



# Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2023 [IFRS] (Consolidated)

May 15, 2023

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Scheduled date of quarterly report submission: May 15, 2023

Scheduled date for commencement of dividend payment: —

Supplementary explanatory materials for quarterly financial results: Yes

Quarterly financial results briefings: No

(Rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending June 30, 2023 (July 1, 2022, to March 31, 2023)

### (1) Consolidated Operating Results (Cumulative) (Percentages indicate changes from the same period of the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Q3 FYE June 2023	16,450	9.7	1,290	43.0	1,175	49.0	812	56.2	812	56.2	790	19.2
Q3 FYE June 2022	14,992	7.5	901	220.4	788	439.0	519	222.9	519	222.9	662	175.5

	Basic earnings per share Profit	Diluted earnings per share Profit
	yen	yen
Q3 FYE June 2023	62.56	60.77
Q3 FYE June 2022	40.42	38.87

### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parents	Ratio of equity attributable to owners of parent
	million yen	million yen	million yen	%
Q3 FYE June 2023	29,584	12,085	12,085	40.9
FYE June 2022	29,736	11,387	11,387	38.3

## 2. Dividends

	Annual dividends				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FYE June 2022	—	0.00	—	10.00	10.00
FYE June 2023	—	0.00	—		
FYE June 2023 (forecast)				19.00	19.00

(Notes) 1. Revision from the last announcement of dividend forecast: Yes

2. For details of the revision of the forecast of the year-end dividend for the fiscal year ending June 30, 2023, please refer to "Notice of Revision of Earnings and Dividend Forecasts" announced today (May 15, 2023).

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022, to June 30, 2023)

(Percentages indicate changes from the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	22,650	10.1	2,100	50.2	1,950	56.0	1,320	54.1	1,320	54.1	101.60

(Note) Revision from the last announcement of earnings forecast: Yes

\* Notes

(1) Changes in significant subsidiaries during the period: No

(Changes in specific subsidiaries with changes in the scope of consolidation)

Newly consolidated - companies (Company names) -, Excluded - companies (Company names) -

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)	Q3 FYE June 2023	13,014,300	FYE June 2022	12,942,600
(ii) Number of treasury shares at the end of the period	Q3 FYE June 2023	123	FYE June 2022	123
(iii) Average number of shares outstanding during the period (cumulative from the start of the period)	Q3 FYE June 2023	12,983,836	Q3 FYE June 2022	12,861,008

\* Quarterly financial results are not subject to quarterly review by certified public accountants or audit firms.

\* Explanation on the appropriate use of earnings forecasts and other special notes

(Notes on forward-looking statements)

Forward-looking statements and others included in this document, including earnings forecasts, are based on information currently available to and certain premises deemed to be rational by the Company, and it is not committed to achieving such. Actual earnings and others may differ due to various factors. For matters related to the forecast, please refer to "(3) Explanation of Information on Future Forecasts Including Consolidated Earnings Forecast" under "1. Qualitative Information on Quarterly Financial Results" on page 8 of the attached document.

(How to obtain supplementary explanatory materials for financial results)

Supplementary explanatory materials for financial results were disclosed on TDnet on the same day and will also be posted on the Company website.

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# 1. Qualitative Information Regarding the Quarterly Financial Results under Review

## (1) Explanation of Operating Results

(Explanation of Company's Initiative)

The Company Group has formulated a new Medium-term Management Plan "Reborn for 2027," which spans the coming five years starting in the fiscal year ending June 2023 (the fiscal year under review). This plan has been made in recognition of changes to the business environment, the recruitment of stylists and their working conditions, resulting from the spread of infections of the new coronavirus (hereinafter referred to COVID-19). The Medium-term Management Plan sets our aspiration to become a company chosen by "Customers" and "Working people: Stylists," who are the source of business growth, as the most important management policy. We intend to become a company that will be chosen by as many stylists as possible through boosting HR investment to improve stylists' treatment and workstyles, and expanding and reinforcing HR development bases, and we aim to build a business foundation for profit growth by widening a network of salons and enhancing the value of services.

The Company positions the fiscal year under review, which is the first year of the Medium-term Management Plan, as the period to firm up a system for achieving the goals, and accordingly, the Company has formulated a series of action plans including "Enhancement of the retention rate of stylists and strengthening of recruitment thereof." The following are action plans for the fiscal year under review and main efforts up to the date of the submission of this document.

Category	Action Plans	Main Efforts										
Domestic operations	Enhancement of the retention rate of stylists and strengthening of recruitment thereof	<ul style="list-style-type: none"> <li>- Improved the treatment of stylists by securing the funds for a wage raise in order to put more importance on the evaluation of their contribution at the frontlines, in addition to the usual funds for a wage raise.</li> <li>- Achieved a number of new recruits that outnumbered that of the previous year by strengthening recruitment through measures including the diversification of recruitment channels, such as employment of new graduates, referral-based recruitment and the hiring of alumni (re-employment of former employees), and the introduction of incentives.</li> <li>- Opened a training facility in Hiroshima in April 2023, becoming the seventh such facility in Japan (including satellites).</li> </ul>										
	Earnings improvement by revising service prices	<ul style="list-style-type: none"> <li>- The Company Group is in a situation where it cannot secure enough stylists to satisfy demand due to changes to the recruitment and working environment while the congestion rate in salons remains above the pre-COVID-19 level, resulting from a recovery in demand for haircuts. We decided on and carried out a revision of the regular prices of QB HOUSE, FaSS and QB PREMIUM, based on the conclusion that it was essential to make investments in further improving the treatment of stylists in order to provide services to customers in a stable manner.</li> </ul> <table border="1"> <thead> <tr> <th>Business format</th> <th>Revision period</th> <th>Overview of revisions (tax included)</th> </tr> </thead> <tbody> <tr> <td>QB HOUSE</td> <td rowspan="3">April 2023</td> <td>Regular price 1,200 yen to 1,350 yen</td> </tr> <tr> <td>QB PREMIUM</td> <td>Regular price 1,650 yen to 1,800 yen</td> </tr> <tr> <td>FaSS</td> <td>Regular price 2,200 yen to 2,400 yen</td> </tr> </tbody> </table>	Business format	Revision period	Overview of revisions (tax included)	QB HOUSE	April 2023	Regular price 1,200 yen to 1,350 yen	QB PREMIUM	Regular price 1,650 yen to 1,800 yen	FaSS	Regular price 2,200 yen to 2,400 yen
	Business format	Revision period	Overview of revisions (tax included)									
	QB HOUSE	April 2023	Regular price 1,200 yen to 1,350 yen									
QB PREMIUM	Regular price 1,650 yen to 1,800 yen											
FaSS	Regular price 2,200 yen to 2,400 yen											
Improvement of working conditions at consigned salons	<ul style="list-style-type: none"> <li>- Thirty-three consigned salons were switched to direct management based on an agreement with the consignees, and the Company Group hired employees from the consigned salons of the consignees.</li> <li>- Held regular meetings with consignees to improve the working environment</li> </ul>											
Changes in the policy to open salons (market penetration/market development)	<ul style="list-style-type: none"> <li>- Opened salons in locations that would contribute to future revenue growth while consolidating existing salons with the aim of optimizing staffing in salons.</li> <li>- Opened a salon of FaSS and QB PREMIUM and a salon designed for a narrow sales area in order to accommodate a broad range of customers.</li> </ul>											

Category	Action Plans	Main Efforts			
Overseas operations	Enhancement of the retention rate of stylists and strengthening of recruitment thereof	<ul style="list-style-type: none"> <li>- The cost of living of stylists rose due to rapid inflation. Revised the salary and evaluation systems alongside the revision of service prices.</li> <li>- Opened a training facility in Taiwan in December 2022, which was our second overseas training base (the first was in Hong Kong).</li> </ul>			
	Earnings improvement by revising service prices	- Decided on and implemented the revision of service prices in each country where we operate to respond to changes in the economic environment, such as rapid inflation and a rise in minimum wages			
		Region	Business format	Revision period	Overview of revisions
		Singapore	QB PREMIUM	August 2022	SG\$15 to SG\$18
			QB HOUSE	October 2022	SG\$12 to SG\$14
Taiwan	QB HOUSE	January 2023	300 yuan to 350 yuan		
United States	QB HOUSE	December 2022	\$30 to \$35 (Only for online booking)		
		January 2023	\$25 to \$30 (Regular price)		

(Explanation of Operating Results)

During the first nine months of the fiscal year under review (July 1, 2022, to March 31, 2023), the number of customers visiting salons in the entire Group increased year on year. This happened against the background where customer demand for haircuts remained on a recovery trend as the spread of COVID-19 was coming to an end, leading to the lifting or the considerable easing of COVID-19 preventive measures both in Japan and overseas. Consequently, revenue increased 1,458 million yen year on year (of which, 448 million yen was from foreign exchange effects associated with the depreciation of the yen) to 16,450 million yen.

<Domestic operations>

More and more salons needed to set regular holidays or close temporarily partly due to a delay in solving stylist shortages, resulting from changes to the recruitment and working environment that was caused by a recovery in demand in the service industry. The supply side of total operational seats for haircuts decreased year on year mainly due to the implementation of salon consolidation aimed at improving the working conditions by optimizing salon operating staff. On the other hand, as customer demand for haircuts remained on a recovery trend in the wake of the easing of COVID-19 preventive measures, the congestion rate in salons remained above the pre-COVID-19 level, resulting in an increase to the number of customers visiting our salons. Consequently, revenue grew 808 million yen year on year.

<Hong Kong>

The number of customers visiting salons rose only slightly year on year due to the impact of stylist shortages, closures and others, although COVID-19 preventive measures were totally lifted in December 2022, following which customer demand for haircuts started recovering. As a result, revenue in foreign currency rose only slightly year on year. However, revenue in yen terms increased 269 million yen due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

<Singapore>

Although COVID-19 preventive measures have been completely lifted, the impact of the pandemic on salons in city centers is lingering partly due to teleworking becoming standard practice. Revenue increased due to the price revisions implemented in August and October 2022 although the number of customers visiting salons decreased year on year due to a shortage of stylists and the effects of store closures and others. As a result, revenue in foreign currency increased year on year. Accordingly, revenue in yen terms increased 165 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

<Taiwan>

The number of customers visiting salons recovered steadily since COVID-19 preventive measures were fully lifted. Furthermore, revenue was pushed up by the price revision implemented in January 2023. As a result, revenue in foreign currency rose year on year. Accordingly, revenue in yen terms increased 125 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

<United States (New York)>

The number of customers visiting salons recovered steadily since COVID-19 preventive measures were lifted earlier than in Japan and Asia. Furthermore, revenue was pushed up by the price revision implemented in January 2023. As a result, revenue in foreign currency rose year on year. Accordingly, revenue in yen terms increased 89 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

(Million yen)

	First nine months of previous fiscal year (From July 1, 2021, to March 31, 2022)	First nine months of current fiscal year (From July 1, 2022, to March 31, 2023)	Changes	Changes (Excluding foreign exchange effects)
Domestic operations	12,502	13,311	808	—
Overseas operations	2,489	3,139	649	200
Hong Kong	1,297	1,567	269	11
Singapore	652	818	165	39
Taiwan	400	525	125	88
United States	138	227	89	60
Consolidated	14,992	16,450	1,458	200

(Note) Amounts are after deducting intercompany transactions among group companies.

Cost of sales increased 687 million yen year on year (of which, 372 million yen was from foreign exchange effects associated with the depreciation of the yen) to 12,912 million yen. The main changes are as follows.

(Million yen)

Item	Changes	Major reasons for changes other than foreign exchange effects
Personnel expenses	508 (204)	Increase in the number of stylists due to consigned salons changing to direct management
Rent	189 (118)	Increase in sales-linked rent in the wake of a rise in revenue

(Note) Figures in parentheses indicate changes caused by the impact of the depreciation of the yen.

Selling, general and administrative expenses increased 377 million yen year on year (of which, 55 million yen was from foreign exchange effects associated with the depreciation of the yen) to 2,256 million yen. The main changes are as follows.

(Million yen)

Item	Changes	Major reasons for changes other than foreign exchange effects
Bonus	121 (2)	Increase in domestic performance allowance
Recruiting expenses	86 (0)	Increase in stylist recruiting expenses associated with the strengthening of hiring in Japan
Personnel expenses	80 (24)	Increase in in-house haircut school trainees

(Note) Figures in parentheses indicate changes caused by the impact of the depreciation of the yen.

Other operating income decreased 4 million yen year on year to 61 million yen. Other operating expenses increased 1 million yen year on year to 52 million yen.

As a result, consolidated earnings in the first nine months of the fiscal year under review were as follows: Revenue amounted to 16,450 million yen (up 9.7% year on year), operating profit came to 1,290 million yen (up 43.0% year on year), profit before tax recorded 1,175 million yen (up 49.0% year on year), and profit attributable to owners of parent came to 812 million yen (up 56.2% year on year).

In terms of our store network, we opened 13 salons. They were divided into ten salons in Japan and, overseas, three in Taiwan. The number of salons at the end of the third quarter of the fiscal year under review decreased by 16 from the end of the previous fiscal year to 704 salons due to the closure of 29 salons mainly because salons were consolidated as a measure for improving the working conditions.

The description by segment is omitted because the Company Group engages in a single segment of the haircutting business.

## (2) Explanation of Financial Position

### (i) Assets, liabilities and equity

Assets, liabilities and equity at the end of the third quarter under review were as follows:

Current assets dropped 140 million yen from the end of the previous fiscal year to 4,772 million yen. This was mainly due to a decrease of 292 million yen in cash and cash equivalents and an increase of 166 million yen in inventories. Non-current assets fell 11 million yen from the end of the previous fiscal year to 24,811 million yen. This was mainly due to a decrease of 125 million yen in property, plant and equipment, an increase of 31 million yen in right-of-use assets and an increase of 64 million yen in other financial assets. As a result, assets fell 151 million yen from the end of the previous fiscal year to 29,584 million yen.

Current liabilities were down 369 million yen from the end of the previous fiscal year to 5,971 million yen. This was mainly due to a decrease of 379 million yen in income taxes payable. Non-current liabilities fell 480 million yen from the end of the previous fiscal year to 11,527 million yen. This was mainly due to a decrease of 551 million yen in borrowings and an increase of 61 million yen in lease obligations. As a result, liabilities dropped 849 million yen from the end of the previous fiscal year to 17,498 million yen.

Equity grew 698 million yen from the end of the previous fiscal year to 12,085 million yen. This was mainly due to a decrease of 103 million yen in capital surplus and an increase of 812 million yen in retained earnings.

### (ii) Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the third quarter under review was down 292 million yen from the end of the previous fiscal year to 3,432 million yen. Individual cash flows for the first nine months of the fiscal year under review and the factors behind them were as follows:

#### (Cash flows from operating activities)

Cash provided by operating activities was 2,864 million yen (3,122 million yen provided in the same period of the previous fiscal year). This was mainly attributable to factors causing an increase in cash, such as the recording of profit before tax of 1,175 million yen and depreciation and amortization of 2,443 million yen, in contrast to decreasing factors, such as income taxes paid of 706 million yen.

#### (Cash flows from investing activities)

Cash used in investing activities came to 417 million yen (373 million yen used in the same period of the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as purchase of property, plant and equipment of 293 million yen and payments of guarantee deposits of 123 million yen.

#### (Cash flows from financing activities)

Cash used in financing activities was 2,721 million yen (3,443 million yen used in the same period of the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as repayments of long-term borrowings of 525 million yen, repayments of lease obligations of 2,110 million yen and dividends paid of 130 million yen.

## (3) Explanation of Information on Future Forecasts Including Consolidated Earnings Forecast

We have revised our full-year earnings forecast and dividend forecast for the fiscal year ending June 2023, announced on August 15, 2022. We have done these revisions by taking into account the earnings up to the first nine months of the fiscal year under review and projections available at this moment. For details, please refer to "Notice of Revision of Earnings and Dividend Forecasts" announced today (May 15, 2023).



## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(unit: million yen)

	Previous fiscal year (June 30, 2022)	Q3 of current fiscal year (March 31, 2023)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	3,724	3,432
Trade and other receivables	915	889
Other financial assets	29	11
Inventories	92	258
Income taxes receivable	—	8
Other current assets	152	173
Total current assets	4,912	4,772
Non-current assets		
Property, plant and equipment	1,360	1,235
Right-of-use assets	5,116	5,147
Goodwill	15,430	15,430
Intangible assets	116	123
Other financial assets	1,937	2,001
Deferred tax assets	748	764
Other non-current assets	113	109
Total non-current assets	24,823	24,811
Total assets	29,736	29,584
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	235	329
Borrowings	1,707	1,713
Lease obligations	2,292	2,197
Income taxes payable	489	109
Other financial liabilities	89	93
Other current liabilities	1,526	1,527
Total current liabilities	6,340	5,971
Non-current liabilities		
Borrowings	8,439	7,887
Lease obligations	2,905	2,966
Other financial liabilities	76	57
Deferred tax liabilities	22	49
Provisions	553	556
Other non-current liabilities	10	8
Total non-current liabilities	12,008	11,527
Total liabilities	18,348	17,498
Equity		
Share capital	1,289	1,315
Capital surplus	4,829	4,725
Retained earnings	4,987	5,799
Treasury shares	(0)	(0)
Other components of equity	281	245
Total equity attributable to owners of parent	11,387	12,085
Total equity	11,387	12,085
Total liabilities and equity	29,736	29,584

## (2) Condensed Quarterly Consolidated Statement of Profit or Loss

(unit: million yen)

	First nine months of previous fiscal year (From July 1, 2021 to March 31, 2022)	First nine months of current fiscal year (From July 1, 2022 to March 31, 2023)
Revenue	14,992	16,450
Cost of sales	(12,225)	(12,912)
Gross profit	2,766	3,537
Other operating income	65	61
Selling, general and administrative expenses	(1,879)	(2,256)
Other operating expenses	(51)	(52)
Operating profit	901	1,290
Finance income	10	13
Finance costs	(123)	(128)
Profit before tax	788	1,175
Income tax expense	(268)	(362)
Profit	519	812
Profit attributable to		
Owners of parent	519	812
Profit	519	812
Earnings per share		
Basic earnings per share (yen)	40.42	62.56
Diluted earnings per share (yen)	38.87	60.77

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income

(unit: million yen)

	First nine months of previous fiscal year (From July 1, 2021 to March 31, 2022)	First nine months of current fiscal year (From July 1, 2022 to March 31, 2023)
Profit	519	812
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	142	(21)
Total of items that may be reclassified to profit or loss	142	(21)
Total other comprehensive income	142	(21)
Comprehensive income	662	790
Comprehensive income attributable to		
Owners of parent	662	790
Comprehensive income	662	790

## (4) Condensed Quarterly Consolidated Statement of Changes in Equity

First nine months of previous fiscal year (From July 1 2021, to March 31, 2022)

(unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Share acquisition rights	Total
Balance at July 1, 2021	1,245	4,785	4,129	(0)	(110)	107	(3)
Profit	—	—	519	—	—	—	—
Other comprehensive income	—	—	—	—	142	—	142
Total comprehensive income	—	—	519	—	142	—	142
Issuance of new shares (exercise of share acquisition rights)	26	26	—	—	—	(14)	(14)
Share-based remuneration expenses	—	—	—	—	—	4	4
Total transactions with owners	26	26	—	—	—	(10)	(10)
Balance at March 31, 2022	1,272	4,811	4,649	(0)	32	97	129

(unit: million yen)

	Total equity attributable to owners of parent	Total equity
Balance at July 1, 2021	10,156	10,156
Profit	519	519
Other comprehensive income	142	142
Total comprehensive income	662	662
Issuance of new shares (exercise of share acquisition rights)	38	38
Share-based remuneration expenses	4	4
Total transactions with owners	42	42
Balance at March 31, 2022	10,862	10,862

First nine months of current fiscal year (From July 1, 2022 to March 31, 2023)

(unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Share acquisition rights	Total
Balance as of July 1, 2022	1,289	4,829	4,987	(0)	193	88	281
Profit	—	—	812	—	—	—	—
Other comprehensive income	—	—	—	—	(21)	—	(21)
Total comprehensive income	—	—	812	—	(21)	—	(21)
Issuance of new shares (exercise of share acquisition rights)	25	25	—	—	—	(14)	(14)
Dividends of surplus	—	(129)	—	—	—	—	—
Total transactions with owners	25	(103)	—	—	—	(14)	(14)
Balance on March 31, 2023	1,315	4,725	5,799	(0)	171	73	245

(unit: million yen)

	Total equity attributable to owners of parent	Total equity
Balance as of July 1, 2022	11,387	11,387
Profit	812	812
Other comprehensive income	(21)	(21)
Total comprehensive income	790	790
Issuance of new shares (exercise of share acquisition rights)	37	37
Dividends of surplus	(129)	(129)
Total transactions with owners	(92)	(92)
Balance on March 31, 2023	12,085	12,085

## (5) Condensed Quarterly Consolidated Statement of Cash Flows

(unit: million yen)

	First nine months of previous fiscal year (From July 1, 2021 to March 31, 2022)	First nine months of current fiscal year (From July 1, 2022 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before tax	788	1,175
Depreciation and amortization	2,393	2,443
Impairment losses	43	39
Finance income	(10)	(13)
Finance costs	123	128
Subsidy income	(30)	(51)
Decrease (increase) in trade and other receivables	(51)	55
Decrease (increase) in inventories	12	(166)
Increase (decrease) in trade and other payables	(4)	79
Other	(35)	(70)
Subtotal	3,229	3,619
Interest received	0	2
Interest paid	(93)	(102)
Proceeds from subsidy income	30	51
Income taxes refund	29	—
Income taxes paid	(74)	(706)
Cash flows from operating activities	3,122	2,864
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(275)	(293)
Purchase of intangible assets	(27)	(43)
Payments of guarantee deposits	(82)	(123)
Proceeds from refund of guarantee deposits	27	49
Other	(17)	(6)
Cash flows from investing activities	(373)	(417)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,000)	—
Repayments of long-term borrowings	(525)	(525)
Proceeds from sale and leaseback transactions	55	51
Repayments of lease obligations	(2,011)	(2,110)
Proceeds from exercise of share acquisition rights	38	37
Dividends paid	(0)	(130)
Other	—	(44)
Cash flows from financing activities	(3,443)	(2,721)
Exchange differences of cash and cash equivalents	113	(17)
Net increase (decrease) in cash and cash equivalents	(581)	(292)
Cash and cash equivalents at beginning of period	4,601	3,724
Cash and cash equivalents at end of period	4,020	3,432

(6) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There are no applicable items.

(Additional information)

There are no changes to the assumptions, including the timing of the end of COVID-19, from those described in the consolidated financial statements for the previous fiscal year.

(Segment information)

The description is omitted because the Company Group engages in a single segment of the haircutting business.

(Per share information)

Basis of the calculation of basic and diluted earnings per share is as follows:

	First nine months of previous fiscal year (From July 1, 2021 to March 31, 2022)	First nine months of current fiscal year (From July 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (million yen)	519	812
Average number of common shares outstanding during the period (shares)	12,861,008	12,983,836
Number of common shares with dilutive effects		
Increase due to share options (shares)	514,937	381,687
Diluted average number of common shares outstanding during the period (shares)	13,375,945	13,365,523
Basic earnings per share (yen)	40.42	62.56
Diluted earnings per share (yen)	38.87	60.77

(Significant subsequent events)

There are no applicable items.