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Summary of Consolidated Financial Results For the Six Months ended September 30, 2022 (H1 FY2023) (IFRS)

November 11, 2022

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3397

URL: <https://www.toridoll.com>

Representative: Takaya Awata, President, Representative Director

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Date of release of quarterly securities report: November 11, 2022

Starting date of dividend payments: -

Preparation of explanatory materials on quarterly financial results: Yes

Information meetings arranged related to quarterly financial results: Yes (for institutional investors, analysts, and financial institutions, in Japanese)

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022**(1) Consolidated Operating Results**

(% figures denote year-on-year change)

| | Revenue | | Business profit | | Operating profit | | Profit before tax | | Profit for the period | |
|-------------------------------------|-----------------|------|-----------------|------|------------------|--------|-------------------|-------|-----------------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2022 | 91,970 | 20.0 | 4,725 | 18.5 | 6,479 | (21.1) | 7,464 | (3.3) | 4,804 | (10.7) |
| Six months ended September 30, 2021 | 76,642 | 20.7 | 3,988 | — | 8,208 | — | 7,718 | — | 5,378 | — |

| | Profit for the period attributable to owners of the parent | | Comprehensive income for the period | | Earnings per share attributable to owners of the parent (basic) | Earnings per share attributable to owners of the parent (diluted) |
|-------------------------------------|--|--------|-------------------------------------|-------|---|---|
| | Millions of Yen | % | Millions of yen | % | Yen | Yen |
| Six months ended September 30, 2022 | 4,418 | (18.3) | 15,211 | 146.2 | 48.64 | 48.29 |
| Six months ended September 30, 2021 | 5,404 | — | 6,178 | — | 60.28 | 59.82 |

(Reference) EBITDA (*)

Six months ended September 30, 2022: ¥ 16,878million (increased 21.3% year-on-year basis)

Six months ended September 30, 2021: ¥ 13,915 million

Adjusted EBITDA

Six months ended September 30, 2022: ¥ 17,155 million (increased 18.3% year-on-year basis)

Six months ended September 30, 2021: ¥ 14,501 million

(*) The Company discloses EBITDA as comparative information.

EBITDA = Operating Profit + Other Operating Expenses - Other Operating Income
+ Depreciation + Amortization

Adjusted EBITDA = EBITDA + Impairment Loss + Extraordinary Expenses

(2) Consolidated Financial Position

| | Total assets | Total equity | Equity attributable to owners of parent | Equity attributable to owners of parent ratio | Equity per share attributable to owners of parent |
|--------------------------|-----------------|-----------------|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2022 | 262,310 | 83,668 | 74,655 | 28.5 | 857.73 |
| As of March 31, 2022 | 240,840 | 69,978 | 62,024 | 25.8 | 714.46 |

2. Dividends

| | Annual dividend per share | | | | |
|--|---------------------------|------|-----|----------|-------|
| | Q1 | Q2 | Q3 | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal Year ended March 31, 2022 | — | 0.00 | — | 7.50 | 7.50 |
| Fiscal Year ended March 31, 2023 | — | 0.00 | | | |
| Fiscal Year ending March 31, 2023 (Forecast) | | | — | 7.50 | 7.50 |

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2023

Percentages indicate year-on-year changes

| Fiscal year | Revenue | | Business profit | | Operating profit | | Profit before tax | | Profit for the period | |
|-------------|-----------------|------|-----------------|------|------------------|--------|-------------------|--------|-----------------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year | 191,900 | 25.1 | 7,300 | 34.4 | 7,100 | (50.1) | 7,500 | (46.2) | 4,900 | (47.0) |

| Fiscal year | Profit for the period attributable to owners of the parent | | Earnings per share attributable to owners of the parent (basic) |
|-------------|--|--------|---|
| | Millions of yen | % | Yen |
| Fiscal year | 4,000 | (55.5) | 41.58 |

* Notes

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope consolidation): Yes
New: 1 company (Company name: Toridoll and Heyi Holding Limited)
Excluded: —
- (2) Changes in accounting policies and accounting estimates
 - 1) Changes in accounting policies as required by IFRS: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
- (3) Number of shares outstanding (ordinary shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares)

| | |
|--------------------------|-------------------|
| As of September 30, 2022 | 87,880,952 shares |
| As of March 31, 2022 | 87,663,352 shares |

2) Number of treasury shares at the end of the period

| | |
|--------------------------|----------------|
| As of September 30, 2022 | 843,459 shares |
| As of March 31, 2022 | 851,372 shares |

3) Average number of shares during the period

| | |
|-------------------------------------|-------------------|
| Six months ended September 30, 2022 | 86,851,773 shares |
| Six months ended September 30, 2021 | 86,438,005 shares |

*Summary of consolidated quarterly financial statements are not subject to quarterly review by a public certified accountant or an auditing firm.

* Appropriate use of financial results forecasts and other notes

The forward-looking statements in this report are based upon various assumptions, including, without limitation, business forecasts, management's estimates, assumptions, and projections at the time of publication. These statements do not represent a promise or commitment by the Company to achieve these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

Method of obtaining supplementary results materials

The company plans to hold financial results meeting for institutional investors, analysts, and financial institutions on November 17, 2022. Presentation materials will be posted on its website.

1. Qualitative Information Concerning Financial Results for the First Half of FY2023

1) Explanation of Operating Results

a. Consolidated Business Performance

During the first half of the consolidated fiscal year under review (April 1 to September 30, 2022), the external environment was as follows: In Japan, travel recovered significantly from the level of the same period of last year, when anti-Covid measures were in place (under a state of emergency or quasi emergency). Overseas, the Covid spread slowed, but restrictions continued in some regions to the detriment of the restaurant industry.

Against this backdrop, our business activities were as follows: In Japan, we created compelling products and retail locations and organized campaigns to increase in-store traffic. Overseas, we continued our aggressive store expansion in Asian markets, continued to rebrand for global expansion, and started forging new partnerships.

The results for the period were as follows: All segments (Marugame Seimen, Overseas, Other) posted revenue growth, culminating in total revenue of ¥91,970 million (+20.0% year-on-year, +6.3% from the plan), our highest ever revenue result for the first-half of the consolidated fiscal year.

Likewise, business profit, at ¥4,725 million (-34.0% year-on-year, +6.1% from the plan), marked a first-half record. This growth came in spite of the increase in cost of sales and SG&A associated with the revenue growth.

Operating profit totaled ¥6,479 million and profit for the period attributable to owners of parent totaled ¥4,418 million. Both results vastly exceeded our initial targets, although they still represented a year-on-year decrease. One reason for the decrease was a decline in “other operating income.” This category included ¥3,800 million in government subsidies, such as those provided for complying with the request to shorten operating hours. Another factor was that we recognized in the “other operating expenses” category ¥1,218 million in transitory liquidation expenses connected with business restructuring in China.

(Notes)

* Business profit is calculated by deducting the cost of goods sold and selling, general and administrative expenses from revenue.

** Operating profit is calculated by adding other operating income to and deducting impairment losses and other operating expenses from business

(Millions of yen)

| | H1 FY2022 Results | H1 FY2023 Results | Year-on-year change | | H1 FY2022 Plan | Vs Plan | |
|--|----------------------|----------------------|---------------------|---------|-------------------|---------|---------|
| | | | Amount | % | | Amount | % |
| Revenue | 76,642 | 91,970 | +15,327 | +20.0% | 86,500 | +5,470 | +6.3% |
| Business profit* | 3,988 | 4,725 | +737 | +18.5% | 3,200 | +1,525 | +47.6% |
| Operating profit** | 8,208 | 6,479 | (1,729) | (21.1)% | 2,700 | +3,779 | +140.0% |
| Profit for the period attributable to owners of the parent | 5,404 | 4,418 | (987) | (18.3)% | 900 | +3,518 | +390.9% |

b. Business Performance by Segment

(Millions of yen)

| Revenue | H1 FY2022 Results | H1 FY2023 Results | Year-on-year change | | H1 FY2023 Plan | Results vs Plan | |
|----------|----------------------|----------------------|---------------------|--------|-------------------|-----------------|--------|
| | | | Amount | % | | Amount | % |
| | Marugame Seimen | 47,652 | 51,560 | +3,908 | +8.2% | 49,000 | +2,560 |
| Overseas | 19,704 | 28,479 | +8,774 | +44.5% | 26,300 | +2,179 | +8.3% |
| Other | 9,286 | 11,931 | +2,645 | +28.5% | 11,200 | +731 | +6.5% |
| Total | 76,642 | 91,970 | +15,327 | +20.0% | 86,500 | +5,470 | +6.3% |

(Millions of yen)

| Business profit | H1 FY2022 Results | H1 FY2023 Results | Year-on-year change | | H1 FY2023 Plan | Results vs Plan | |
|-----------------|----------------------|----------------------|---------------------|---------|-------------------|-----------------|---------|
| | | | Amount | % | | Amount | % |
| | Marugame Seimen | 5,675 | 6,733 | +1,058 | +18.6% | 5,600 | +1,133 |
| Overseas | 1,448 | 955 | (493) | (34.0)% | 900 | +55 | +6.1% |
| Other | 115 | 1,433 | +1,318 | — | 500 | +933 | +186.7% |
| Adjustments* | (3,250) | (4,397) | (1,147) | — | (3,800) | (597) | — |
| Total | 3,988 | 4,725 | +737 | +18.5% | 3,200 | +1,525 | +47.6% |

*Adjustments are corporate expenses that are not allocated to each segment in financial reporting.

(Shop)

| Number of locations | Marugame Seimen | Overseas | | Other | | Total |
|--------------------------|-----------------|---------------|---------------------|---------------|--------------------|-------|
| | Company-owned | Company-owned | Franchise and etc.* | Company-owned | Franchise and etc. | |
| At the end of March 2022 | 832 | 254 | 390 | 236 | 8 | 1,720 |
| Openings in H1 FY2023 | 2 | 55 | 40 | 16 | 0 | 113 |
| Closures in H1 FY2023 | 6 | 5 | 64 | 22 | 1 | 98 |
| At the end of Sep. 2022 | 828 | 304 | 366 | 230 | 7 | 1,735 |

(Notes)

* This includes stores other than company-owned stores, including stores operated by franchisees or joint ventures.

**From this quarter, 17 Toridoll and Heyi Holding Limited locations have been switched from “Franchise, etc.”

to “Company-owned” locations. This means 17 franchise locations were closed and opened as company-owned locations.

Marugame Seimen Segment

The results for the Marugame Seimen segment were as follows: The segment’s strong performance in the first quarter was maintained in the second. This was thanks in part to the success of our marketing strategy, which integrates product development with branding. The segment also benefitted from a recovery in travel from the level of the same period last year, when stricter anti-Covid measures were in place.

To improve brand communication, we launched a marketing campaign in June 15 with a new catchphrase, “We’ll amaze you with udon!”. The new campaign emphasized the great taste of freshly prepared udon and the handmade, artisanal brand values, creating more brand empathy and attracting more fans.

For fair menus, we further improved the popular items, enhancing their value. When developing new items, we invested in differentiating the food materials and taste of these items from those of the popular items, thereby encouraging more repeat business and a stronger awareness of the series.

In June, we launched Grated Japanese Radish & Meat Bukkake Udon as a leading product for the summer season and invested in two new items in the grated Japanese Radish series: Fried Chicken Bukkake Udon and Boiled Pork Bukkake Udon. These items proved a smash hit, with 3 million portions sold. By popular demand, Tomato Egg Curry Udon was brought back for a limited period in August. On August 30, we enhanced the quality of the tartar sauce and other components of Bukkake Udon with Chicken Tempura and Tartar Sauce and offered, for the first time in two years, Bukkake Udon with Chicken Tempura and Spicy Tartar Sauce. These items proved popular too, with 1.66 million portions sold by the end of September.

Thanks to the success of such product development with integrated marketing, the segment posted revenue of ¥51,560 million, a year-on-year increase (+8.2% year-on-year, +5.2% from the plan). Business profit increased too, reaching ¥6,733 million (+18.6% year-on-year, +20.2% from the plan). This sizeable profit growth reflected a decrease in sales costs. Another factor was that the revenue growth kept the SG&A ratio in check.

Overseas Segment

Hong Kong-based Tam Jai opened 35 locations in Asian markets (Hong Kong, Taiwan, Mainland China) during the period under review and posted sizeable revenue growth despite the continued effects of the pandemic in these markets. Marugame Udon achieved revenue growth at a similar scale thanks in part to the strong performance of the brand's locations in Hawaii and those opened last March, coupled with a recovery trend in the brand's Taiwanese locations. The brand also opened its sixth location in the UK, marking further steady growth in its customer base. With favorable exchange rates adding further momentum to the top-line growth in each brand, the segment posted revenue of ¥28,479 million, a large year-on-year increase. (+44.5% year-on-year, +8.3% from the plan)

As for the bottom line, business profit totaled ¥955 million, a year-on-year decrease. (-34.0% year-on-year, +6.1% from the plan) The factors behind this negative growth included higher raw material costs, higher labor costs, and higher capital expenditures for expanding our brands globally (including marketing expenses). Alongside these factors, operational efficiency declined in some regions owing to Covid restrictions.

Other Segment

Ramen Zundoya and izakaya chain Banpaiya saw a large recovery in customer numbers from the level of the same period last year, when restaurants had to close or reduce hours in compliance with anti-Covid measures (under a state of emergency or quasi emergency). Kona's Coffee, a brand that aims to deliver a Hawaiian dining experience "closest to you," saw an increase in customer numbers and spending per customer after bolstering efforts to increase in-store traffic. These efforts, conducted in conjunction with a branding campaign, included developing limited-period menu options and holding a Hawaiian dance show. Also performing well was Nikuno Yamaki Shoten, which massively increased its customer numbers and posted top- and bottom-line growth. In a strategic downsizing program, Butaya Tonichi closed under-performing stores and significantly improved profitability as a result.

The segment as a whole posted revenue of ¥11,931 million. Thanks to better margins, the segment's business profit reached ¥1,433 million (compared to ¥115 million in the same period last year).

2) Explanations of Consolidated Financial Forecast

We hereby give notice that a difference has arisen between the consolidated earnings forecast for the second quarter (cumulative) of the full fiscal year ending March 31, 2023, announced on May 13, 2022, and the actual results announced today, and that we have revised our consolidated earnings forecast for the full fiscal year ending March 31, 2023 in light of the actual results.

For the second quarter of the fiscal year ending March 31, 2023, revenue increased more than initially planned in all segments, and business profit also increased significantly more than planned. While other operating income included subsidies that exceeded the initial plan, and other operating expenses included business liquidation cost of 1,218 million yen, which were not included in the initial plan, operating profit and profit for the period both rose significantly above the initial plan.

For the second half of the fiscal year, the Company plans to increase revenue in all segments compared to the second half of the previous fiscal year. To address rising costs of raw materials, utilities, and labor, we have implemented or plan to implement price revisions in multiple business categories, including Marugame Seimen, which conducted price revisions on October 25, 2022. Also, in light of current trends, we will revise our foreign exchange rate assumptions. In addition to the increase in revenue, we plan to increase profits in all segments compared to the second half of the previous fiscal year as a result of efforts to control cost of sales and SG&A expenses.

For the full fiscal year, in comparison with the previous fiscal year, operating profit and profit for the period are forecast to be much higher than initially planned. However, operating income and current fiscal year income will decrease due to the absence of subsidies related to COVID-19, which amounted to 8.9 billion yen in the second half of the previous fiscal year under other operating income, expected in the second half of the current fiscal year. The occurrence of business liquidation costs associated with the restructuring of the China business was incurred in the second quarter of the current fiscal year.

In light of these factors, we have decided to revise our full-year consolidated earnings forecast upward for the full fiscal year ending March 31, 2023.

The revision plan for the Medium-to-Long Term Management Plan announced on May 13, 2022 is approaching the level of revenue to achieve the target for the fiscal year ending March 31, 2024 one year ahead of schedule, and the business profit will achieve the level of domestic Marugame Seimen and other segments achieving the target for the fiscal year ending March 31, 2024 one year ahead of schedule.

We will continue to promote our Medium-to-Long Term Management Plan to achieve the target of a consolidated business profit margin of 12% or more for the fiscal year ending March 31, 2028.

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 53,463 | 64,820 |
| Trade and other receivables | 5,518 | 5,505 |
| Inventories | 502 | 711 |
| Other current assets | 1,605 | 1,967 |
| Total current assets | 61,087 | 73,003 |
| Non-current assets | | |
| Property, plant and equipment | 31,783 | 34,819 |
| Right-of-use assets | 80,430 | 80,332 |
| Intangible assets and goodwill | 42,838 | 49,537 |
| Investments accounted for using the equity method | 3,819 | 4,349 |
| Other financial assets | 13,146 | 13,589 |
| Deferred tax assets | 6,276 | 5,332 |
| Other non-current assets | 1,460 | 1,350 |
| Total non-current assets | 179,752 | 189,307 |
| Total assets | 240,840 | 262,310 |

| | (Millions of yen) | |
|---|----------------------|--------------------------|
| | As of March 31, 2022 | As of September 30, 2022 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 10,773 | 11,786 |
| Short-term loans payable | 4,024 | 4,029 |
| Current portion of long-term loans payable | 12,555 | 14,253 |
| Lease liabilities | 14,936 | 16,259 |
| Income taxes payable | 2,438 | 2,324 |
| Provisions | 1,171 | 1,132 |
| Other current liabilities | 4,816 | 7,047 |
| Total current liabilities | 50,713 | 56,829 |
| Non-current liabilities | | |
| Long-term loans payable | 43,884 | 45,332 |
| Lease liabilities | 68,435 | 67,088 |
| Provisions | 4,761 | 5,312 |
| Deferred tax liabilities | 1,556 | 1,603 |
| Other non-current liabilities | 1,514 | 2,478 |
| Total non-current liabilities | 120,150 | 121,813 |
| Total liabilities | 170,862 | 178,642 |
| Equity | | |
| Equity attributable to owners of the parent | | |
| Capital stock | 4,498 | 4,643 |
| Capital surplus | 11,877 | 11,660 |
| Other equity instruments | 10,847 | 10,847 |
| Retained earnings | 31,338 | 34,924 |
| Treasury shares | (1,020) | (1,008) |
| Other components of equity | 4,483 | 13,589 |
| Total equity attributable to owners of the parent | 62,024 | 74,655 |
| Non-controlling interests | 7,954 | 9,013 |
| Total equity | 69,978 | 83,668 |
| Total liabilities and equity | 240,840 | 262,310 |

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Revenue | 76,642 | 91,970 |
| Cost of sales | (18,750) | (23,275) |
| Gross profit | 57,892 | 68,695 |
| Selling, general and administrative expenses | (53,904) | (63,970) |
| Impairment loss | (586) | (261) |
| Other operating income | 6,390 | 4,203 |
| Other operating expenses | (1,584) | (2,187) |
| Operating profit | 8,208 | 6,479 |
| Finance income | 161 | 1,484 |
| Finance costs | (615) | (532) |
| Finance income (costs), net | (455) | 953 |
| Share of profit (loss) of investments accounted for using the equity method | (36) | 32 |
| Profit before tax | 7,718 | 7,464 |
| Income tax expense | (2,340) | (2,660) |
| Profit for the period | 5,378 | 4,804 |
| Profit for the period attributable to | | |
| Owners of the parent | 5,404 | 4,418 |
| Non-controlling interests | (26) | 387 |
| Profit for the period | 5,378 | 4,804 |
| Earnings per share attributable to owners of the parent (yen) | | |
| Basic earnings per share | 60.28 | 48.64 |
| Diluted earnings per share | 59.82 | 48.29 |

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Profit for the period | 5,378 | 4,804 |
| Other comprehensive income | | |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations | 550 | 9,833 |
| Share of other comprehensive income of investments accounted for using the equity method | 250 | 574 |
| Other comprehensive income | 800 | 10,407 |
| Comprehensive income for the period | 6,178 | 15,211 |
| Comprehensive income for the period attributable to | | |
| Owners of the parent | 6,194 | 13,492 |
| Non-controlling interests | (16) | 1,720 |

Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2021

(Millions of yen)

| | Equity attributable to owners of the parent | | | | | | | | Total | Non-controlling interests | Total equity |
|---|---|-----------------|--------------------------|-------------------|-----------------|--|-------------------------------|-------|--------|---------------------------|--------------|
| | Capital stock | Capital surplus | Other equity instruments | Retained earnings | Treasury shares | Other components of equity | | Total | | | |
| | | | | | | Exchange differences on translating foreign operations | Subscription rights to shares | | | | |
| As of April 1, 2021 | 4,208 | 2,348 | 10,847 | 23,131 | (1,026) | (519) | 473 | (46) | 39,461 | 478 | 39,940 |
| Profit for the period | | | | 5,404 | | | | — | 5,404 | (26) | 5,378 |
| Other comprehensive income | | | | | | 789 | | 789 | 789 | 11 | 800 |
| Total comprehensive income for the period | — | — | — | 5,404 | — | 789 | — | 789 | 6,194 | (16) | 6,178 |
| Issuance of new shares (exercise of subscription rights) | 193 | 193 | | | | | (88) | (88) | 297 | | 297 |
| Share-based payment transactions | 0 | 0 | | | | | 52 | 52 | 52 | | 52 |
| Purchase and disposal of treasury shares | | (6) | | | 3 | | | — | (2) | | (2) |
| Dividends | | | | (389) | | | | — | (389) | | (389) |
| Distribution to owners of other equity instruments | | | | (192) | | | | — | (192) | | (192) |
| Change in ownership interests in subsidiaries without loss of control | | 18 | | | | | | — | 18 | 57 | 74 |
| Other | | 60 | | (53) | | | | — | 7 | | 7 |
| Total transaction amount with owners | 193 | 265 | — | (633) | 3 | — | (36) | (36) | (208) | 57 | (152) |
| As of September 30, 2021 | 4,401 | 2,612 | 10,847 | 27,903 | (1,023) | 270 | 437 | 707 | 45,447 | 519 | 45,966 |

For the six months ended September 30, 2022

(Millions of yen)

| | Equity attributable to owners of the parent | | | | | | | | Total | Non-controlling interests | Total equity |
|---|---|-----------------|--------------------------|-------------------|-----------------|--|-------------------------------|--------|--------|---------------------------|--------------|
| | Capital stock | Capital surplus | Other equity instruments | Retained earnings | Treasury shares | Other components of equity | | Total | | | |
| | | | | | | Exchange differences on translating foreign operations | Subscription rights to shares | | | | |
| As of April 1, 2022 | 4,498 | 11,877 | 10,847 | 31,338 | (1,020) | 3,976 | 507 | 4,483 | 62,024 | 7,954 | 69,978 |
| Profit for the period | | | | 4,418 | | | | — | 4,418 | 387 | 4,804 |
| Other comprehensive income | | | | | | 9,074 | | 9,074 | 9,074 | 1,333 | 10,407 |
| Total comprehensive income for the period | — | — | — | 4,418 | — | 9,074 | — | 9,074 | 13,492 | 1,720 | 15,211 |
| Issuance of new shares (exercise of subscription rights) | 144 | 144 | | | | | (65) | (65) | 223 | | 223 |
| Share-based payment transactions | | | | | | | 102 | 102 | 102 | | 102 |
| Purchase and disposal of treasury shares | | 2 | | | 12 | | | — | 14 | | 14 |
| Dividends | | | | (651) | | | | — | (651) | (662) | (1,313) |
| Distribution to owners of other equity instruments | | | | (189) | | | | — | (189) | | (189) |
| Change in ownership interests in subsidiaries without loss of control | | (428) | | | | | | — | (428) | 1 | (427) |
| Other | | 65 | | 8 | | | (5) | (5) | 68 | | 68 |
| Total transaction amount with owners | 144 | (217) | — | (832) | 12 | — | 32 | 32 | (860) | (661) | (1,522) |
| As of September 30, 2022 | 4,643 | 11,660 | 10,847 | 34,924 | (1,008) | 13,049 | 539 | 13,589 | 74,655 | 9,013 | 83,668 |

Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 7,718 | 7,464 |
| Depreciation and amortization | 10,513 | 12,414 |
| Impairment loss | 586 | 261 |
| Interest income | (78) | (170) |
| Interest expenses | 500 | 523 |
| Share of loss (profit) of investments accounted for using the equity method | 36 | (32) |
| Decrease (increase) in trade and other receivables | 354 | 553 |
| Decrease (increase) in inventories | (37) | (130) |
| Increase (decrease) in trade and other payables | (2,070) | 151 |
| Other, net | (1,873) | 1,253 |
| Subtotal | 15,649 | 22,288 |
| Interest income received | 98 | 142 |
| Interest expenses paid | (493) | (559) |
| Income taxes paid | (732) | (1,847) |
| Net cash provided by (used in) operating activities | 14,522 | 20,024 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,343) | (5,377) |
| Purchase of intangible assets | (41) | (12) |
| Collection of long-term loans receivable | 1,967 | 179 |
| Payments for lease and guarantee deposits | (138) | (529) |
| Proceeds from collection of lease and guarantee deposits | 389 | 228 |
| Payments of construction assistance fund receivables | (14) | (33) |
| Collection of construction assistance fund receivables | 259 | 255 |
| Purchase of investments accounted for using the equity Method | (1,200) | — |
| Other, net | 445 | (701) |
| Net cash provided by (used in) investing activities | (1,677) | (5,989) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (3,000) | — |
| Proceeds from long-term loans payable | 12,075 | 9,700 |
| Repayments of long-term loans payable | (8,855) | (6,554) |
| Repayments of lease liabilities | (7,880) | (9,143) |
| Cash dividends paid | (389) | (651) |
| Distribution to owners of other equity instruments | (276) | (273) |
| Other, net | 305 | (188) |
| Net cash provided by (used in) financing activities | (8,020) | (7,109) |
| Net increase (decrease) in cash and cash equivalents | 4,825 | 6,926 |
| Cash and cash equivalents at beginning of period | 24,969 | 53,463 |
| Effect of exchange rate change on cash and cash equivalents | 178 | 4,431 |
| Cash and cash equivalents at end of period | 29,972 | 64,820 |