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Summary of Consolidated Financial Results for the Year ended March 31, 2023 (FY3/23) (IFRS)

May 15, 2023

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 ordinary general meeting of shareholders: June 29, 2023

Starting date of dividend payments: June 15, 2023

Date of release of securities report: June 29, 2023

Preparation of explanatory materials on financial results: Yes

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

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Year Ended March 31, 2023

(1) Consolidated Operating Results

(% figures denote year-on-year change)

	Revenue		Business profit		Operating profit		Profit before tax		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	188,320	22.8	6,984	28.6	7,466	(47.6)	7,726	(44.6)	4,456	(51.8)
Year ended March 31, 2022	153,355	13.8	5,431	—	14,243	—	13,935	—	9,241	—

	Profit for the year attributable to owners of the parent		Comprehensive income for the year		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
Year ended March 31, 2023	3,827	(57.4)	9,812	(32.0)	39.58	39.28
Year ended March 31, 2022	8,979	—	14,427	—	99.25	98.46

	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to revenue
	%	%	%
Year ended March 31, 2023	5.8	3.0	4.0
Year ended March 31, 2022	17.7	6.2	9.3

(Reference) Share of profit (loss) of investments accounted for using the equity method:

Year ended March 31, 2023: ¥ 122 million

Year ended March 31, 2022: ¥ (151) million

EBITDA (*):

Year ended March 31, 2023: ¥ 30,196 million (increased 30.3% year-on-year basis)

Year ended March 31, 2022: ¥ 23,169 million

Adjusted EBITDA:

Year ended March 31, 2023: ¥ 32,585 million (increased 19.1% year-on-year basis)

Year ended March 31, 2022: ¥ 27,357 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 March 31, 2023	266,235	78,158	69,566	26.1	798.90
As of March 31, 2022	240,840	69,978	62,024	25.8	714.46

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	32,595	(11,863)	(8,783)	67,456
Year ended March 31, 2022	35,118	(5,659)	(2,903)	53,463

2. Dividends

	Annual dividend per share					Total amount of dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of parent (Consolidated)
	Q1	Q2	Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	0.00	—	7.50	7.50	651	7.6	1.3
Year ended March 31, 2023	—	0.00	—	7.50	7.50	659	18.9	1.0
Year ending March 31, 2024 (Forecast)	—	0.00	—	7.50	7.50		29.4	

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2024

Percentages indicate year-on-year changes

	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	%
1 st half	103,150	12.2	4,630	(2.0)	3,180	(50.9)	2,680	(64.1)	1,660	(65.4)
Fiscal year	212,000	12.6	9,650	38.2	6,650	(10.9)	5,650	(26.9)	3,500	(21.4)

	Profit for the period attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)	
	Millions of yen	%	Yen	
1 st half	1,210	(72.6)	11.70	
Fiscal year	2,600	(32.1)	25.47	

* 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 estimate
1) Changes in accounting policies as required by IFRS: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimate: 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 March 31, 2023	87,920,752 shares
As of March 31, 2022	87,663,352 shares

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

As of March 31, 2023	844,025 shares
As of March 31, 2022	851,372 shares

- 3) Average number of shares during the period

Year ended March 31, 2023	86,930,263 shares
Year ended March 31, 2022	86,575,941 shares

*Summary financial statements are not subject to audit procedures 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 at the venue and online for institutional investors and analysts on May 19, 2023. Presentation materials will be posted on its website today.

1. Qualitative Information Concerning Financial Results for the Fiscal Year ended March 31, 2023

(1) Consolidated Business Performance

During the consolidated fiscal year under review ended March 31, 2023, the business environment surrounding the Group in Japan was characterized by a dramatic increase in the number of people out and about and a recovery in the number of restaurant customers compared to the previous year, when a state of emergency was declared to prevent the spread of COVID-19 and COVID-19 quasi-emergency measures were implemented. Overseas, we saw a recovery in business conditions as restrictions on activities were largely eliminated in Europe and the U.S., and restrictions were eased in Asia as well.

Given this environment, the Group has made efforts in Japan to develop highly appealing products, design stores, and motivate customers to visit our stores. Abroad, in addition to aggressively opening new stores mainly in Asia, Europe, and North America, we have focused on rebranding and developing new business partners (local buddies (Note 1)) with an eye toward global expansion.

As a result, Marugame Seimen, an authentic Sanuki udon chain, and overseas businesses achieved record-high revenues, and all segments, including Others, recorded an increase in revenues, hitting a record-high revenue increase of 22.8% year-on-year to ¥188,320 million.

Profits were impacted by the global rise in raw material, labor, and utilities costs, but this was absorbed by the increase in sales, and in addition to Marugame Seimen and Overseas businesses, other segments, which reached record highs, recorded increased profits, and despite the increase in adjustments, business profit (Note 2) increased significantly by 28.6% year-on-year to ¥6,984 million.

Meanwhile, COVID-related subsidy income (which includes a government subsidy provided in return for complying with the request to shorten operating hours) totaled just ¥4,403 million for the current fiscal year, compared to ¥12,866 million last year. As a result, other operating revenues decreased by ¥9,966 million year-on-year. Also, a one-time business liquidation cost of ¥1,227 million related to the China business was recorded as other operating expenses. As a result, operating income (Note 3) and current fiscal year income attributable to owners of the parent decreased by 47.6% year-on-year to ¥7,466 million and by 57.4% year-on-year to ¥3,827 million, respectively.

(Notes)

- 1: Comrades around the world who have special knowledge and know-how that works toward exciting experiences
- 2: Business profit is calculated by deducting the cost of goods sold and selling, general and administrative expenses from revenue.
- 3: Operating profit is calculated by adding other operating income to and deducting impairment losses and other operating expenses from business

(Millions of yen)

	FY3/22 Results	FY3/23 Results	Year-on-year change		FY3/23 Revised Plan	FY3/23 Results vs Revised Plan (Note 4)	
			Amount	%		Amount	%
Revenue	153,355	188,320	+34,965	+22.8%	191,900	(3,580)	(1.9)%
Business profit	5,431	6,984	+1,553	+28.6%	7,300	(316)	(4.3)%
Operating profit	14,243	7,466	(6,777)	(47.6)%	7,100	+366	+5.2%
Profit for the period attributable to owners of the parent	8,979	3,827	(5,151)	(57.4)%	4,000	(173)	(4.3)%

(Note)

- 4: Revised on November 11, 2022

(2) Business Performance by Segment

(Millions of yen)

Revenue	FY3/22 Results	FY3/23 Results	Year-on-year change		FY3/23 Revised Plan	FY3/23 Results vs Revised Plan (Note 4)	
			Amount	%		Amount	%
Marugame Seimen	92,129	102,100	+9,971	+10.8%	103,500	(1,400)	(1.4)%
Overseas	41,069	61,483	+20,414	+49.7%	65,000	(3,517)	(5.4)%
Other	20,156	24,737	+4,581	+22.7%	23,400	+1,337	+5.7%
Total	153,355	188,320	+34,965	+22.8%	191,900	(3,580)	(1.9)%

(Millions of yen)

Business profit	FY3/22 Results	FY3/23 Results	Year-on-year change		FY3/23 Revised Plan	FY3/23 Results vs Revised Plan (Note 4)	
			Amount	%		Amount	%
Marugame Seimen	10,586	11,624	+1,038	+9.8%	11,800	(176)	(1.5)%
Overseas	1,448	1,809	+361	+24.9%	1,600	+209	+13.1%
Other	836	3,044	+2,208	+264.2%	2,700	+344	+12.8%
Adjustments (Note 5)	(7,439)	(9,494)	(2,055)	—	(8,800)	(694)	—
Total	5,431	6,984	+1,553	+28.6%	7,300	(316)	(4.3)%

(Note)

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

(Location)

Number of Locations	Marugame Seimen		Overseas	Franchise and etc.*6	Sub-Total	Other			Total
	Company-owned	Company-owned				Company-owned	Franchise and etc.	Sub-Total	
At the end of FY3/22	832	254	390	644	236	8	244	1,720	
Opening in FY3/23	14	76	84	160	29	0	29	203	
Closure in FY3/23	13	14	83	97	39	4	43	153	
At the end of FY3/23	833	316	391	707	226	4	230	1,770	

(Notes)

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

7: 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

Marugame Seimen performed well throughout the year due to the success of integrated communication that merges offline (stores) and online (TV commercials, digital marketing, social media, etc.), combining the brand strategy and product strategy in a hybrid form.

From June 15, 2022, the Group launched a new brand campaign with the key message “We’ll amaze you with udon!” to promote the delicious taste of freshly made udon and the value of handmade udon by artisans, while also enhancing brand empathy and favorability through stronger communication efforts.

In our product strategy, we not only further improved and enhanced the quality of our popular seasonal fair items, which were well received by our customers, but also introduced new offerings so that customers could enjoy a variety of ingredients and tastes. This not only promoted repeat purchases but also enhanced awareness of the series.

New products “Oretachi (our) Udon with Tonjiru (pork and vegetable soup)” and “Oretachi Udon with Tonjiru (pork and vegetable soup) with butter and chives” which were jointly developed with Mr. Masahiro Matsuoka of TOKIO.inc, a co-creation partner, were the result of the pursuit of a unique pork soup that best suits udon noodles and the fusion of Mr. Matsuoka's unique ideas and Marugame Seimen's product development and marketing capabilities. As a result, it became a big hit exceeding Tomato Egg Curry Udon and sold 2.55 million units. The next product, “Ankake Udon with Double Meat and Egg,” also became a winter hit, selling 1.63 million units.

In this fiscal year, to cope with soaring costs of raw materials, utilities, and labor, the Group implemented price revisions for a portion of our products on October 25, 2022, and further revised prices on March 7, 2023, including for our signature product, Kamaage Udon. We also renovated and remodeled aging stores at 70 existing locations.

In the area of customer service, the Group also focused on improving the customer experience (CX) with its “Osekkai Strategy (Note 8),” which resulted in an increase in the number of compliments received from customers.

Thanks to these initiatives, revenue reached a record high, up by 10.8% year-on-year to ¥102,100 million. Cost of sales, labor costs, electricity rates, and advertising expenses also increased but were absorbed by the increase in revenue, resulting in a business profit increase of 9.8% year-on-year to ¥11,624 million.

(Note 8) A strategy to increase revenue by focusing on delighting customers and improving the in-store customer experience

Overseas Segment

As countries around the world continue to see a recovery in human mobility, the elimination of the COVID-19-related restrictions in China in January 2023 are expected to have a ripple effect on the economy in neighboring countries as well. In this environment, Tam Jai, a Hong Kong-based spicy noodle restaurant business, increased its number of locations by 40 in Asia, resulting in a significant increase in sales. Profitability recovered gradually in the fourth quarter of this fiscal year but was strongly affected by China's COVID-19-related restrictions through the third quarter, resulting in a decline in profits.

Marugame Udon reported a significant increase in sales in the U.S., thanks to the continued strong performance of its Hawaii stores as well as new stores. In Taiwan, revenue and profit increased dramatically owing to the success of focused efforts on human resource training despite COVID-19 restrictions, as well as its successful promotions. In the U.K., six new stores were opened during the current fiscal year, bringing the total number of locations to 10, and the recognition of the company, has increased with coverage in the local media and its selection for awards.

As a result of the above, revenue saw a significant increase of 49.7% year-on-year to ¥61,483 million yen, partly due to the impact of foreign exchange rates, and reached a record high. In terms of profit, soaring raw material prices, rising labor costs, and anticipatory investments such as marketing expenses for global expansion in multiple business categories were absorbed by the increase in revenue, resulting in an increase in business profit of 24.9% year-on-year to ¥1,809 million.

Other Segment

Other segment include Kona's Coffee, Nikuno Yamaki Shoten, Buta-ya Tonichi, Toridoll, Nagata Honjyouken, Tempura Makino, Ramen Zundo-ya, Banpai-ya among others.

Both revenue and profit increased due to an improved business environment for Ramen Zundo-ya, Banpai-ya, and Toridoll compared to the same period of the previous fiscal year, when they were forced to close or shorten their business hours due to the declaration of a state of emergency to prevent the spread of COVID-19 and COVID-19 quasi-emergency measures were implemented.

Ramen Zundo-ya, a thick tonkotsu (pork bone) ramen noodle restaurant business, achieved a dramatic increase in revenue by opening 19 new locations this fiscal year. In addition, the business profit margin rose significantly due to a decline in the ratio of cost and labor expenses, driving revenue and profit in this business segment.

Kona's Coffee, a coffee chain with the concept of Hawaiian dining experience "closest to you," achieved increased revenue and profit thanks to the success of limited-time fair menus, events, and other measures, as well as strong sales at the Tama New Town branch, which opened in October 2022.

Toridoll achieved a substantial increase in revenue and profit due to a considerable increase in the number of customers as a result of the successful launch of its signature product, Momo Ichimai Yaki Bento.

Buta-ya Tonichi focused on creating restaurants that emphasize elaborate artisan techniques, such as cutting meat to order and coating it with breadcrumbs made in the establishment, while at the same time, it made progress in liquidating unprofitable restaurants, resulting in a significant increase in profit

Nikuno Yamaki Shoten's product strategy of offering handmade, freshly prepared yakiniku donburi and side dishes at everyday prices gained the support of customers, and the new location opened in November 2022 performed well by quickly establishing a grocerant model, resulting in an increase in revenue and profit.

As a result of the above, revenue saw an increase of 22.7% year-on-year to ¥24,737 million yen, and business profit increased significantly by 264.2% year-on-year to a record high of ¥30,044 million yen, thanks to an increase in revenue and a decrease in both the cost ratio and SG&A ratio due to optimization of the deployment of personnel, etc.

(3) Future Outlook

For the consolidated fiscal year ending March 31, 2024, we are projecting revenue of ¥212,000 million, business profit of ¥9,650 million, and increases in both revenue and profit in all segments.

Meanwhile, Due to the impact of a decrease of approximately 4.4 billion yen in COVID-related subsidies (which include a government subsidy provided in return for complying with the request to shorten operating hours), operating income and current fiscal year income attributable to owners of the parent are projected to decrease by 10.9% year-on-year to ¥6,650 million and by 32.1% year-on-year to ¥2,600 million, respectively.

(Millions of yen)

	FY3/22 Results	FY3/23 Results	Year-on-year change	
			Amount	%
Revenue	188,320	212,000	+23,680	+12.6%
Business profit	6,984	9,650	+2,666	+38.2%
Operating profit	7,466	6,650	(816)	(10.9)%
Profit for the period attributable to owners of the parent	3,827	2,600	(1,227)	(32.1)%

(Millions of yen)

Revenue	FY3/23 Results	FY3/24 Plan	Year-on-year change	
			Amount	%
Marugame Seimen	102,100	110,000	+7,900	+7.7%
Overseas	61,483	75,000	+13,517	+22.0%
Other	24,737	27,000	+2,263	+9.1%
Total	188,320	212,000	+23,680	+12.6%

(Millions of yen)

Business profit	FY3/23 Results	FY3/24 Plan	Year-on-year change	
			Amount	%
Marugame Seimen	11,624	13,300	+1,676	+14.4%
Overseas	1,809	2,770	+961	+53.1%
Other	3,044	3,300	+256	+8.4%
Adjustments (Note 5)	(9,494)	(9,720)	(226)	—
Total	6,984	9,650	+2,666	+38.2%

(Note)

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

(Location)

Number of Locations	Marugame Seimen		Overseas	Franchise and etc.*6	Sub-Total	Other			Total
	Company-owned	Company-owned				Company-owned	Franchise and etc.	Sub-Total	
At the end of FY3/23	833	316	391	707	226	4	230	1,770	
Opening Plan in FY3/24	52	116	66	182	47	0	47	281	
Closure Plan in FY3/24	5	13	7	20	3	0	3	28	
At the end of FY3/24	880	419	450	869	270	4	274	2,023	

(Note)

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

Marugame Seimen Segment

Marugame Seimen segment will continue its integrated communication that merges offline (stores) and online (TV commercials, digital marketing, social media, etc.), combining brand and product strategies in a hybrid form.

The brand campaign, with the catchphrase “We’ll amaze you with udon!” to promote the delicious taste of freshly made udon and the value of handmade udon by artisans, launched a new brand message “The passion of Menshokunin (noodle masters)” on March 27. Currently, there are approximately 1,200 Marugame Seimen Menshokunin nationwide, and we are strengthening the training of these Menshokunin with the goal of deploying them at all of our restaurants by the end of the fiscal year ending March 31, 2024. We will further strengthen our image of being “authentic” and having “overwhelmingly delicious udon” by communicating the fact that all stores are noodle production shops and have Menshokunin, and appealing to the public for improved udon quality.

Also, as a new product offering new customer experience value in the post-COVID era, where restrictions on going out are no longer in place, Marugame Shake Udon, a take-out-only product, will go on sale on May 16. In addition to the delicious taste of handmade and freshly prepared udon, we will offer the “fun and excitement” that can only be experienced with takeout, an experience that can be enjoyed “anytime, anywhere, casually, and style-free” with the aim to cultivate a new customer base.

The Group will further strengthen our “Osekkai Strategy” (Note 8) by launching initiatives to create new emotional experiences in our stores. We will also carry out renovation and remodeling of aging stores at a level comparable to the current fiscal year. Although these costs and the closure of stores during the construction period will temporarily limit revenue growth, they will contribute to creating more comfortable spaces for customers and employees.

Through these initiatives, we plan to increase both revenue and profit, with revenue up 7.7% year-on-year to ¥110,000 million and business profit up 14.4% year-on-year to ¥13,300 million.

Overseas Segment

In the Overseas Segment, with the lifting of China's COVID-19-related restrictions, Tam Jai will resume store openings in China. As for Marugame Udon, in Taiwan we will focus on maintaining high profitability, and in the U.S., profitability improvement is forecasted to further progress. In the U.K., Marugame Udon aims to improve labor productivity by increasing revenues, and will implement measures such as strengthening marketing around stores and expanding delivery services. In other Asian countries, the Group plans to increase the number of franchise stores.

As a result of these efforts, we forecast a significant increase in both revenue and profit, with revenue up 22.0% year-on-year to ¥750 million and business profit up 53.1% year-on-year to ¥2,770 million.

Other Domestic Segment

In the domestic Other Segment, the Group will focus on expanding the value of the customer experience and securing and training human resources while improving success rates and maintaining high profitability by identifying and opening new stores in locations where the successful models of each business type can be horizontally deployed. Ramen Zundo-ya plans to expand into new areas such as the Chubu and Kanto regions, while Kona's Coffee plans to open stores mainly in eastern Japan. Nikuno Yamaki Shoten and Buta-ya Tonichi will prioritize station-front and shopping district locations and Banpai-ya plans to open stores in the Kanto and Kansai regions.

As a result, we forecast an increase in both revenue and profit, with revenue up 9.1% year-on-year to ¥2,700 million and business profit up 8.4% year-on-year to ¥3,300 million.

2. Dividend payout policy and annual dividends per share for FY 3/23 and FY3/24

TORIDOLL Holdings Corporation places one of the highest priorities on the appropriate distribution of profits to shareholders. Guided by this principle, we strive to provide steady shareholder returns reflecting the profitability and performance of the business while maintaining efforts to maximize retained earnings to make the investment required for the Group's growth. To ensure stable and constant dividend payment, our sustainable dividend policy sets the adjusted dividend payout ratio* to be at least 2% while targeting the dividend payout ratio of 20%.

For FY3/23, we have decided to pay the annual dividend of ¥7.50 per share. The annual dividend per share for FY3/24 is expected to be ¥7.50 per share.

*The adjusted dividend payout ratio is calculated by dividing dividends paid by (net income attributable to owners of the parent + depreciation and amortization + other operating expenses - other operating income + impairment losses + non-recurring expenses) and multiplying the result by 100.

Consolidated Financial Statements
Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	53,463	67,456
Trade and other receivables	5,518	7,578
Inventories	502	759
Other current assets	1,605	2,008
Total current assets	61,087	77,801
Non-current assets		
Property, plant and equipment	31,783	36,143
Right-of-use assets	80,430	82,759
Intangible assets and goodwill	42,838	45,712
Investments accounted for using the equity method	3,819	4,336
Other financial assets	13,146	13,103
Deferred tax assets	6,276	4,953
Other non-current assets	1,460	1,428
Total non-current assets	179,752	188,434
Total assets	240,840	266,235

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	10,773	13,223
Short-term loans payable	4,024	4,028
Current portion of long-term loans payable	12,555	16,802
Lease liabilities	14,936	16,722
Income taxes payable	2,438	644
Provisions	1,171	1,423
Other current liabilities	4,816	6,627
Total current liabilities	50,713	59,470
Non-current liabilities		
Bonds payable	—	3,184
Long-term loans payable	43,884	46,629
Lease liabilities	68,435	69,214
Provisions	4,761	5,336
Deferred tax liabilities	1,556	1,558
Other non-current liabilities	1,514	2,687
Total non-current liabilities	120,150	128,608
Total liabilities	170,862	188,078
Equity		
Equity attributable to owners of the parent		
Capital stock	4,498	4,673
Capital surplus	11,877	11,575
Other equity instruments	10,847	10,847
Retained earnings	31,338	34,207
Treasury shares	(1,020)	(1,003)
Other components of equity	4,483	9,267
Total equity attributable to owners of the parent	62,024	69,566
Non-controlling interests	7,954	8,592
Total equity	69,978	78,158
Total liabilities and equity	240,840	266,235

Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Revenue	153,355	188,320
Cost of sales	(38,180)	(47,817)
Gross profit	115,174	140,503
Selling, general and administrative expenses	(109,743)	(133,519)
Impairment loss	(4,188)	(2,348)
Other operating income	15,490	5,525
Other operating expenses	(2,491)	(2,695)
Operating profit	14,243	7,466
Finance income	1,022	1,234
Finance costs	(1,178)	(1,096)
Finance income (costs), net	(157)	138
Share of profit (loss) of investments accounted for using the equity method	(151)	122
Profit before tax	13,935	7,726
Income tax expense	(4,694)	(3,271)
Profit for the year	9,241	4,456
Profit for the year attributable to		
Owners of the parent	8,979	3,827
Non-controlling interests	262	628
Profit for the year	9,241	4,456
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	99.25	39.58
Diluted earnings per share	98.46	39.28

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit for the year	9,241	4,456
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	4,877	4,924
Share of other comprehensive income of investments accounted for using the equity method	308	433
Other comprehensive income	5,185	5,356
Comprehensive income for the year	14,427	9,812
Comprehensive income for the year attributable to		
Owners of the parent	13,599	8,511
Non-controlling interests	828	1,301

Consolidated Statements of Changes in Equity

For the year ended March 31, 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					
						Exchange differences on translating foreign operations	Subscription rights to shares	Total			
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 year				8,979				—	8,979	262	9,241
Other comprehensive income						4,620		4,620	4,620	565	5,185
Total comprehensive income for the period	—	—	—	8,979	—	4,620	—	4,620	13,599	828	14,427
Issuance of new shares (exercise of subscription rights)	291	291					(133)	(133)	449		449
Share-based payment transactions							167	167	167		167
Purchase and disposal of treasury shares		(5)			6			—	1		1
Dividends				(389)				—	(389)		(389)
Issue of other equity instruments				(388)				—	(388)		(388)
Change in ownership interests in subsidiaries without loss of control		9,121				(125)		(125)	8,996	6,648	15,645
Other		121		5				—	127		127
Total transaction amount with owners	291	9,529	—	(772)	6	(125)	34	(91)	8,963	6,648	15,611
As of March 31, 2022	4,498	11,877	10,847	31,338	(1,020)	3,976	507	4,483	62,024	7,954	69,978

For the year ended March 31, 2023

(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					
						Exchange differences on translating foreign operations	Subscription rights to shares	Total			
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 year				3,827				—	3,827	628	4,456
Other comprehensive income						4,684		4,684	4,684	673	5,356
Total comprehensive income for the period	—	—	—	3,827	—	4,684	—	4,684	8,511	1,301	9,812
Issuance of new shares (exercise of subscription rights)	174	174					(78)	(78)	271		271
Share-based payment transactions							192	192	192		192
Purchase and disposal of treasury shares		5			17			—	22		22
Dividends				(651)				—	(651)	(671)	(1,322)
Issue of other equity instruments				(385)				—	(385)		(385)
Change in ownership interests in subsidiaries without loss of control		(550)						—	(550)	7	(543)
Other		69		78			(14)	(14)	133		133
Total transaction amount with owners	174	(301)	—	(958)	17	—	100	100	(969)	(664)	(1,632)
As of March 31, 2023	4,673	11,575	10,847	34,207	(1,003)	8,659	607	9,267	69,566	8,592	78,158

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	13,935	7,726
Depreciation and amortization	21,926	25,559
Impairment loss	4,188	2,348
Interest income	(220)	(556)
Interest expenses	1,016	1,085
Share of loss (profit) of investments accounted for using the equity method	151	(122)
Decrease (increase) in trade and other receivables	(517)	(728)
Decrease (increase) in inventories	(74)	(220)
Increase (decrease) in trade and other payables	(1,403)	1,137
Other, net	(1,681)	1,244
Subtotal	37,319	37,474
Interest income received	188	438
Interest expenses paid	(988)	(917)
Income taxes paid	(1,401)	(4,400)
Net cash provided by (used in) operating activities	35,118	32,595
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,898)	(11,410)
Purchase of intangible assets	(69)	(22)
Collection of long-term loans receivable	2,020	219
Payments for lease and guarantee deposits	(539)	(713)
Proceeds from collection of lease and guarantee deposits	758	485
Payments of construction assistance fund receivables	(14)	(33)
Collection of construction assistance fund receivables	517	493
Purchase of investments accounted for using the equity method	(1,200)	—
Other, net	(234)	(882)
Net cash provided by (used in) investing activities	(5,659)	(11,863)
Cash flows from financing activities		
Proceeds from issuance of bonds	—	3,981
Net increase (decrease) in short-term loans payable	(3,000)	—
Proceeds from long-term loans payable	16,571	20,978
Repayments of long-term loans payable	(15,401)	(13,986)
Repayments of lease liabilities	(16,013)	(18,595)
Proceeds from share issuance to non-controlling shareholders	15,439	444
Cash dividends paid	(389)	(651)
Distribution to owners of other equity instruments	(560)	(555)
Other, net	449	(400)
Net cash provided by (used in) financing activities	(2,903)	(8,783)
Net increase (decrease) in cash and cash equivalents	26,557	11,948
Cash and cash equivalents at beginning of period	24,969	53,463
Effect of exchange rate change on cash and cash equivalents	1,937	2,045
Cash and cash equivalents at end of period	53,463	67,456