

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2022 (November 1, 2021 to October 31, 2022)

(Percentage figures are the changes from the same period prior year)

	Revenue		EBITDA※		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	110,000	-	5,450	-	850	-	180	-	5.00

(NOTE) Revisions to the forecast of financial results from recently announced figures: Applicable

※EBITDA = Business profits + Depreciation (Operating expenses)

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Not applicable

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Not applicable

(ii) Changes in accounting policies due to other reasons: Not applicable

(iii) Changes in accounting estimates: Not applicable

(3) Number of issued shares (common stock)

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

As of July 31, 2022	36,437,175 shares	As of October 31, 2021	35,152,375 shares
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(ii) Total number of treasury shares at the end of the period:

As of July 31, 2022	682 shares	As of October 31, 2021	682 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Nine months ended July 31, 2022	35,807,845 shares	Nine months ended July 31, 2021	33,059,277 shares
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Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	IFRS transition date As of November 1, 2020	As of October 31, 2021	As of July 31, 2022
Assets			
Current assets			
Cash and cash equivalents	6,318	15,275	12,864
Trade and other receivables	180	284	615
Inventories	1,450	2,891	6,702
Other financial assets	92	173	745
Other current assets	375	829	1,595
Total current assets	<u>8,416</u>	<u>19,453</u>	<u>22,524</u>
Non-current assets			
Property, plant and equipment	1,271	1,400	1,275
Investment property	7,676	15,222	15,382
Goodwill	3,762	5,082	7,019
Intangible assets	3,686	3,451	3,537
Right-of-use assets	956	1,773	2,618
Other financial assets	1,621	1,527	1,719
Deferred tax assets	0	647	863
Other non-current assets	41	36	33
Total non-current assets	<u>19,016</u>	<u>29,140</u>	<u>32,451</u>
Total assets	<u><u>27,433</u></u>	<u><u>48,594</u></u>	<u><u>54,975</u></u>

	(Million yen)		
	IFRS transition date As of November 1, 2020	As of October 31, 2021	As of July 31, 2022
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	1,011	1,531	1,811
Contract liabilities	216	269	436
Bonds and borrowings	2,493	3,497	5,041
Lease liabilities	1,972	3,979	4,790
Other financial liabilities	1,107	1,410	2,078
Income taxes payable	661	1	233
Other current liabilities	329	447	734
Total current liabilities	<u>7,793</u>	<u>11,137</u>	<u>15,126</u>
Non-current liabilities			
Bonds and borrowings	4,438	3,043	3,141
Lease liabilities	8,166	15,579	16,207
Provisions	411	432	466
Other financial liabilities	256	461	940
Deferred tax liabilities	394	207	140
Other non-current liabilities	41	60	35
Total non-current liabilities	<u>13,709</u>	<u>19,783</u>	<u>20,930</u>
Total liabilities	<u>21,502</u>	<u>30,921</u>	<u>36,056</u>
Equity			
Share capital	1,182	7,219	7,225
Capital surplus	4,124	10,865	11,927
Retained earnings	434	(419)	(253)
Treasury shares	(0)	(0)	(0)
Other components of equity	190	7	20
Total equity attributable to owners of parent	<u>5,931</u>	<u>17,672</u>	<u>18,918</u>
Total equity	<u>5,931</u>	<u>17,672</u>	<u>18,918</u>
Total liabilities and equity	<u><u>27,433</u></u>	<u><u>48,594</u></u>	<u><u>54,975</u></u>

Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income
(Condensed Quarterly Consolidated Statement of Profit or Loss)

	(Million yen)	
	Nine months ended July 31, 2021	Nine months ended July 31, 2022
Revenue	48,022	77,675
Cost of sales	41,059	66,347
Gross profit	6,962	11,327
Selling, general and administrative expenses	7,467	10,618
Business profit (loss)	(504)	709
Other income	37	54
Other expenses	49	62
Operating profit (loss)	(516)	700
Finance income	0	11
Finance costs	309	413
Profit (loss) before tax	(825)	298
Income tax expense	(201)	134
Profit (loss)	(624)	164
Profit (loss) attributable to		
Owners of parent	(624)	164
Profit (loss)	(624)	164
Earnings per share		
Basic earnings (loss) per share	(18.89)	4.59
Diluted earnings (loss) per share	(18.89)	4.47

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	(Million yen)	
	Nine months ended July 31, 2021	Nine months ended July 31, 2022
Profit (loss)	(624)	164
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	21	32
Total of items that will not be reclassified to profit or loss	21	32
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	0	(20)
Total of items that may be reclassified to profit or loss	0	(20)
Other comprehensive income, net of tax	21	12
Comprehensive income	(602)	177
Comprehensive income attributable to		
Owners of parent	(602)	177
Comprehensive income	(602)	177

Condensed Quarterly Consolidated Statement of Changes in Equity
(From November 1, 2020 to July 31, 2021)

(Million yen)

	Equity attributable to owners of parent							Total	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total		
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations			
Balance at beginning of period	1,182	4,124	434	(0)	190	-	190	5,931	5,931
Profit (loss)	-	-	(624)	-	-	-	-	(624)	(624)
Other comprehensive income	-	-	-	-	21	0	21	21	21
Comprehensive income	-	-	(624)	-	21	0	21	(602)	(602)
Issuance of new shares	6,019	5,976	-	-	-	-	-	11,995	11,995
Exercise of share acquisition rights	6	6	-	-	-	-	-	12	12
Purchase and disposal of treasury shares	-	-	-	(0)	-	-	-	(0)	(0)
Increase by share exchanges	-	758	-	-	-	-	-	758	758
Share-based payment transactions	-	(20)	-	-	-	-	-	(20)	(20)
Other	-	-	-	-	-	-	-	-	-
Total	<u>6,026</u>	<u>6,720</u>	<u>-</u>	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,746</u>	<u>12,746</u>
Balance at end of period	<u>7,208</u>	<u>10,845</u>	<u>(189)</u>	<u>(0)</u>	<u>211</u>	<u>0</u>	<u>212</u>	<u>18,075</u>	<u>18,075</u>

(From November 1, 2021 to July 31, 2022)

(Million yen)

	Equity attributable to owners of parent							Total	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations		
Balance at beginning of period	7,219	10,865	(419)	(0)	7	0	7	17,672	17,672
Profit (loss)	-	-	164	-	-	-	-	164	164
Other comprehensive income	-	-	-	-	32	(20)	12	12	12
Comprehensive income	-	-	164	-	32	(20)	12	177	177
Issuance of new shares	-	-	-	-	-	-	-	-	-
Exercise of share acquisition rights	5	5	-	-	-	-	-	11	11
Purchase and disposal of treasury shares	-	-	-	-	-	-	-	-	-
Increase by share exchanges	-	1,044	-	-	-	-	-	1,044	1,044
Share-based payment transactions	-	12	-	-	-	-	-	12	12
Other	-	(0)	0	-	-	-	-	0	0
Total	5	1,061	0	-	-	-	-	1,068	1,068
Balance at end of period	7,225	11,927	(253)	(0)	40	(19)	20	18,918	18,918

Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Nine months ended July 31, 2021	Nine months ended July 31, 2022
Cash flows from operating activities		
Profit (loss) before tax	(825)	298
Depreciation and amortization	2,545	3,467
Impairment losses	40	32
Loss on retirement of fixed assets	1	7
Decrease (increase) in inventories	(4,613)	(3,130)
Increase (decrease) in deposits received	243	87
Finance income	(0)	(11)
Finance costs	309	413
Decrease (increase) in trade and other receivables	(54)	(168)
Increase (decrease) in trade and other payables	(51)	238
Other	539	121
Subtotal	(1,864)	1,356
Interest and dividends received	0	18
Interest paid	(137)	(211)
Income taxes refund (paid)	(1,001)	254
Net cash provided by (used in) operating activities	(3,003)	1,418
Cash flows from investing activities		
Purchase of property, plant and equipment	(208)	(172)
Purchase of intangible assets	(782)	(564)
Payments of leasehold and guarantee deposits	(116)	(33)
Purchase of investment securities	(10)	(11)
Payments for business combination	(492)	(723)
Other	(17)	(320)
Net cash provided by (used in) investing activities	(1,626)	(1,826)

	(Million yen)	
	Nine months ended July 31, 2021	Nine months ended July 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,198)	3,402
Proceeds from long-term borrowings	1,299	618
Repayments of long-term borrowings	(1,756)	(1,321)
Proceeds from issuance of bonds	343	-
Redemption of bonds	(30)	(2,035)
Proceeds from issuance of shares	11,976	-
Repayments of lease liabilities	(2,205)	(3,058)
Other	57	410
Net cash provided by (used in) financing activities	8,485	(1,982)
Effect of exchange rate changes on cash and cash equivalents	0	(20)
Net increase (decrease) in cash and cash equivalents	3,856	(2,410)
Cash and cash equivalents at beginning of period	6,318	15,275
Cash and cash equivalents at end of period	10,174	12,864