Summary of Consolidated Financial Results for the First Six Months ended September 30, 2022 (Japanese GAAP)

November 14, 2022

Listed company name: Fast Fitness Japan Incorporated Listed exchange: Tokyo Stock Exchange
Code number: 7092 URL: https://fastfitnessjapan.jp/en/
Representative: Atsuyuki Tsuchiya, President, Representative Director, CEO, and COO
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Scheduled date to file Quarterly Securities Report: November 14, 2022
Scheduled date of payment of dividend: December 5, 2022
Supplementary materials for quarterly financial results: Yes
Quarterly financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Six Months ended September 30, 2022 (April 1, 2022 – September 30, 2022)

(1) Consolidated operating results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	7,200	13.4	1,631	6.6	1,639	5.2	1,024	0.1
September 30, 2021	6,349	–	1,530	–	1,558	–	1,023	–

(Note) Comprehensive income Six months ended September 30, 2022: 1,024 million yen (0.1%)
Six months ended September 30, 2021: 1,024 million yen (–%)

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	54.80	54.08
September 30, 2021	54.76	54.03

(Notes) 1. No year-on-year changes are shown for the first six months of the fiscal year ended September 30, 2022 because the Company did not prepare quarterly consolidated financial statements for the first six months of the fiscal year ended September 30, 2021.
2. The Company conducted a 1.3-for-1 common stock split effective April 1, 2021 and a 1.2-for-1 common stock split effective October 1, 2021. "Earnings per share" and "diluted earnings per share" have been calculated under the assumption that this share split was conducted at the beginning of the previous fiscal year.
3. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related measures have been applied from the beginning of the first quarter of the previous fiscal year. The application of the accounting standard has no effects on net sales or profits.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2022	20,920	10,519	50.3
March 31, 2022	21,429	9,662	45.1

(Reference) Shareholders' equity As of September 30, 2022: 10,519 million yen As of March 31, 2022: 9,662 million yen

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	2.00	–	10.00	12.00
Fiscal year ending March 31, 2023	–	10.00			
Fiscal year ending March 31, 2023 (forecast)			–	–	–

(Notes) 1. Revisions to dividend forecasts published most recently: None
2. Dividend forecast for the fiscal year ending March 31, 2023 is not yet determined.
3. The Company conducted a 1.3-for-1 common stock split effective April 1, 2021 and a 1.2-for-1 common stock split effective October 1, 2021.

3. Forecast for Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,000	6.9	3,000	1.8	2,950	0.2	1,500	(11.9)	80.24

(Note) Revisions to the earnings forecasts published most recently: None

* Notes

(1) Any changes in important subsidiaries during the period: None

(2) Application of special accounting in preparing consolidated quarterly financial statements: None

(3) Any changes in accounting policies and changes or restatement of accounting estimates

1) Changes in accounting policies due to the revision of accounting standards:	None
2) Changes in accounting policies other than the above:	None
3) Changes in accounting estimates:	None
4) Restatement:	None

(Note) The Company conducted a 1.3-for-1 stock split effective April 1, 2021 and a 1.2-for-1 stock split effective October 1, 2021. The number of shares has been calculated on the assumption that the said stock split was performed at the beginning of the fiscal year ended March 31, 2021.

(4) Number of outstanding shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):			
As of September 30, 2022	18,719,980 shares	As of March 31, 2022	18,705,180 shares
2) Total number of treasury shares at the end of the period:			
As of September 30, 2022	13,561 shares	As of March 31, 2022	12,561 shares
3) Average number of shares during the period:			
Six months ended September 30, 2022	18,695,026 shares	Six months ended September 30, 2021	18,694,593 shares

* The summary of quarterly consolidated financial results is not subject to quarterly review by certified public accountants or audit corporations.

* Statement regarding the proper use of financial forecasts and other special remarks

The forward-looking statements, including results forecasts, in this document are based on information available to the Company at the time of publication of this document. Actual results may differ from the forecasts due to a range of factors.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	9,457	9,029
Accounts receivable - trade	1,217	1,178
Merchandise	145	184
Prepaid expenses	342	368
Other	109	298
Total current assets	11,272	11,059
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,422	7,625
Tools, furniture and fixtures	3,769	3,873
Accumulated depreciation	(4,167)	(4,620)
Land	0	0
Construction in progress	2	–
Total property, plant and equipment	7,028	6,880
Intangible assets		
Goodwill	92	80
Software	75	54
Other	5	4
Total intangible assets	173	140
Investments and other assets		
Investment securities	1	1
Long-term loans receivable	251	243
Long-term prepaid expenses	595	573
Leasehold and guarantee deposits	1,305	1,314
Deferred tax assets	687	609
Other	113	97
Total investments and other assets	2,955	2,839
Total non-current assets	10,157	9,860
Total assets	21,429	20,920

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	126	33
Current portion of long-term borrowings	1,635	1,600
Accounts payable - other	936	412
Income taxes payable	545	553
Contract liabilities	1,923	1,911
Provision for bonuses	145	172
Provision for bonuses for directors (and other officers)	26	6
Other	337	404
Total current liabilities	5,677	5,095
Non-current liabilities		
Long-term borrowings	4,808	4,027
Asset retirement obligations	1,045	1,082
Other	235	195
Total non-current liabilities	6,089	5,304
Total liabilities	11,766	10,400
Net assets		
Shareholders' equity		
Share capital	2,173	2,183
Capital surplus	2,112	2,123
Retained earnings	5,420	6,257
Treasury shares	(44)	(45)
Total shareholders' equity	9,662	10,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Total net assets	9,662	10,519
Total liabilities and net assets	21,429	20,920

(2) Quarterly Consolidated Statement of Income and Comprehensive Income

Quarterly consolidated statement of income

First six-month period

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	6,349	7,200
Cost of sales	3,593	4,137
Gross profit	2,756	3,062
Selling, general and administrative expenses	1,225	1,431
Operating profit	1,530	1,631
Non-operating income		
Commission income	15	26
Insurance claim income	28	12
Foreign exchange gains	2	–
Penalty income	5	17
Other	1	0
Total non-operating income	53	56
Non-operating expenses		
Interest expenses	21	18
Commission expenses	4	1
Share issuance costs	0	0
Foreign exchange losses	–	28
Other	–	0
Total non-operating expenses	25	47
Ordinary profit	1,558	1,639
Extraordinary income		
Gain on exemption from refund of guarantee deposits received	–	12
Total extraordinary income	–	12
Extraordinary losses		
Contract cancellation fees	1	–
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	3	2
Impairment losses	–	60
Total extraordinary losses	5	63
Profit before income taxes	1,552	1,588
Income taxes - current	440	485
Income taxes - deferred	89	78
Total income taxes	529	563
Profit	1,023	1,024
Profit attributable to owners of parent	1,023	1,024

Quarterly consolidated statement of comprehensive income

First six-month period

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,023	1,024
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	1,024	1,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,024	1,024

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,552	1,588
Depreciation	478	482
Impairment losses	–	60
Amortization of goodwill	12	12
Share-based payment expenses	6	10
Gain on exemption from refund of guarantee deposits received	–	(12)
Increase (decrease) in provision for bonuses	3	27
Increase (decrease) in provision for bonuses for directors (and other officers)	(16)	(20)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(201)	–
Interest and dividend income	(0)	(0)
Insurance claim income	(25)	(7)
Interest expenses	21	18
Loss (gain) on sale of non-current assets	0	–
Loss (gain) on retirement of non-current assets	3	2
Contract cancellation fees	1	–
Decrease (increase) in trade receivables	(30)	38
Decrease (increase) in inventories	103	(38)
Increase (decrease) in trade payables	(128)	(93)
Decrease (increase) in prepaid expenses	(14)	(15)
Decrease (increase) in long-term prepaid expenses	(1)	21
Increase (decrease) in contract liabilities	4	(11)
Increase (decrease) in accounts payable - other	(78)	(149)
Increase (decrease) in long-term accounts payable - other	175	(27)
Decrease (increase) in other current assets	58	(189)
Increase (decrease) in other current liabilities	26	(176)
Decrease (increase) in other non-current assets	0	0
Subtotal	1,951	1,519
Interest and dividends received	0	0
Interest paid	(21)	(18)
Income taxes paid	(516)	(476)
Income taxes refund	150	–
Net cash provided by (used in) operating activities	1,562	1,024

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(623)	(471)
Purchase of intangible assets	(2)	(0)
Proceeds from (payments for) sale and retirement of non-current assets	(1)	0
Payments for asset retirement obligations	(31)	–
Purchase of investment securities	(0)	(0)
Payments of leasehold and guarantee deposits	(101)	(9)
Proceeds from refund of leasehold and guarantee deposits	31	0
Proceeds from cancellation of insurance funds	60	23
Other	(22)	8
Net cash provided by (used in) investing activities	(691)	(446)
Cash flows from financing activities		
Proceeds from long-term borrowings	179	–
Repayments of long-term borrowings	(1,157)	(817)
Purchase of treasury shares	(33)	(1)
Dividends paid	(119)	(186)
Net cash provided by (used in) financing activities	(1,131)	(1,005)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(259)	(428)
Cash and cash equivalents at beginning of period	9,333	9,457
Cash and cash equivalents at end of period	9,073	9,029