was affected by a typhoon (all stores were temporarily closed for about two and half days due to the typhoon).<br>Eating out after 6 p.m. has been banned since January 7, and bars and gyms have been closed.<br>In this year's busy season before the Lunar New Year, business was about 92% of the same period of a year earlier.<br>Infections have increased since the end of January. As a result, all salons will remain closed from February 10 to 23 due to the reinforcement of anti-infection measures. | 64.9%<br>(As of February 6)             |
| Singapore | 89.1%   | 84.0%  | Infections peaked out in late October last year. But they have resurged since late January.<br>Border control measures, including the strengthening of testing, have been tightened due to Omicron since December 6.<br>Unvaccinated workers have been prohibited from coming to the office in person in principle since January.<br>In this year's busy season before the Lunar New Year, business was at a similar level to the previous year.  | 84.2%<br>(As of January 30)             |
| Taiwan    | 111.6%  | 98.8%  | The number of infections remains low in Q2.<br>The first Omicron infection was confirmed in January.<br>Since January 10, measures have been in effect, such as the mandatory wearing of masks outdoors and a limit to the number of people in stores.<br>In this year's busy season before the Lunar New Year, business was about 90% of the same period of a year earlier.  | 74.3%<br>(As of February 7)             |
| U.S.      | 118.1%  | 90.5%  | There was the impact of the price revisions (to \$23 from \$20 in June 2020 and to \$25 in November 2020).<br>On November 26, New York declared a state of emergency in order to avoid shortages of hospital beds.<br>Infections have increased since December. Consequently, lots of companies started teleworking, and this affected our business.<br>As infections started decreasing since late January, revenue is recovering.   | New York<br>74.6%<br>(As of February 8) |

\*\* Revenues are compared in yen terms and so they include the effects of exchange rate differences (a depreciation of the yen).

\* In order to compare with the pre-pandemic period, a comparison was made with the same period of the fiscal year before last (including new salons).

# [Overseas] Trend in Revenue

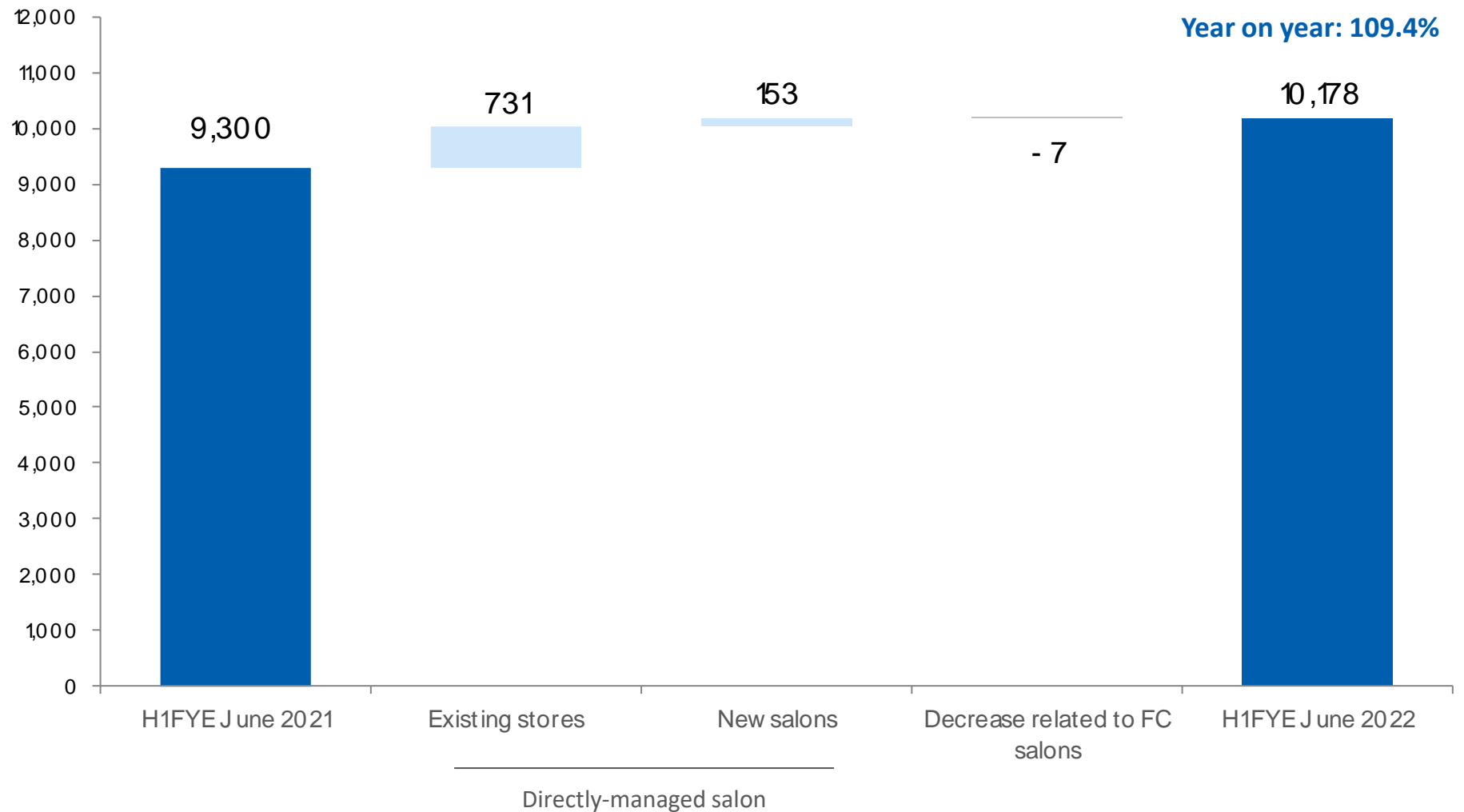
Overseas revenue too remains on a recovery trend.



# [Consolidated] Breakdown of Changes in Revenue (YoY)

- Revenue was on a recovery trend after the lifting of the state of emergency and increased by 877 million yen year on year.

Unit: million yen



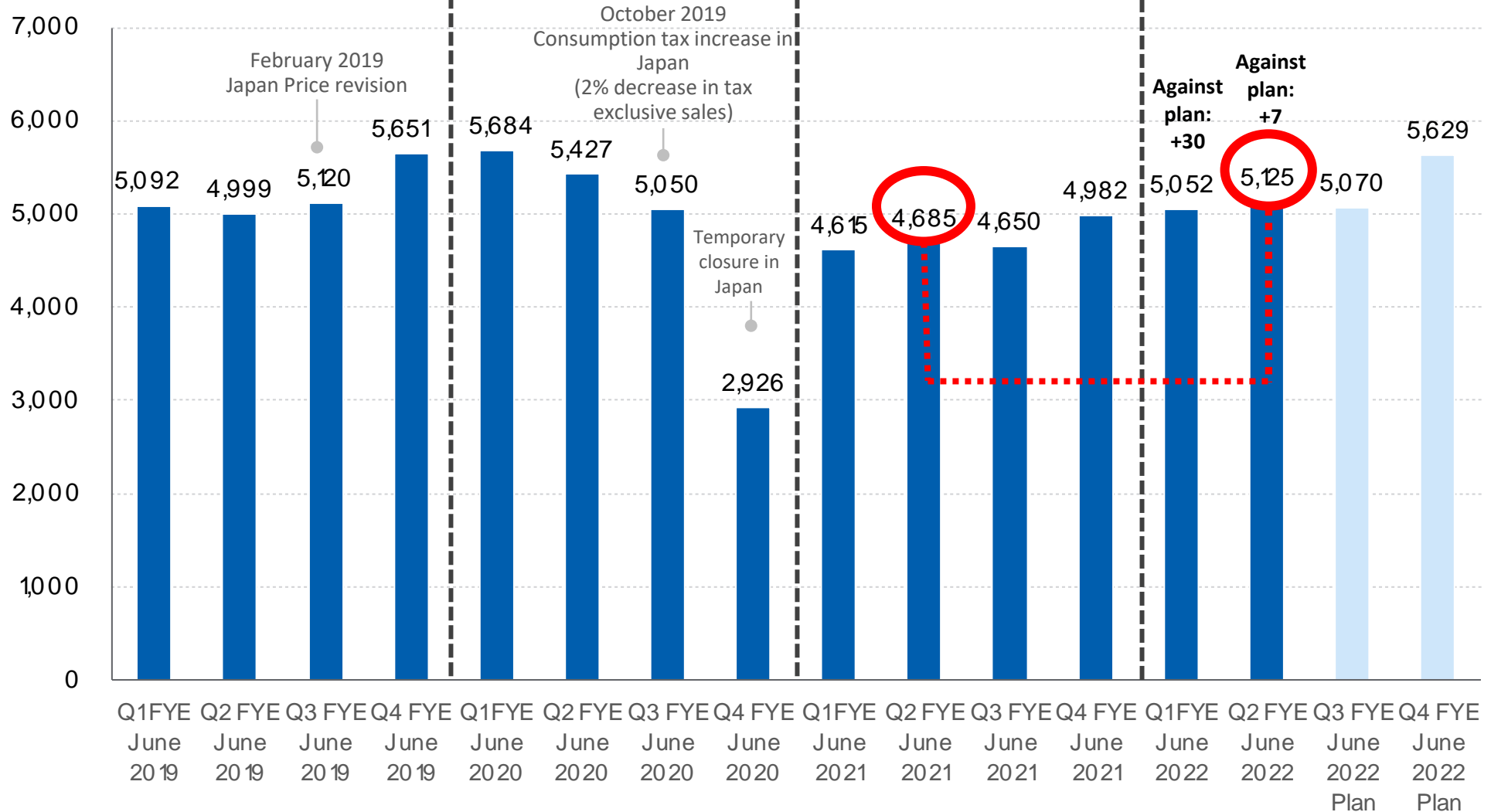
\* New salons are those less than 13 months since opening

# [Consolidated] Trend in Revenue

## Results

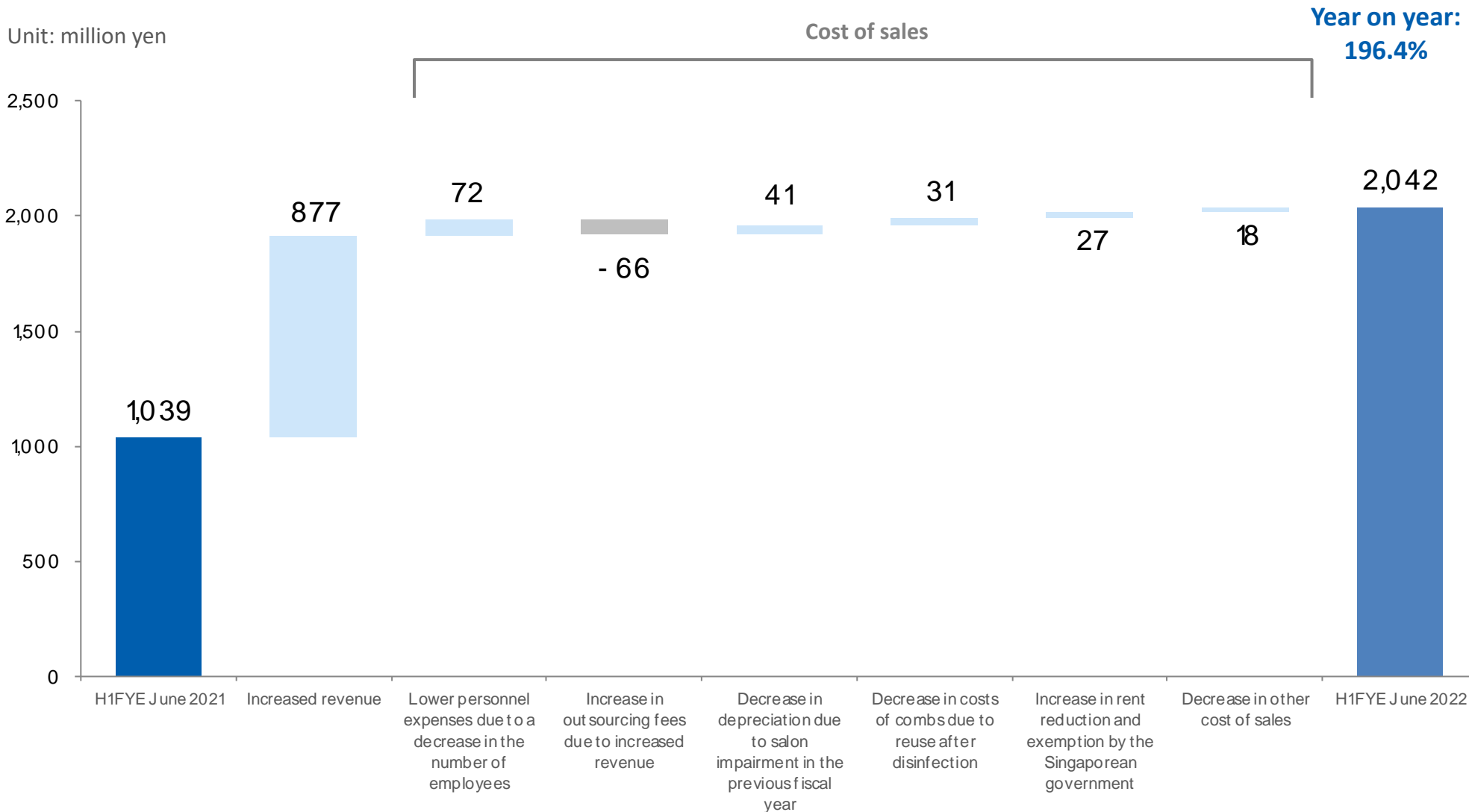
Forecast at the beginning of the fiscal year

Unit: million yen



# [Consolidated] Breakdown of Changes in Gross Profit (YoY)

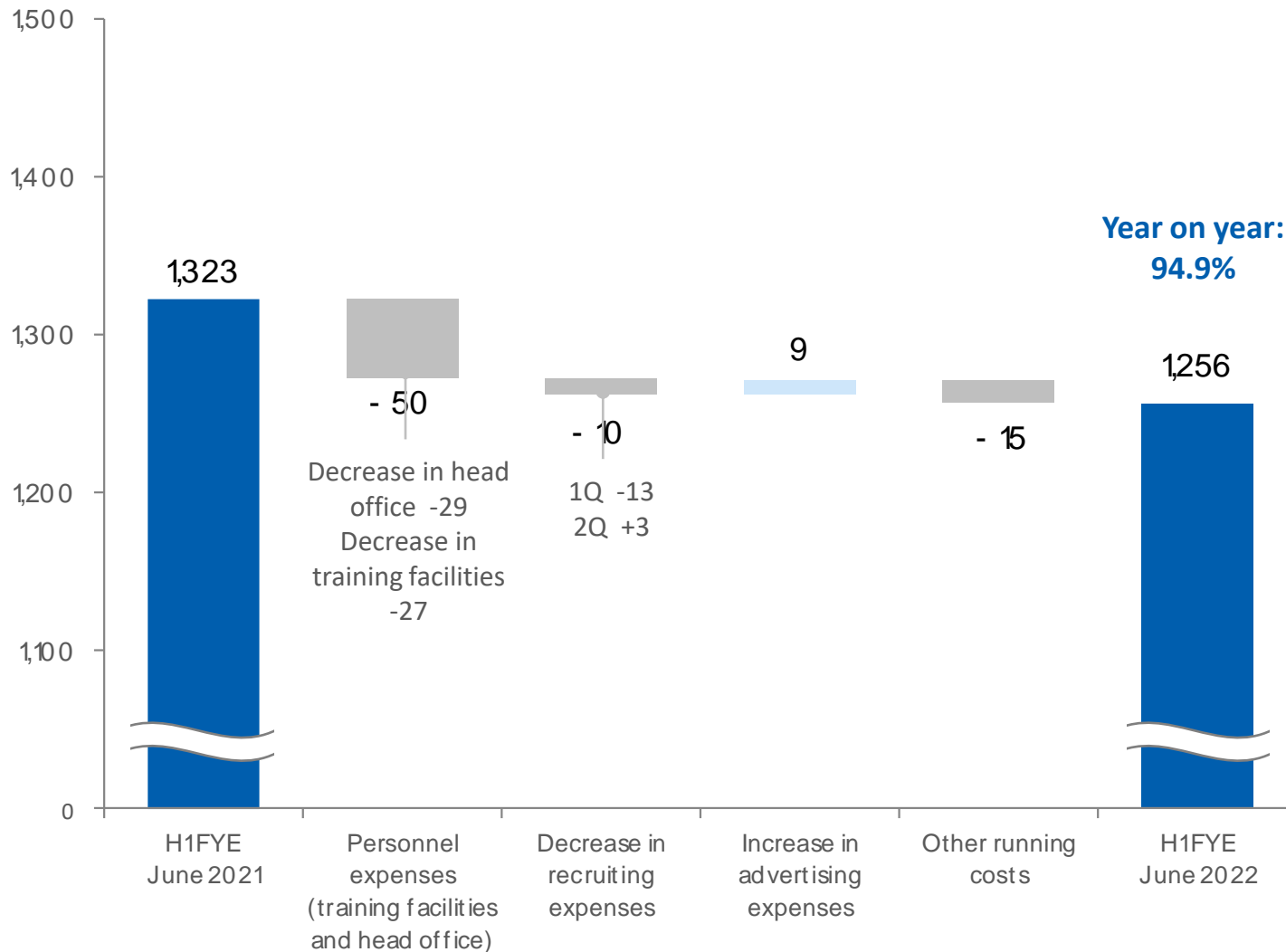
- Gross profit increased 1,002 million yen year on year mainly due to salon impairment recognized in the previous year and a decrease in costs, such as combs from their reuse, in addition to the recovery in revenue.



# [Consolidated] Breakdown of Changes in SG&A Expenses (YoY)

- SG&A expenses decreased 66 million yen year on year mainly due to a decrease in personnel expenses at training facilities and the head office, and a reduction in recruiting expenses in Q1.

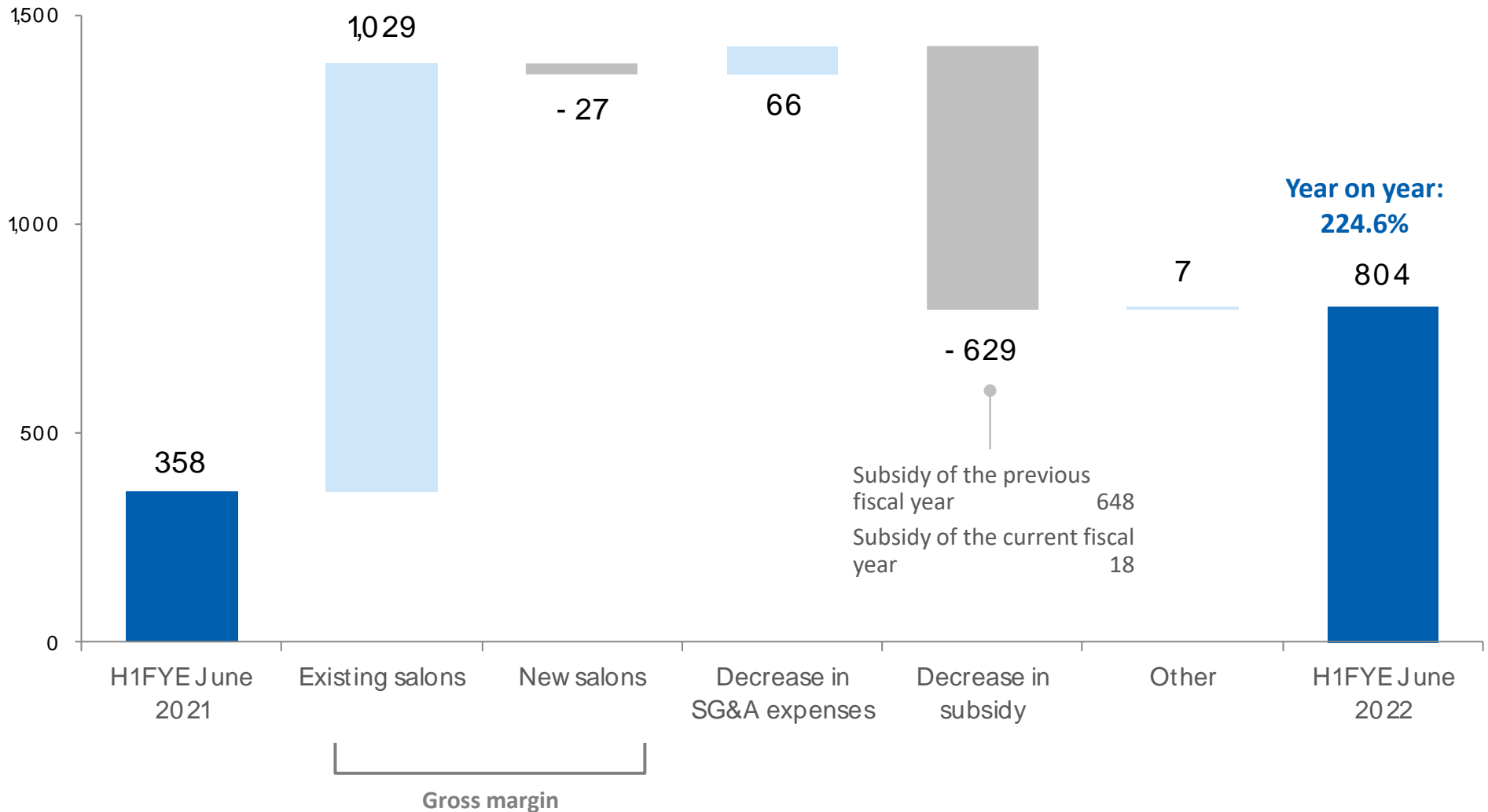
Unit: million yen



# [Consolidated] Breakdown of Changes in Operating Profit (YoY)

- Operating profit increased 446 million yen year on year primarily due to a recovery in gross profit and a decrease in SG&A expenses.

Unit: million yen

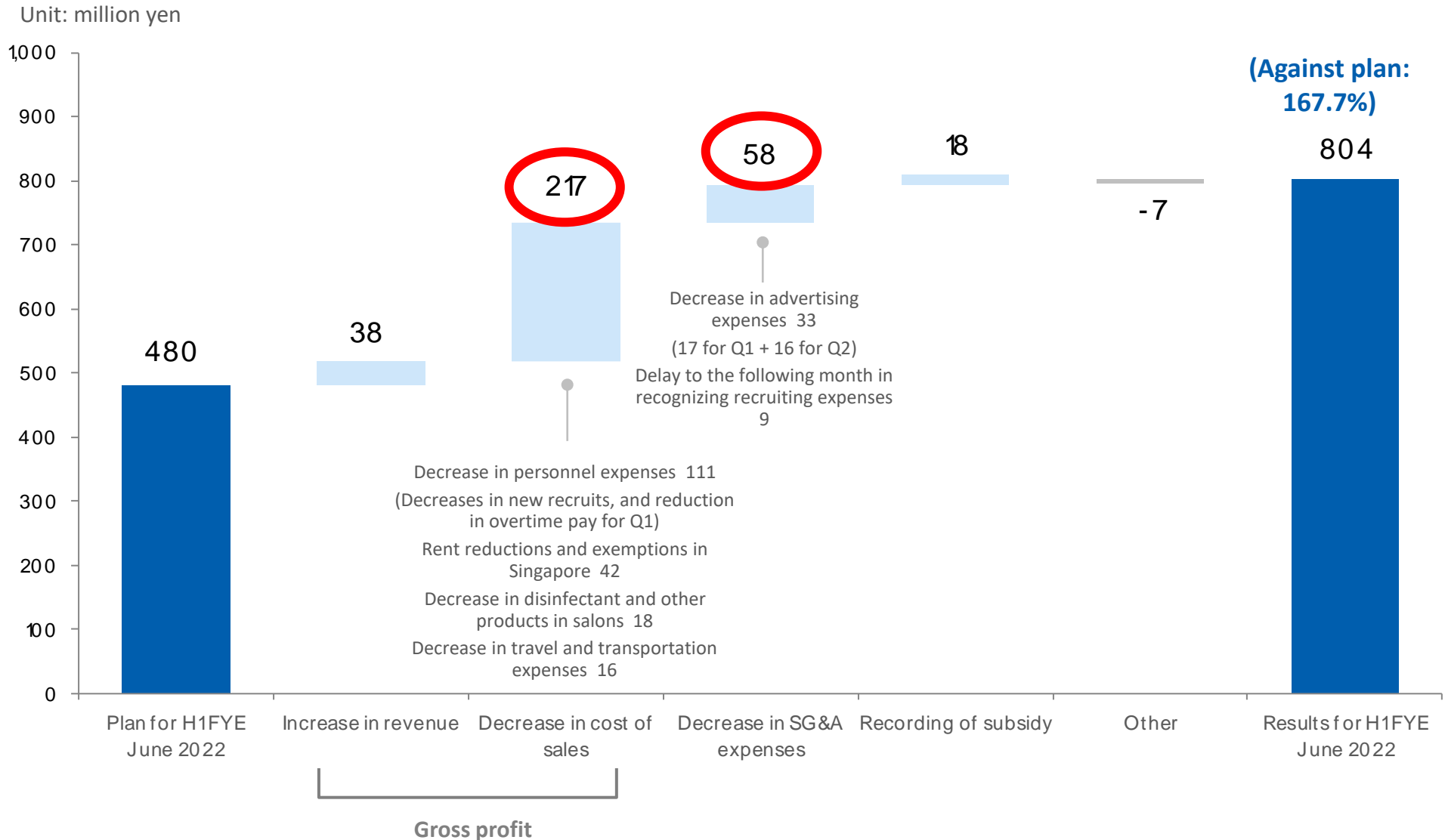


\* New salons are those less than 13 months since opening

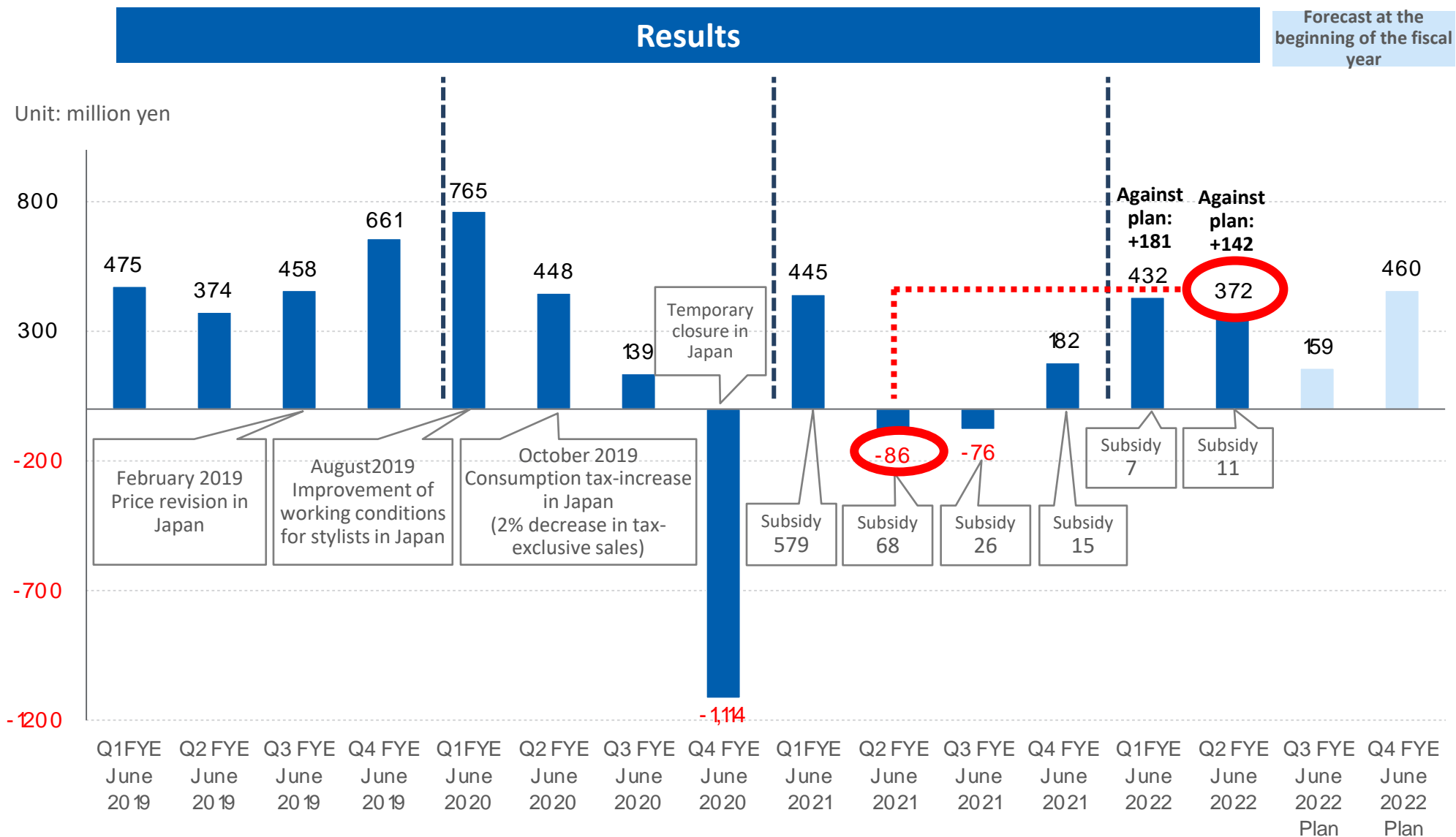


## [Consolidated] Reference: Breakdown of Changes in Operating Profit (Against Plan)

- Operating profit increased by 324 million yen against the plan mainly due to decreases in cost of sales and SG&A expenses, primarily resulting from a decrease in the hiring of new recruits and rent reductions and exemptions for tenants.



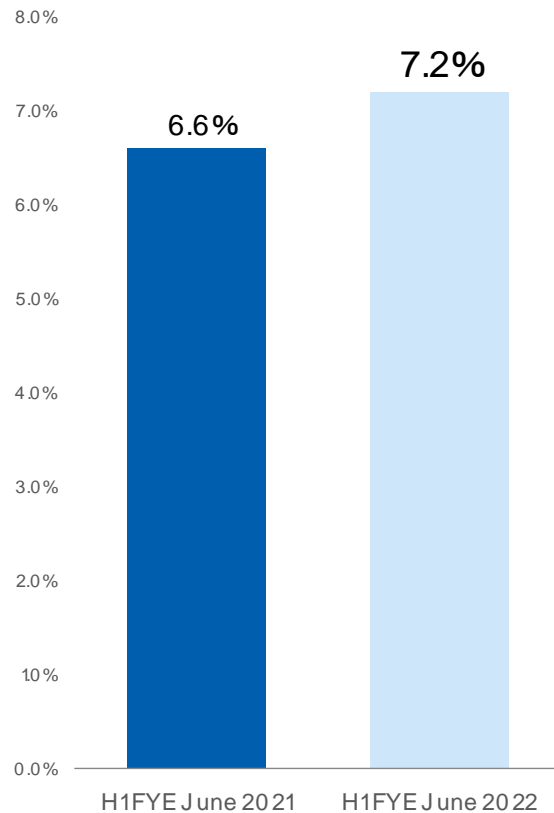
# [Consolidated] Trend in Operating Profit



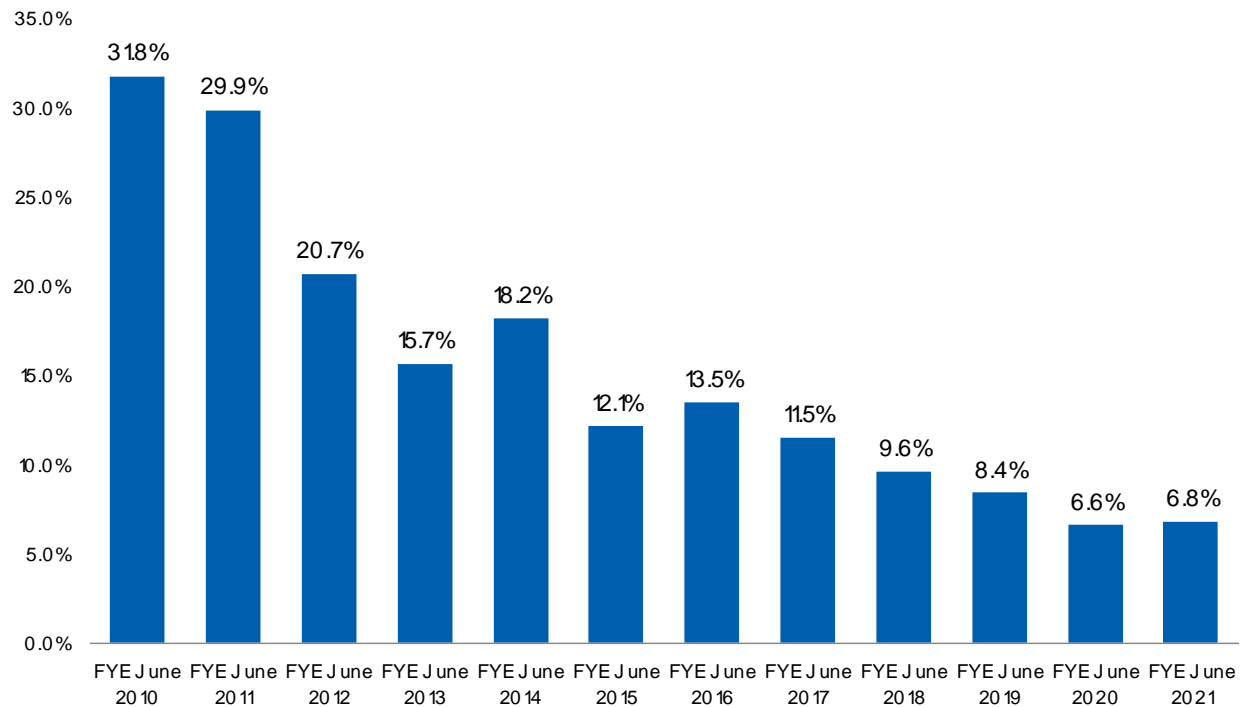
# [Domestic] Trend in Turnover Rate of Stylists (Regular Employees)

- The turnover rate of regular employees in Japan was 7.2% on an annualized basis (up 0.6 percentage points from the previous year)
- The rise was due to three more regular employees leaving the company than in the previous year and a decrease in the number of regular employees that is the denominator of the turnover rate.

## Turnover rate (annualized rate) of regular employees in H1 in Japan



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



\* Excluding the head office

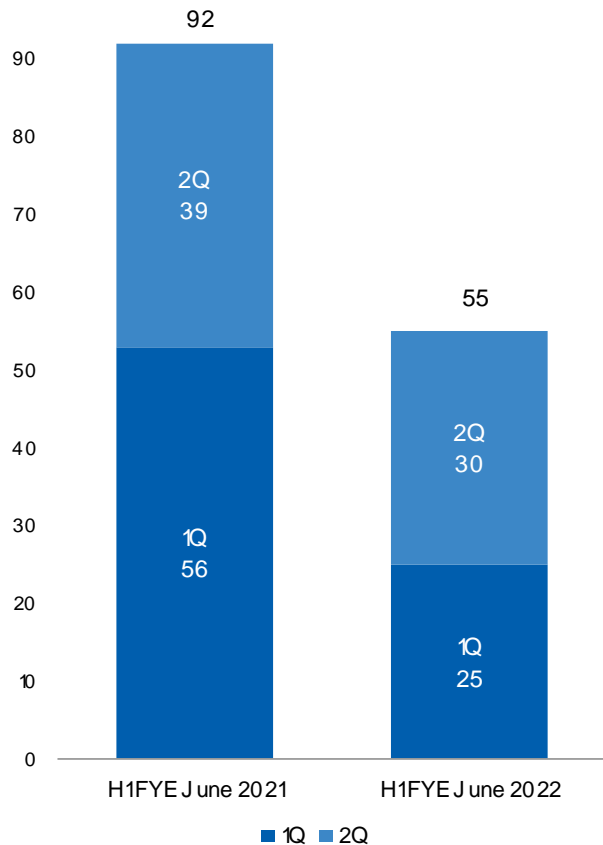
\* Including training facilities (LogiTHcut Professional Stylist School)

# [Domestic] Situation of Number of Stylists

- The number of regular employees hired in Japan was 55 people (down 37 year on year) mainly due to curbs on hiring in Q1.
- The number of employees decreased by 100 people for a year (regular employees -62 and part-timers -38) due to the curbs in hiring.

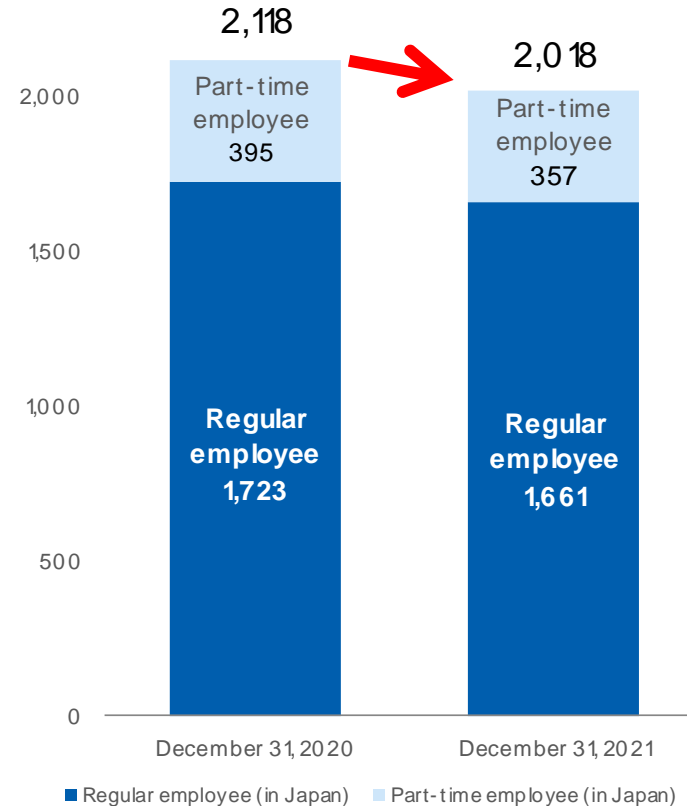
Number of regular employees newly hired in Japan

Unit: person  
100



Number of employees in Japan as of December 31, 2021

Unit: person  
2,500

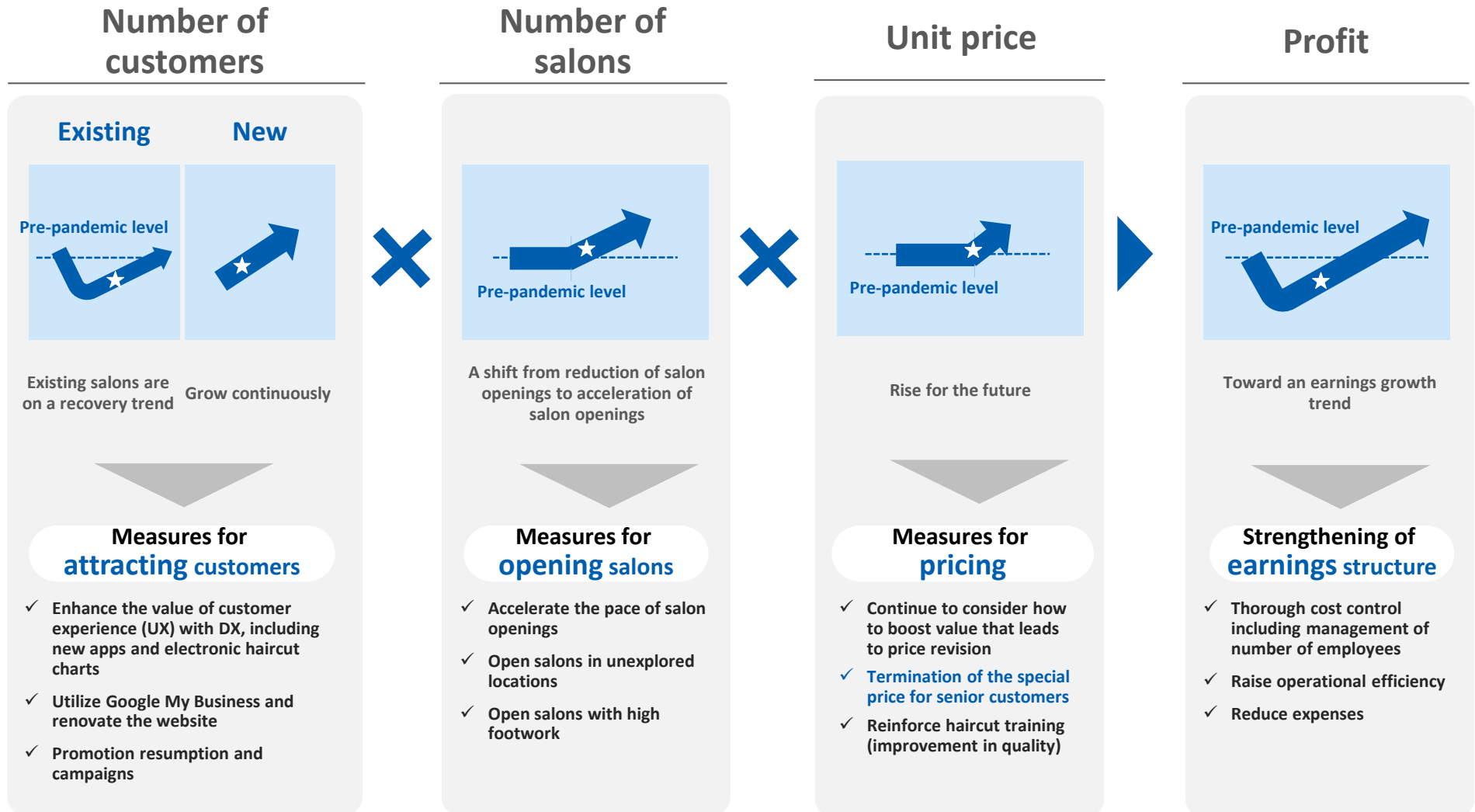


\* Excluding regular employees who were transferred from consigned salons. Excluding the head office. Including training facilities (LogiTHcut Professional Stylist School).

\* Including transfers from consigned salons. Excluding the head office. Including training facilities (LogiTHcut Professional Stylist School).

# 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.

# Key measures (1) Asking customers to join membership via the LINE mini app and development of electronic haircut charts



- (Phase 1)  
Ask customers to join membership through LINE mini app  
(Scheduled to be released in July 2022)

- (Phase 2)  
Development of QB HOUSE's electronic haircut charts



- Increase customer contacts and strengthen digital sales promotion
- Enhance work efficiency through electronic haircut charts
  - Reduce communication problems when customers make requests for hairstyles
  - Shortening counseling time

## Key measures (2) History of price changes in QB HOUSE in Japan

- **April 2014:** (The consumption tax was hiked to 8%.)  
The price was raised to 1,080 yen including tax from 1,000 yen including tax. **The special price for senior customers was introduced for the first time (those aged 65 or over and weekdays only)**, mainly aimed at minimizing opportunity loss for Saturdays, Sundays and national holidays through a leveling off of the number of customers between weekends including holidays and weekdays.
- **February 2019:** The price was raised to 1,200 yen from 1,080 yen (both including tax) prior to the consumption tax hike.  
**The special price for senior customers was hiked to 1,100 yen including tax from 1,000 yen including tax.**
- **October 2019:** (Consumption tax increased to 10%) Our prices remained unchanged.
- **November 2021:** A decision was made to end the discount for senior customers since the ratio of elderly customers to all customers\* is expected to rise as society ages further.  
\* 15.3% (FYE June 2015) → 17.8% (FYE June 2021)
- **End of March 2022:** **The special price for senior customers will end (price will go to 1,200 yen including tax from 1,100 yen).**

## Key measures (3) *Tsukiichi* (once a month) Campaign (limited to customers aged 65 or over)

Idea of tickets for *Tsukiichi* campaign



## From April to the end of June 2022

If customers aged 65 or over visit a salon within a month after their last visit, a 100-yen discount will be offered.

- Transitional measure for the termination of the special price for senior customers
- Response to the lengthening of the haircut cycle



STATEMENT

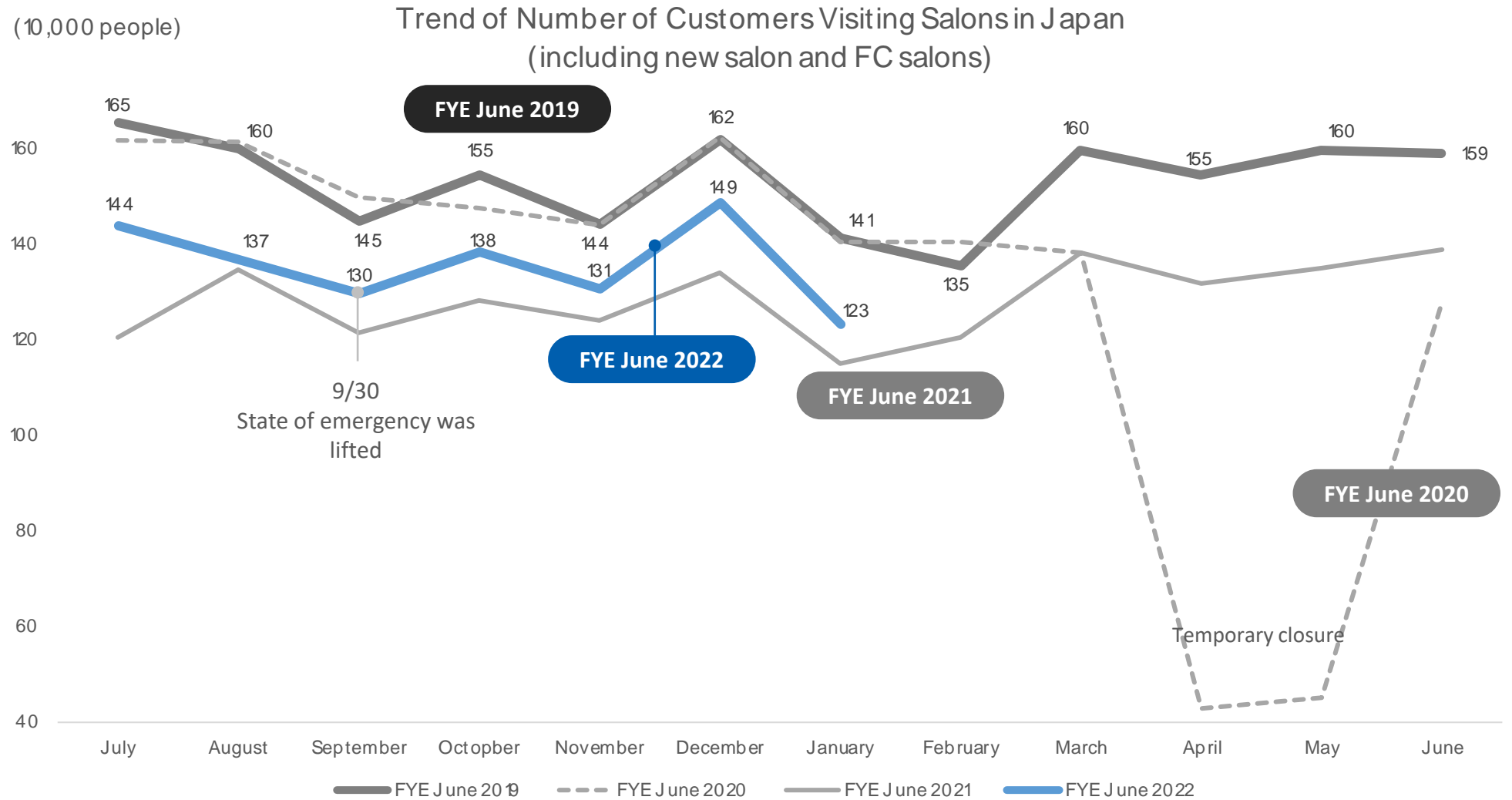
LESS IS MORE

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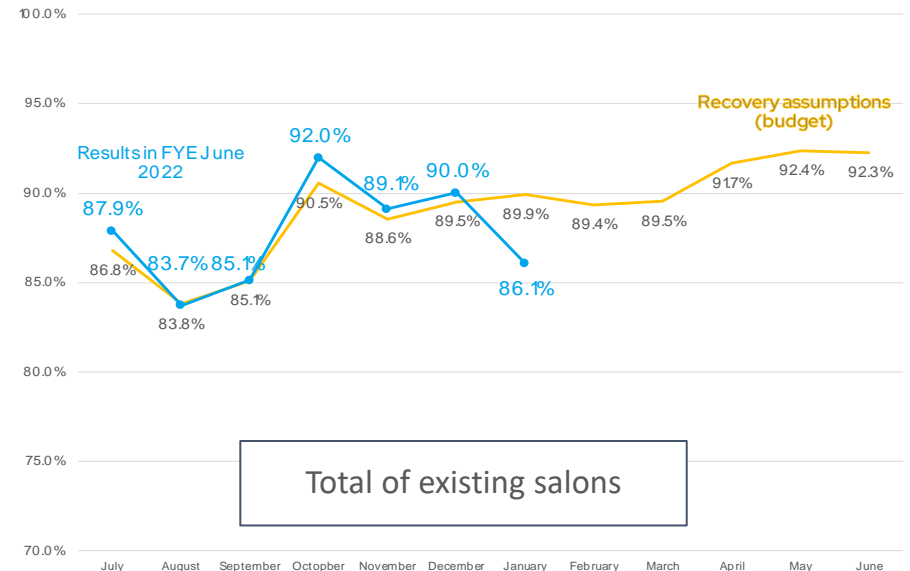
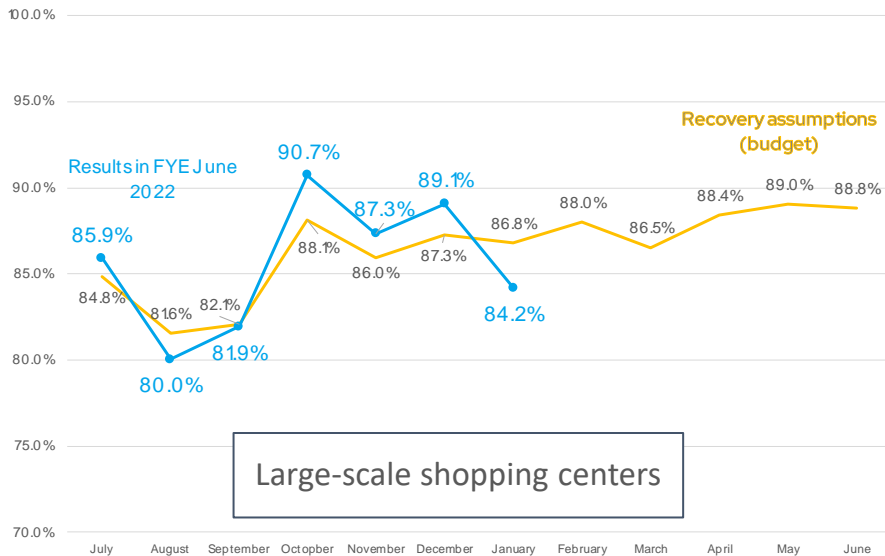
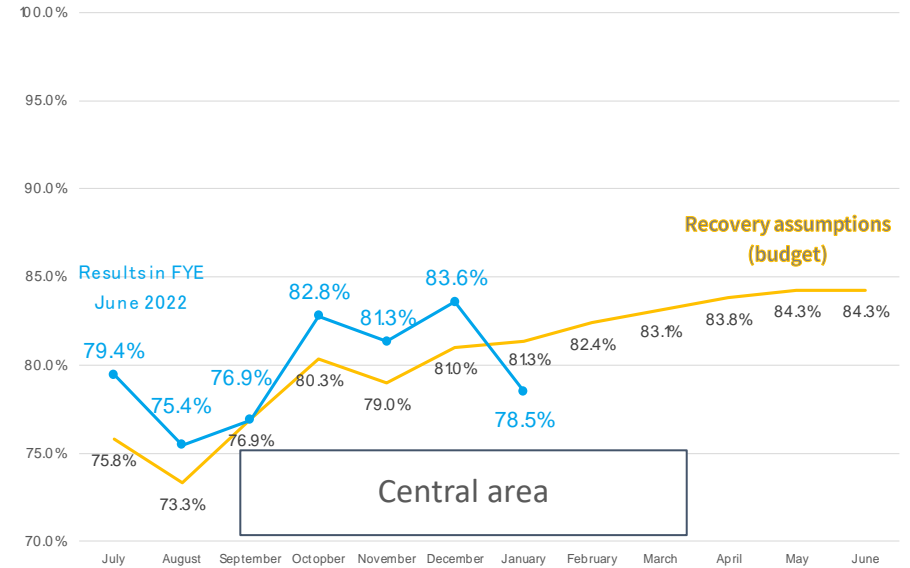
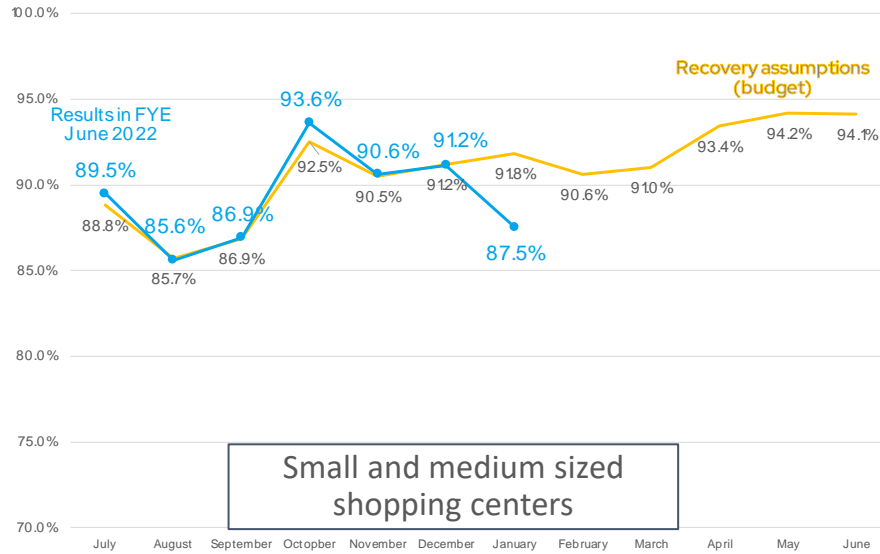
“Power-saving, Labor-saving,  
Time-saving, and Resources-saving”

# Appendix

# [Domestic] Number of Customers Visiting Salons Year-on-Year Comparison



# [Domestic] Recovery Assumptions and Results of Number of Customers Visiting Salons by Location (Existing Salons)



## New App (Already Introduced to 13 FaSS Salons and 2 Salons of QB PREMIUM)

The ratio of use for bookings in FaSS is rising and has reached 40%

(As high as 51% at salons that have higher usage rates)



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

# New Your Turn Information System (Domestic QB HOUSE)

New Your-Turn Information System has been used on a trial basis (Ito-Yokado Kiba salon). The system allows users to put themselves on the waiting list for a haircut by using a smartphone, etc.

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  |
| わたべ 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

**Monitoring how busy the salon is, we are considering whether to expand the usage of the New Your-Turn Information System to more salons.**



- The need of wanting to avoid waiting inside a salon  
Reduce the length of time that customers have to stay inside a salon by making their appointment online.
- Effective use of waiting time

## Reference: History of Price Revisions (Unit Price)

| History of price revisions (including tax) |   |
|--|---|
| In Japan                                   | <ul style="list-style-type: none"> <li>• April 2014: 1,000 yen → 1,080 yen (1,000 yen for customers aged 65 or over on weekdays)</li> <li>• April 2014: FaSS 2,000 yen → 2,160 yen</li> <li>• February 2019: 1,080 yen → 1,200 yen (1,100 yen for customers aged 65 or over on weekdays)</li> <li>• October 2019: FaSS 2,160 yen → 2,200 yen (the increased amount of the consumption tax was added)</li> <li>• March 2020: QB PREMIUM 1,650 yen</li> </ul> |
| Singapore                                  | <ul style="list-style-type: none"> <li>• December 2012: \$10 (about 850 yen) → \$12 (about 1,020 yen)</li> <li>• QB HOUSE Premium: \$15 (about 1,275 yen)</li> <li>• QB HOUSE Kids (Aged 12 or under): \$22 (about 1,870 yen)</li> </ul>  |
| Hong Kong                                  | <ul style="list-style-type: none"> <li>• July 2014: \$50 (about 750 yen) → \$60 (about 900 yen)</li> <li>• July 2019: \$60 (about 900 yen) → \$70 (about 1,050 yen)</li> </ul>  |
| Taiwan                                     | <ul style="list-style-type: none"> <li>• Although there already existed plenty of copycat stores that charged 100 yuan (about 420 yen), OB HOUSE entered the market with a price of 300 yuan (about 1,260 yen).</li> </ul>  |
| New York                                   | <ul style="list-style-type: none"> <li>• June 2020: \$20 (about 2,300 yen) → \$23 (about 2,645 yen)</li> <li>• November 2020: \$23 (about 2,645 yen) → \$25 (about 2,875 yen)</li> </ul>  |

# Overview of Consolidated Group Earnings

## Consolidated statement of profit or loss

| Unit: million yen                   | H1FYE June 2021 |                       | H1FYE June 2022 |                      |              |               |
|-------------------------------------|-----------------|-----------------------|-----------------|----------------------|--------------|---------------|
|                                     | Results         | Sales ratio           | Results         | Sales ratio          | Changes      | Year on year  |
| <b>Revenue</b>                      | <b>9,300</b>    | <b>100.0%</b>         | <b>10,178</b>   | <b>100.0%</b>        | <b>877</b>   | <b>109.4%</b> |
| Cost of sales                       | - 8,261         |                       | - 8,136         |                      | 124          | 98.5%         |
| <b>Gross profit</b>                 | <b>1,039</b>    | <b>11.2%</b>          | <b>2,042</b>    | <b>20.1%</b>         | <b>1,002</b> | <b>196.4%</b> |
| Other operating income              | 670             | <b>* Subsidy: 648</b> | 41              | <b>* Subsidy: 18</b> | - 629        |               |
| Selling, general and administration | - 1,323         |                       | - 1,256         |                      | 66           | 94.9%         |
| Other operating expenses            | - 27            |                       | - 21            |                      | 6            |               |
| <b>Operating profit</b>             | <b>358</b>      | <b>3.9%</b>           | <b>804</b>      | <b>7.9%</b>          | <b>446</b>   | <b>224.6%</b> |
| Finance income                      | 6               |                       | 6               |                      | 0            | 107.8%        |
| Finance costs                       | - 97            |                       | - 84            |                      | 13           | 86.3%         |
| <b>Profit before tax</b>            | <b>266</b>      | <b>2.9%</b>           | <b>727</b>      | <b>7.1%</b>          | <b>460</b>   | <b>272.6%</b> |
| Income tax expense                  | - 37            |                       | - 233           |                      | - 196        | 618.1%        |
| <b>Profit</b>                       | <b>228</b>      | <b>2.5%</b>           | <b>493</b>      | <b>4.8%</b>          | <b>264</b>   | <b>215.5%</b> |



# Overview of Consolidated Group Earnings

## Consolidated statement of financial position

| Unit: million yen                   | End of 04 FYE<br>June 2021 | End of 02 FYE<br>June 2022 | Changes      |  |
|-------------------------------------|----------------------------|----------------------------|--------------|--|
| <b>Total current assets</b>         | <b>5,641</b>               | <b>6,289</b>               | <b>648</b>   | Increase due to generated profit<br>Hold more cash on hand than at normal times<br>(Cash on hand at normal times is approx. 2 billion yen) |
| Cash and cash equivalents           | 4,601                      | 4,875                      | 273          |  |
| Trade and other receivables         | 781                        | 1,128                      | 346          | Differences resulting from the timing of collection of receivables due to bank holidays at the end of the fiscal year                      |
| Inventories                         | 104                        | 95                         | - 9          |  |
| Other                               | 152                        | 190                        | 37           |  |
| <b>Total non-current assets</b>     | <b>24,992</b>              | <b>24,607</b>              | <b>- 385</b> |  |
| Property, plant and equipment       | 1,502                      | 1,425                      | - 77         |  |
| Right-of-use assets                 | 5,313                      | 4,951                      | - 361        | Decrease due to payments of rents and leasing fees   |
| Goodwill                            | 15,430                     | 15,430                     | -            |  |
| Other financial assets              | 1,854                      | 1,890                      | 36           |  |
| Deferred tax assets                 | 654                        | 669                        | 15           |  |
| Other                               | 238                        | 240                        | 1            |  |
| <b>Total assets</b>                 | <b>30,634</b>              | <b>30,896</b>              | <b>262</b>   |  |
| <b>Total liabilities</b>            | <b>20,477</b>              | <b>20,158</b>              | <b>- 318</b> |  |
| Trade and other payables            | 202                        | 199                        | - 3          | Scheduled repayment of borrowings  |
| Interest-bearing liabilities        | 12,843                     | 12,507                     | - 336        |  |
| Lease obligations                   | 5,366                      | 4,991                      | - 375        | Decrease due to payments of rents and leasing fees   |
| Other                               | 2,065                      | 2,461                      | 395          |  |
| <b>Total equity</b>                 | <b>10,156</b>              | <b>10,737</b>              | <b>581</b>   |  |
| <b>Total liabilities and equity</b> | <b>30,634</b>              | <b>30,896</b>              | <b>262</b>   |  |

# Overview of Consolidated Group Earnings

## Consolidated statement of cash flows

| Unit: million yen   | H1 FYE June<br>2021 | H1 FYE June<br>2022 | Changes      |  |
|---|---------------------|---------------------|--------------|--|
| <b>Cash flows from operating activities</b>                 | <b>2,050</b>        | <b>2,036</b>        | <b>- 14</b>  |  |
| Profit before tax   | 266                 | 727                 | 460          |  |
| Depreciation and amortization                               | 1,639               | 1,590               | - 49         |  |
| Decrease (increase) in trade and other receivables          | - 243               | - 340               | - 96         |  |
| Interest paid   | - 79                | - 65                | 13           |  |
| Proceeds from subsidy income                                | 593                 | 26                  | - 567        |  |
| Income taxes refund   | 271                 | -                   | - 271        |  |
| Income taxes paid   | - 45                | - 61                | - 16         |  |
| Other   | - 353               | 160                 | 513          | Difference in adjustment for subsidy income<br>(No impact of the adjustment on cash)                   |
| <b>Cash flows from investing activities</b>                 | <b>- 281</b>        | <b>- 226</b>        | <b>55</b>    |  |
| Purchase of property, plant and equipment                   | - 254               | - 170               | 84           |  |
| Purchase of intangible assets                               | - 9                 | - 6                 | 2            |  |
| Other   | - 17                | - 48                | - 30         |  |
| <b>Free cash flows</b>                                      | <b>1,768</b>        | <b>1,809</b>        | <b>41</b>    |  |
| <b>Cash flows from financing activities</b>                 | <b>- 3,093</b>      | <b>- 1,581</b>      | <b>1,511</b> |  |
| Net increase (decrease) in short-term borrowings            | - 1,500             | -                   | 1,500        | Repayments of commitment lines of 1 billion yen and overdrafts of 500 million yen in the previous year |
| Repayments of long-term borrowings                          | - 350               | - 350               | -            |  |
| Dividends paid  | -                   | -                   | -            |  |
| Repayments of lease obligations                             | - 1,313             | - 1,295             | 17           |  |
| Other   | 70                  | 64                  | - 6          |  |
| <b>Exchange differences of cash and cash equivalents</b>    | <b>- 30</b>         | <b>45</b>           | <b>76</b>    |  |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>- 1,355</b>      | <b>273</b>          | <b>1,629</b> |  |
| <b>Cash and cash equivalents at end of period</b>           | <b>3,762</b>        | <b>4,875</b>        | <b>1,113</b> |  |

## Reference: Store Opening Plan for This Fiscal Year

Plans for new openings and closures of salons for FYE June 2022

| Unit: Salons                    | Business form at       | End-FYE June |           |            | Change    | End-FYE<br>June 2022 |
|---------------------------------|------------------------|--------------|-----------|------------|-----------|----------------------|
|                                 |                        | 2021         | New salon | Closure    |           |                      |
| Japan                           | QB HOUSE<br>QB PREMIUM | 566          | 30        | - 6        | 24        | 590                  |
|                                 | FaSS                   | 13           | 2         | 0          | 2         | 15                   |
| <b>Subtotal in Japan</b>        |                        | <b>579</b>   | <b>32</b> | <b>- 6</b> | <b>26</b> | <b>605</b>           |
| Singapore                       | QB HOUSE               | 34           | 0         | 0          | 0         | 34                   |
|                                 | QB HOUSE Premium       |              |           |            |           |                      |
|                                 | QB HOUSE Kids          |              |           |            |           |                      |
| 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                    |
| <b>Subtotal of overseas</b>     |                        | <b>135</b>   | <b>11</b> | <b>- 1</b> | <b>10</b> | <b>145</b>           |
| <b>Consolidated group total</b> |                        | <b>714</b>   | <b>43</b> | <b>- 7</b> | <b>36</b> | <b>750</b>           |

(\*) 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

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