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CHIKARA no MOTO



Consolidated Financial Report for The Fiscal Year Ending March 31, 2023 (Japanese GAAP)

May 12, 2023

Company: Chikaranomoto Holdings Co., Ltd. Tokyo Stock Exchange
 Stock Code: 3561
 URL: <http://www.chikaranomoto.com/>
 Representative: (Title) President and CEO (Name) Tomoyuki Yamane
 Contact: (Title) IR Manager (Name) Keita Takemura Tel: +81-(0)3-6264-3899
 Scheduled date of the ordinary general meeting of shareholders: June 28, 2023
 Scheduled start date of dividend payment: June 8, 2023
 Scheduled date of submission of annual securities report: June 29, 2023
 Preparation of Supplementary Explanation Material for Financial Results: Yes
 Presentation Meeting for Financial Results (for institutional investors and analysts): Yes

1. Financial Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023) (Rounded down to the nearest Million JPY)

(1) Results of Consolidated Operations

(% indicates variance from the previous fiscal year)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
FY2022-23	26,116	34.6	2,281	117.1	2,321	114.3	1,628	76.3
FY2021-22	19,398	17.3	1,050	-	1,083	-	923	-

Note: Comprehensive Income FY2022-23 1,893 Million JPY (68.2%) FY2021-22 1,125 Million JPY (-%)

	Earnings per share	Earnings per share after adjusting for dilution	Return on Equity	Return on Assets	Operating margin
	JPY	JPY	%	%	%
FY2022-23	57.05	56.52	28.5	14.2	8.7
FY2021-22	34.91	34.64	36.2	7.0	5.4

Reference: Equity Method Income FY2022-23 6 Million JPY FY2021-22 23 Million JPY

(2) Consolidated Financial Position

	Total Assets	Net Equity	Equity Ratio	Net Equity per share
	Million JPY	Million JPY	%	JPY
FY2022-23	17,477	7,640	43.7	254.77
FY2021-22	15,271	3,800	24.8	140.69

Reference : Shareholders' Equity FY2022-23 7,640 Million JPY FY2021-22 3,791 Million JPY

(3) Consolidated Cash Flow

	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash and Equivalents
	Million JPY	Million JPY	Million JPY	Million JPY
FY2022-23	2,852	-967	-71	7,274
FY2021-22	1,704	-923	-167	5,125

2 . Dividends

	Dividends per share (annual)					Total Dividends	Payout Ratio	Dividend over Equity
	Q1	Q2	Q3	Q4	Total			
	JPY	JPY	JPY	JPY	JPY	Million JPY	%	%
FY2021-22	-	0.00	-	0.00	0.00	0	-	-
FY2022-23 (Forecast)	-	0.00	-	15.00	15.00	451	26.3	7.6
FY2023-24 (Forecast)	-	7.00	-	7.00	14.00		23.1	

3 . Forecast of Consolidated Operating Performance for the FY 2023-24 (April 1, 2023 to March 31, 2024)

(% indicates variance from the previous period or quarter)

	Revenue		Operating Income		Ordinary Income		Income Attributable to the Company		Earnings per share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	JPY
Half Year (up to Q2)	13,438	14.9	975	22.0	988	6.3	735	5.9	24.45
FY2023-24	28,361	8.6	2,540	11.4	2,564	10.5	1,821	11.8	60.55

Notes

- (1) Changes in key subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None
- (2) Changes in accounting policies, accounting estimates, and restatement of error corrections:
- 1) Changes in accounting policies arising from revision of accounting standards: None
 - 2) Changes in accounting policies due to reasons other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Restatement of prior period financial statements after error correction: None

(3) Number of Shares Issued (Common stock)

① Number of shares issued at the end of the period (including treasury stock)	As of March 31,2023	30,075,400 Shares	As of March 31,2022	27,042,400 Shares
② Number of treasury stock at end of period	As of March 31,2023	87,041 Shares	As of March 31,2022	89,601 Shares
③ Average number of shares during the period	FY2022-23	28,544,375 Shares	FY2021-22	26,459,465 Shares

Note: The total number of treasury shares at the end of period includes those treasury shares held under the Employee Stock-ownership Program (ESOP) (at the end of FY2022-23 86,900 shares and at the end of the previous fiscal year 89,600 shares). Also, these treasury shares are excluded from the calculation of the average number of shares during the period (at the end of FY2022-23 88,390 shares and at the end of FY2021-22 89,600 shares).

These consolidated financial reports (Tanshin) are exempt from the audit procedures by certified public accountants or audit firms.

Cautionary Statement on the forecast of consolidated financial performance and other notes

(Cautions concerning forward-looking statements)

Performance forecasts presented herein are based on the information available to Chikaranomoto Holdings Co., Ltd. and its subsidiaries (the "Company") as of the date of this document. Accordingly, there remains the possibility that the actual performance results may differ from projections.

(Supplementary Explanation Material)

Supplementary Explanation Material are available via TDnet on the same day.

1. Summary of operating results

(1) Summary of operating results for the year under review

In the current financial year (1 April 2022 to 31 March 2023), the global economy is moving towards normalisation of economic activities as the number of people infected with the new coronavirus has decreased, restrictions on mobility have been lifted and normal flow have resumed. On the other hand, raw material and energy prices have increased due to the situation in Russia and Ukraine since February 2022, and rising global inflation, the rapid depreciation of the yen, rising labor costs due to the decline in the working population and other factors, as well as the failure of financial institutions triggered by the monetary policy in the US in March 2023, and the situation continues to be a mixture of various unstable factors.

With regards to the food service industry to which the Group belongs, in Japan, regulations on new coronavirus infections have expired in 2022. While there are positive signs, such as the lifting of the ban from March, a recovery in people's mobility, a recovery trend in inbound tourism due to the relaxation of entry restrictions from October 2022 onwards, and the prospect of the Infectious Diseases Act being reduced to 'category 5', the same status as seasonal influenza, the situation remains challenging due to rising raw material and energy prices, rising labour costs and the continued depreciation of the yen since the beginning of the year.

Internationally, the impact of the spread of new coronavirus infection was felt in some countries and regions from January to April 2022, but has since been steadily recovering. On the other hand, in the same way as in Japan, the above-mentioned geopolitical instability and the severe economic environment have given rise to concerns about soaring raw material and energy prices and a shortage of human resources in the service industry, which continue to require close monitoring.

Under these circumstances, the Group opened 15 new restaurants in Japan in line with its corporate philosophy of "Keep Changing to Remain Unchanged", and also re-opened the Ippudo Shinjuku Lumine Est branch, which has plant-based products that use only plant-derived ingredients as its regular menu. In line with the borders opening, Ippudo Narita Airport branch resumed operations in April 2022 following the easing of immigration restrictions. On the other hand, 19 stores were closed, including stores whose fixed-term lease contracts had expired, stores whose profitability was expected to decline in the future and unprofitable stores. The Group reduced costs by promoting Digital Transformation measures, such as the introduction of mobile ordering and tablet ordering, and increased sales by focusing on offering seasonal and region-

specific products. Furthermore, price revisions were implemented from July 2022 as a response to rising raw material and energy prices, securing profits.

Internationally, the number of customers recovered much more quickly than in Japan after the deregulation of restrictions on new coronavirus infections, and at the same time, in addition to the effect of implementing the same measures as in Japan, price revisions were implemented in line with the situation in each country in response to rising costs of raw materials and other items. The impact of the exchange rate fluctuations that have continued since the beginning of the year has resulted in a significant increase in both sales and profits.

In Product & Merchandizing, in Japan, B2C sales of Ippudo related products have been strengthened, and as a new initiative, the Group is participating in the domestic development of the Yo-Kai Express business, an automatic ramen cooking machine from the USA by Yo-Kai Express Inc. Overseas, export sales of Plant Base Shiromaru/Akamaru dry noodles, to respond to dietary diversity, have been strong.

At the end of the financial year, the Group had a total of 273 stores (139 domestic and 134 international, a decrease of 4 domestic stores and no change overseas compared to the end of the previous year), including licensed stores. .

As a result of the above, the results for the financial year show that net sales amounted to JPY 26,116 million (an increase of 34.6% on the previous year). Operating income amounted to JPY 2,281 million (up 117.1% from the previous year), due to the strengthening of profitability of existing stores and the early contribution to profit from new stores. Ordinary income amounted to JPY 2,321 million (up 114.3% year-on-year) and net income attributable to shareholders of the parent company amounted to JPY 1,628 million (up 76.3% year-on-year).

Overview of performance by business segment

<Domestic store operations >

In the domestic store operation, the Company opened 14 Ippudo brand stores and one Inaba Udon brand store, while closing 10 Ippudo brand stores, four RAMEN EXPRESS brand stores, two Najimatei brand stores and three Inaba Udon brand stores. As a result, the number of restaurants at the end of the financial year under review was 139 (down 4 from the end of the previous financial year). In addition, two "RAMEN EXPRESS" restaurants changed their format to "Ippudo".

Restrictions on new coronavirus infections have been lifted since March 2022, and although inbound tourism has been recovering due to the recovery of people's

mobility and the easing of immigration restrictions, sales have only recovered moderately because customer traffic has not fully recovered during night time and late-night hours. Under these circumstances, 15 new stores were opened and 19 stores were strategically closed, including stores whose lease had expired, stores whose profitability was expected to decline in the future and unprofitable stores. In addition, the Group continued to improve productivity through the introduction of mobile ordering and table-top tablet ordering and meal voucher machines.

As a result of the above, sales for the financial year under review amounted to JPY 11,489 million (+10.6% compared to the previous year). Segment posted a profit of JPY 623 million (+26.6% year-on-year) due to DX measures implemented in the previous year, such as the streamlining of store operations and administration and mobile ordering, as well as various cost-cutting measures, including the closure of unprofitable stores.

<International store operations>

In the international store operation business, two stores were opened in Singapore, three in Australia, two in Taiwan, two in Thailand, two in Indonesia, one in Malaysia and two in China, while one store was closed in the USA, one in Taiwan, 10 in China, one in the Philippines and one in Vietnam. As a result of the store closures, the number of stores at the end of the financial year under review was 134 (no change from the end of the previous year).

During the period covered this segment (1 January 2022 to 31 December 2022), a decline in customer numbers due to the spread of infection occurred in the USA and Australia in January and February and in Taiwan in April and May, but customer numbers recovered rapidly thereafter and sales in this segment were strong. However, the world wide inflationary trend required various measures to be taken in terms of costs, such as the rising prices of raw materials, and rising wages and logistics costs. Under these circumstances, the Company undertook a fundamental review of its store operating structure in each region by reviewing the products offered, reassessing the allocation of human resources and introducing DX measures.

As a result of the above, net sales for the year amounted to JPY 11,753 million (an increase of 72.9% on the previous year). The segment recorded a profit of JPY 1,489 million (an increase of 143.8% on the previous year) as a result of the rapid recovery from the Covid-19 pandemic, increased sales as a result of the above-mentioned measures and various cost-cutting measures.

<Products & Merchandising business>

In this segment, in Japan, in order to strengthen sales of B2C Ippudo products, the company has introduced Ippudo chilled noodles, enhanced its product line-up by introducing new products, focused on sales promotion measures on its own e-commerce site and sales to retailers, and also supplied and developed products for the automatic ramen

cooking machine Yo-kai. Overseas, efforts to expand sales of Plant Base Shiromaru/Akamaru dry noodles resulted in strong export sales due to growing interest in Plant Base products.

As a result of the above, sales for the financial year amounted to JPY 2,872 million (up 29.7% on the previous year) and segment profit amounted to JPY 402 million (up 49.5% on the previous year).

The total number of stores by segment, country / region and brand are indicated in the chart below.

Segment	Country / Region	Brand	Number of stores at the end of the previous year		Increase / Decrease	Number of stores at the end of year	
				Of which licensed stores			Of which licensed stores
Domestic Store Operations	Japan	IPPUDO	100	23	+6	106	22
		RAMEN EXPRESS.	28	-	-6	22	-
		Inaba udon	9	-	-2	7	-
		Other.	6	-	-2	4	-
Domestic Total			143	23	-4	139	22
International Store Operations	USA	IPPUDO	7	-	-	7	-
		Other.	5	-	-1	4	-
	Singapore	IPPUDO	9	-	+2	11	-
		IPPUDO EXPRESS.	2	-	-	2	-
	China (including Hong Kong)	IPPUDO	28	28	-8	20	20
	Taiwan	IPPUDO	12	-	+2	14	-
		IPPUDO EXPRESS.	3	-	-1	2	-
	Australia	IPPUDO	7	2	+3	10	3
		Other.	2	-	-	2	-
	Malaysia	IPPUDO	10	10	+1	11	11
	Thailand	IPPUDO	19	19	+2	21	21
	Philippines	IPPUDO	11	11	-1	10	10
	Indonesia	IPPUDO	6	-	+2	8	-
	United Kingdom	IPPUDO	4	-	-	4	-
	France.	IPPUDO	3	-	-	3	-
	Myanmar	IPPUDO	2	2	-	2	2
Vietnam	IPPUDO	2	2	-1	1	1	
New Zealand	IPPUDO	2	2	-	2	2	
International Total			134	76	-	134	70
Group Total			277	99	-4	273	92

(2) Summary of Financial Position during the year

(Assets)

Total assets at the end of the financial year increased by 2,206 million yen to 17,477 million yen compared with the end of the previous financial year. This was mainly due to an increase of 1,971 million yen in cash and deposits, an increase of 159 million yen in accounts receivable, an increase of 115 million yen in inventories, an increase of 105 million yen in deferred tax assets, and a decrease in property, plant and equipment and intangible assets due to the strategic closure of stores with expiring fixed leases and unprofitable stores, etc. of 234 million yen.

(Liabilities)

Liabilities at the end of the financial year were 9,837 million yen, a decrease of 1,633 million yen compared to the end of the previous financial year. This was mainly due to an increase of 229 million yen in notes and accounts payable, a decrease of 1,941 million yen in interest-bearing liabilities and a decrease of 205 million yen in accounts payable-other.

(Net assets)

Net assets at the end of the financial year increased by 3,839 million yen to 7,640 million yen and the equity ratio was 43.7%. This was mainly due to an increase in retained earnings of 1,628 million yen, mainly as a result of the recording of net profit attributable to shareholders of the parent company, and an increase in capital and capital surplus of 1,952 million yen due to the exercise of warrants.

(3) Summary of cash flow

Cash and cash equivalents ('funds') for the year under review Cash and cash equivalents (hereinafter referred to as 'funds') amounted to 7,274 million yen, an increase of 2,149 million yen compared to the end of the previous financial year. The status of each cash flow category and their factors are as follows.

(Cash flow from operating activities)

Funds earned as a result of operating activities in the financial year amounted to 2,852 million yen (previous year: 1,704 million yen). This was mainly due to the recording of 1,863 million yen in profit before tax and other adjustments and non-cash expenses such as depreciation of 879 million yen and impairment losses of 482 million yen, income taxes of 664 million yen were paid.

(Cash flow from investing activities)

Funds spent as a result of investment activities in the financial year amounted to 967 million yen (expenditure of 923 million yen in the previous financial year). This was mainly due to expenditure of 838 million yen on the acquisition of tangible fixed assets in connection with new store openings, etc., expenditure of 137 million yen on the acquisition of investment securities and expenditure of 170 million yen on the payment for lease and guarantee

deposits, despite income of 131 million yen from the sale of tangible fixed assets and 112 million yen from the collection of lease and guarantee deposits.

(Cash flow from financing activities)

Funds spent as a result of financing activities in the financial year amounted to 71 million yen (167 million yen spent in the previous financial year). This was mainly due to a repayment of long-term loans payable of 1,986 million yen, despite proceeds of 1,936 million yen from the issue of new shares upon exercise of warrants.

(4) Basic policy on profit distribution and dividends for the current and next financial year

The Company's basic policy is to provide a stable and continuous return of profits to shareholders, taking into account the overall need for retained earnings for the future development of the business and the strengthening of the financial base.

The basic policy is to pay dividends from surplus twice a year, a year-end dividend and an interim dividend.

In accordance with Article 459(1) of the Companies Act, the Company's Articles of Association stipulate that the Company may distribute dividends from surplus, etc. by resolution of the Board of Directors. The dividend forecast for the financial year shall be year-end dividend of 10 yen and a special dividend of 5 yen. As no interim dividend was paid, the dividend on retained earnings for the financial year under review is JPY 15.

The dividend forecast for the next financial year (ending March 2024) is JPY 7 for the interim period and JPY 7 for the year-end period.

(5) Future outlook.

In the global economy, although the number of people infected with the new coronavirus has decreased and the economy is returning to its previous level of activities, the situation continues to be a mixture of various unstable factors, such as rising raw material and energy prices due to the protracted situation in Russia and Ukraine, rising global inflation rates, sharp fluctuations in exchange rates, rising labor costs due to a declining work force, failure of financial institutions triggered by monetary policies, and other factors.

Under these circumstances, the Company will continue to develop its core brands in order to grow its business and increase the value it provides. In Japan, the Company will actively open new Ippudo restaurants in medium commercial areas near city centers and roadside areas where the restaurant market is large, in addition to the existing densely populated areas and commercial facilities with high customer attraction capacity, and will also strategically close unprofitable restaurants due to changes in people's mobility and other factors, as well as restaurants where future profitability is expected to decline, to improve profitability.

The Group will improve its structure to achieve higher profitability. In addition, as DX measures such as mobile ordering have had some success in eliminating the problem of shortage of human resources, the Company will proceed with the development of new DX measures based on testing and verifying the effectiveness of such measures.

In terms of products, Ippudo will continuously improve its mainstay ramen products and regularly launch new products to encourage customers to visit its stores. As for plant-based ramen, which is derived from plants in response to the diversification of diet, in addition to the opening of Ippudo Shinjuku Lumine Est branch, which offers plant-based ramen at all times, and the strong sales of Plant-based Shiromaru and Akamaru dry noodles overseas, the Group will continue to be committed to expanding plant-based ramen, diversifying raw material procurement risks and contributing to the realisation of a sustainable society. Furthermore, with the aim of diversifying sales channels, the Group has started supplying products to and developing the Yo-Kai Express business, an automatic ramen machine from the USA by Yo-Kai Express Inc. It will continue to contribute to the global expansion of the Yo-Kai Express business.

With regard to store operations, the Company will work to maintain and improve quality, service and cleanliness (QSC), which is the basis of restaurants, and ensure thorough hygiene management based on HACCP, and strive to create stores that continue to be loved by local customers and allow them to enjoy their meals with peace of mind.

In addition, internationally, where the company already operates in 14 countries and regions, the company has so far laid the foundations for expansion of scale by, for example, setting up central kitchens and opening flagship stores in the countries of each major markets, and expects to be able to increase earnings quickly by aggressively opening additional stores. Although store openings have stalled due to the spread of the Covid-19, new store openings have resumed in both company managed and licensed areas and will be further accelerated in the future. In parallel, the Company will continue to consider opening new stores in countries and areas with large economies or high economic growth rates, both directly managed and licensed.

In light of these circumstances, the forecast for the next financial year and the forecast for consolidated sales by segment are as follows.

<Consolidated financial forecasts>.

	Year ending 31 Mar 2023. actual	Year ending 31 Mar 2024. Forecast.	Change from previous year
Revenue	26,116 million.	28,361 million.	+8.6%.
Operating profit	2,281 million.	2,540 million.	+11.4%.
Ordinary profit	2,321 million.	2,564 million.	+10.5%.
Attributable to shareholders of the parent company Net profit for the year	1,628 million.	1,821 million.	+11.8%.

<Consolidated sales forecast by segment>.

	Year ending 31 Mar 2023. actual	Year ending 31 Mar 2024. Forecast.	Change from previous year
Domestic store Operations	11,489 million.	12,436 million.	+8.2%.
International Store Operations	11,753 million.	12,937 million.	+10.1%
Products and Merchandizing	2,872 million.	2,987 million.	+4.0%.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,773,304	6,744,454
Accounts receivable - trade	527,960	687,797
Inventories	304,812	420,203
Other	1,045,541	1,039,804
Allowance for doubtful accounts	△811	△966
Total current assets	6,650,807	8,891,293
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,881,662	10,305,194
Accumulated depreciation	△5,403,814	△5,924,371
Buildings and structures, net	4,477,848	4,380,822
Machinery, equipment and vehicles	1,145,886	1,256,612
Accumulated depreciation	△905,794	△1,038,685
Machinery, equipment and vehicles, net	240,091	217,926
Land	629,975	525,025
Leased assets	60,081	60,081
Accumulated depreciation	△42,074	△48,576
Leased assets, net	18,007	11,505
Construction in progress	26,927	52,994
Other	1,442,877	1,521,026
Accumulated depreciation	△1,132,604	△1,220,604
Other, net	310,273	300,422
Total property, plant and equipment	5,703,123	5,488,696

Intangible assets		
Goodwill	136,511	107,608
Other	41,195	49,590
Total intangible assets	177,707	157,199
Investments and other assets		
Investment securities	51,308	46,340
Long-term loans receivable	11,300	11,438
Deferred tax assets	819,544	925,471
Leasehold and guarantee deposits	1,624,716	1,720,897
Other	254,392	257,685
Allowance for doubtful accounts	△21,303	△21,361
Total investments and other assets	2,739,959	2,940,472
Total non-current assets	8,620,790	8,586,368
Total assets	15,271,597	17,477,661

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	536,414	765,420
Short-term borrowings	2,500,000	2,500,000
Current portion of bonds payable	14,000	9,000
Current portion of long-term borrowings	1,960,987	1,181,342
Lease liabilities	7,333	6,941
Accounts payable - other	997,341	792,314
Income taxes payable	283,381	231,569
Provision for share awards	7,392	5,117
Reserve for interlocking type of monetary benefit	-	582
Provision for bonuses	-	101,361
Asset retirement obligations	107,346	50,917

Other	888,877	1,076,299
Total current liabilities	7,303,074	6,720,867
Non-current liabilities		
Bonds payable	9,000	-
Long-term borrowings	2,877,187	1,736,667
Lease liabilities	12,337	5,395
Provision for share awards	22,916	18,125
Provision for ESOP benefits for non-residents	835	5,798
Retirement benefit liability	178,513	173,387
Asset retirement obligations	860,957	962,346
Other	206,135	214,970
Total non-current liabilities	4,167,882	3,116,691
Total liabilities	11,470,957	9,837,559
Net assets		
Shareholders' equity		
Share capital	2,139,833	3,117,571
Capital surplus	1,974,063	2,948,599
Retained earnings	△366,900	1,261,541
Treasury shares	△99,279	△96,432
Total shareholders' equity	3,647,716	7,231,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,859	3,798
Foreign currency translation adjustment	136,315	405,023
Total accumulated other comprehensive income	144,175	408,822
Share acquisition rights	8,749	-
Total net assets	3,800,640	7,640,101
Total liabilities and net assets	15,271,597	17,477,661

(2) Consolidated Statement on Profit and Loss and Comprehensive Income Consolidated
Statement of Income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	19,398,059	26,116,157
Cost of sales	5,654,835	7,748,398
Gross profit	13,743,224	18,367,759
Selling, general and administrative expenses	12,692,554	16,086,510
Operating profit	1,050,669	2,281,248
Non-operating income		
Interest income	2,734	3,438
Dividend income	489	991
Share of profit of entities accounted for using equity method	23,703	6,813
Foreign exchange gains	43,467	-
Lease income	141,415	129,416
Other	44,740	111,258
Total non-operating income	256,550	251,917
Non-operating expenses		
Interest expenses	56,620	62,014
Foreign exchange losses	-	6,576
Rental costs	131,763	115,221
Financial Commission fee	9,289	8,789
Other	26,205	18,861
Total non-operating expenses	223,879	211,462
Ordinary profit	1,083,340	2,321,703
Extraordinary income		
Gain on sale of non-current assets	2,316	52,361
Subsidy income	1,752,006	76,435
Gain on forgiveness of debts	511,207	-

Gain on reversal of asset retirement obligations	-	42,468
Other	9,892	3,975
Total extraordinary income	2,275,423	175,241
Extraordinary losses		
Loss on sale of non-current assets	47	47
Loss on retirement of non-current assets	5,769	1,271
Impairment losses	1,291,118	482,389
Loss on valuation of investment securities	25,439	137,420
Extraordinary loss related to store closure	901,049	-
Other	204,991	11,921
Total extraordinary losses	2,428,416	633,049
Profit before income taxes	930,347	1,863,895
Income taxes - current	290,519	338,218
Income taxes - deferred	△341,287	△102,765
Total income taxes	△50,768	235,452
Profit	981,115	1,628,442
Profit attributable to non-controlling interests	57,368	-
Profit attributable to owners of parent	923,747	1,628,442