



3. Forecasts on the Consolidated Financial Results for the Fiscal Year Ending February 29, 2024 (March 1, 2023 - February 29, 2024)

(Percentages represent year-on-year changes)

	Revenue		Operating profit		Income before income taxes		Net income		Net income attributable to owners of the parent		Basic earnings per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Fiscal year ending February 29, 2024	42,500	12.3	8,700	8.4	8,650	8.1	5,880	7.9	5,877	8.3	127.33

(Notes) Revision of forecasts: No

(1) Changes in status of significant subsidiaries during the period  
(changes in specified subsidiaries accompanying changes in : No scope of consolidation)

(2) Changes in accounting policies and accounting estimates

- (i) Changes in accounting policies required by IFRSs : Yes
- (ii) Changes in accounting policies other than those in (i) : No
- (iii) Changes in accounting estimates : No

(3) Number of issued shares (common stock)

(i) Number of issued shares (including treasury stock)	As of November 30, 2023	46,227,900	As of February 28, 2023	46,203,900
(ii) Number of treasury stock	As of November 30, 2023	410,859	As of February 28, 2023	46,839
(iii) Average number of issued shares during the period	Nine Months ended November 30, 2023	45,916,215	Nine Months ended November 30, 2022	46,119,863

**\* This report is not subject to quarterly review procedures.**

**\* Notes for using forecasted information and other matters**

**-The forecasts above are based on information available at the date of this report and certain assumptions deemed to be reasonable. The Company does not provide any assurance as to achievement of these forecasts. In addition, the actual results may vary materially from the forecasts due to various uncertainties.**

**- Supplementary materials will be posted on our web site on January 12, 2024.**

## **(Appendix)**

### **Contents**

1. Qualitative Information on Business and Financial Results.....	1
(1) Overview of Operating Results .....	1
(2) Overview of Financial Position .....	4
(3) Overview of Cash Flows.....	5
(4) Explanation of Consolidated Results Forecasts and Other Future Predictions.....	5
2. Consolidated Financial Statements .....	6
(1) Consolidated Statements of Financial Position .....	6
(2) Consolidated Statements of Income .....	7
(3) Consolidated Statements of Comprehensive Income .....	7
(4) Consolidated Statements of Changes in Equity .....	8
(5) Consolidated Statements of Cash Flows .....	9
(6) Notes to Consolidated Financial Statements .....	10
– Notes on Assumption of Going Concern .....	10
– Segment Information .....	10
– Changes in Accounting Policies .....	10
– Earnings per Share .....	10
– Significant Subsequent Events .....	10

# 1. Qualitative Information on Business and Financial Results

## (1) Overview of Operating Results

During the third quarter cumulative period (March 1 to November 30, 2023) of fiscal 2023 (ending February 29, 2024), in the food service industry of which KOMEDA Holdings Group is a part, with the downgrading of the legal classification of COVID-19 to Class 5, the normalization of economic and social activities bolstered recovery in the flow of people and personal consumption. Nevertheless, the business environment continued to be extremely uncertain due to such factors as geopolitical risk stemming from Russia's protracted invasion of Ukraine, rising food material prices and energy costs with the depreciation of the yen, an increasingly severe labor shortage from difficulties in recruiting personnel, and changes in consumer behavior and values.

In such a business environment, KOMEDA Holdings Co., Ltd. ("KOMEDA" or "the Company"), under the slogan "Link People, Communities, and Society through KUTSUROGI" outlined in its medium-term business plan "VALUES 2025," worked to expand and enhance its existing business model, pursue the co-creation of new value, and maintain and enhance its financial value.

At stores, KOMEDA implemented measures that led to an increase in customer visits, including the launch of seasonal items such as "Shiro-noir Black Mont Blanc," a collaboration item with Takeshita Seika based on its popular Black Mont Blanc ice cream, last year's popular "Shiro-noir 'Black' Black Thunder" and "Shiro-noir 'White' Black Thunder," a collaboration with Yurak Confectionery Co., Ltd., and "Shiro-noir Purple Sweet Potato," the first product jointly developed with the cooking information magazine *Lettuce Club*. From July through September, the Company conducted the "1000 Thank You Campaign" to commemorate Komeda Group reaching 1,000 stores, comprising the Phase 1 "KUTSUROGI 4 You Coupon", the Phase 2 "Half-Price Mini Shiro-noir", the Phase 3 "Get! Win! with KOMECA", the Phase 4 "Morning Free Extra Bread Campaign", and the Phase 5 "Coffee Free Refill Campaign" events. KOMEDA also renewed its coffee ticket scheme from July, allowing customers to select either nine tickets with an extra cup per book, or an affordably priced five tickets, which led to the acquisition of more regular customers.

As a result of these measures, along with the boost from an increase in wholesale prices to franchise stores implemented in September 2022, same-store wholesale sales to franchise stores rose 16.1% from the same period of the previous fiscal year, with all-store sales increasing 20.6%.

In terms of the number of stores, the Company opened 32 new Komeda's Coffee locations, mainly in eastern Japan, western Japan, and overseas. As a result, the total number of stores amounted to 1,016 stores at the end of the subject period.

Brand	Area	At Feb. 28, 2023	Newly Opened	Closed	At Nov. 30, 2023
KOMEDA's Coffee	East	308 (21)	14 (–)	– (–)	322 (16)
	Central	304 (3)	3 (–)	1 (–)	306 (3)
	West	319 (10)	11 (–)	2 (–)	323 (9)
	Overseas	37 (13)	4 (1)	– (–)	41 (14)
Kagan	All	13 (7)	– (–)	– (–)	13 (6)
BAKERY ADEMOK KOMEDA is □ Dai-An-Kichi-Jitsu La Vinotheque	All	6 (6)	– (–)	– (–)	6 (6)
Total		987 (60)	32 (1)	3 (–)	1,016 (54)

\*1. Figures in parenthesis are the number of company-owned stores, and are included in the total.

2. A total of eight company-owned stores were changed to franchise stores, five in East Japan, two in Central Japan, and one in West Japan. One franchise store in Central Japan was changed to a company-owned store.

As a result, revenue during the subject period amounted to ¥32,120 million (an increase of 16.6% from the same period of the previous fiscal year), with operating profit of ¥6,619 million (up 13.9%), income before income taxes of ¥6,599 million (up 13.1%), and net income attributable to owners of the parent of ¥4,492 million (up 13.6%).

KOMEDA Holdings Group, to contribute to the realization of a sustainable society through its business activities, has classified material issues that it considers a priority (materiality) into the three themes of “Quality and Customers,” “People and Job Satisfaction,” and “Environment.” The main initiatives implemented for each of these themes during the subject period to enhance the corporate group’s economic value and address societal issues, are as follows. (Text in bold indicates measures newly implemented between September and November 2023.)

## Quality and Customers

Providing safe and reliable products and services	Conducted regular hazard prediction training (KYT) activities to improve safety and quality at manufacturing plants.
	Enhanced the functionality of the search function for specific ingredients on the Company’s website to prevent health hazards caused by food allergies.
	Built the Kyushu Coffee Plant in Munakata-shi (Fukuoka Prefecture) and began supplying products to select stores in Kyushu and Yamaguchi Prefecture.
Responding to diverse customer needs	Conducted the “1,000 Thank You Campaign” (Phases 1-5) to commemorate the Komeda Group reaching 1,000 stores.
	Renewed the coffee ticket scheme, selling two types: Nine tickets with an extra cup per book, and an affordably priced five tickets.
	Updated the official mobile app, improving customer convenience by adding functionality developed in cooperation with the prepaid card KOMECA to allow customers to pay with just the app, without having a plastic card.
	Launched seasonal flavors for the mainstay Jericho dessert drink series, “Jericho Kagabo Hojicha” and “Jericho Creme Brûlée.”
	Added two flavors to the lineup of the summer staple shaved ice, “Mango & Jasmine Tea” and “Craft Cola.”
	Launched “Ogura Noir Yuzunagomi” and “Ogura Neige Yuzunagomi” with in-house made <i>ogura-an</i> sweet bean paste and yuzu sauce from Kochi Prefecture.
	Launched collaboration products “Shiro-noir Black Mont Blanc” and “Kuro-neige Black Mont Blanc” with Takeshita Seika, based on its popular <i>Black Mont Blanc</i> ice cream.
	Launched Shiro-noir “Milk Noir” and Kuro-neige “Milk Neige” with generous portions of condensed milk.
	Launched “Yayoi Burger,” KOMEDA Coffee’s first teriyaki-flavored burger.
	Held the annual Curry Festival, launching three products including “Chicken Cutlet Curry Bread” using curry sauce jointly developed with Shinjuku Nakamura.
	<b>Launched five seasonal products for the Tsukimi “Moon-viewing” festival: “Tsukimi Full Moon Burger,” “Tsukimi Shiro-noir Pumpkin,” “Tsukimi Kuro-neige Pumpkin,” “Tsukimi Jericho Marron Chocolat,” and “Tsukimi Ole Marron Chocolat.”</b>
	<b>Sold limited-time items “Shiro-noir ‘Black’ Black Thunder,” a collaboration with Yuraku Confectionery Co., Ltd. that was popular last year, along with “Shiro-noir ‘White’ Black Thunder,” a collaboration for “White Black Thunder,” a special souvenir version of the confectionery sold exclusively in Hokkaido.</b>
	<b>Launched five types of products using purple fleshed sweet potato, including “Shiro-noir Purple Sweet Potato,” the first product jointly developed with the cooking information magazine <i>Lettuce Club</i>.</b>
	<b>Began nationwide sales of “Gracro” (“Gratin Croquette”), a seasonal burger using a luxurious white sauce with five kinds of cheese and fresh cream.</b>
	Launched a second original bean confectionery based on the popular “Chiikawa” manga character.
	Sold “KOMEDA Coffee’s Ogura Toast Sable” with Grapestone Co., Ltd. at Nagoya Station and other locations.
	Sold products with Morinaga & Co., Ltd., including “Strawberry Ole Float,” “Shiro-noir Cream Sandwich Cookie,” “Chocoball Shiro-noir,” “Koeda Kuro-neige,” and “Coffee Caramel.”
<b>Sold “KOMEDA’s Coffee Supervised Yukimi Daifuku Ogura-an Butter” with Lotte Co., Ltd.</b>	
<b>Sold “KOMEDA’s Coffee Supervised Peanut Cream” with Maruwayushi Co., Ltd.</b>	

Responding to diverse customer needs (continued)	Sold “KOMEDA’s Coffee Supervised Coffee Jelly” chilled cup beverage with Azumino Foods Kobo Co., Ltd.
	Sold “Shiro-noir Baton” with Aux Delice De Shibata Co., Ltd., operator of Chez Shibata patisserie, at Nagoya Station and other locations.
	Sold “KOMEDA Japanese Cafe Okagean - Kuromitsu Kinako Ole” chilled cup beverage with Toyo Beverage Co., Ltd.
	Sold “KOMEDA’s Coffee Supervised Japan-made Strawberry Butter” and “KOMEDA’s Coffee Supervised Japan-made Apple Butter” with Sudo Jam Co., Ltd.
	Sold “Ichiban Kuji Coffee Shop KOMEDA’s Coffee” with Bandai Spirits Co., Ltd. in May, and <b>relaunched the product in October in response to popular demand.</b>
	Sold “Petit Sample Coffee Shop KOMEDA’s Coffee” to enjoy the world of store of KOMEDA’s Coffee at home, with RE-MENT Co., Ltd.
	<b>Sold “Surprise Egg KOMEDA’s Coffee” bath ball containing miniature figurines with Bandai Co., Ltd.</b>
Contributions to mental and physical health	Included information on the website with the caffeine content (estimated value) of coffee, tea, cola, cocoa, and other beverages.
	To familiarize and promote in the medical community KOMEDA’s “Toromi Coffee” (thickened coffee) for people who have difficulty swallowing, gave a presentation at the 31st Annual Meeting of the Japan Coma Society, <b>and the 29th Annual Meeting of the Japanese Society of Dysphagia Rehabilitation.</b>
Involvement and investment in communities	Held work experience programs at production plants for local students and other groups.
	Held after-school program “Tera-Koya Komeda” on a weekly basis at the Yokohama Eda store, Ukima Park store, and Komazawa Park store.
	Dispatched KOMEDA food trucks to various areas, delivering Komeda-style relaxation to places where there are no stores.
	Promoted community contribution activities that allow customers to come together and connect through stores of KOMEDA’s Coffee, such as holding workshops at stores and markets in parking lots, and participating in community events.
	Provided Komeda meal items for the summer training camp of the Meijo University Women’s Ekiden Team, of which Komeda is a regular supporter.
	<b>Held a decoration contest in the eastern Japan area, decorating stores together with local elementary school students.</b>
	<b>At the BAKERY ADEMOK Uruma store, developed and sold collaborative products with local high school students.</b>
Education and awareness regarding sustainable consumption	Conducted experience programs at elementary schools in Aichi Prefecture to deepen understanding of sustainability initiatives at KOMEDA’s Coffee related to coffee.
	<b>To raise awareness of “Relaxation Day” (September 26), sent food trucks to high schools in Aichi Prefecture, and conducted a social media campaign encouraging users to post about their relaxation time.</b>
	<b>Expanded the “KOMEDA no Mori” forest conservation program in cooperation with franchisees.</b>

## People and Job Satisfaction

Establishing an environment to secure human resources and support growth	To maintain and enhance the sense of workplace atmosphere for head office employees, <b>expanded the scope of store initiation training provided for directors to and general managers to include section manager-level positions and above.</b>
	Introduced level-specific training for next-generation human resources development.
	<b>Held the “Magokoro Cup” event to recognize employees who have made the greatest contributions to the prevention of workplace accidents and hygiene management at manufacturing sites.</b>

Positive employment relationships and proper working conditions	Conducted engagement surveys to encourage independent effort, and to enhance well-being, a sense of belonging, and willingness to contribute.
	With the aim of improving job satisfaction at franchise stores, expanded the scope of stores included in employee satisfaction surveys from the previous fiscal year.
Activation of Diverse Human Resources	To facilitate smooth communication in the workplace for employees from Myanmar and establish an environment for job satisfaction, provided opportunities for learning Japanese and support for the taking of the Japanese Proficiency Test (JLPT).
Eradicating discrimination and harassment	Conducted harassment prevention training to maintain a rewarding work environment.

## Environment

Waste reduction and material recycling	Reduced the use of plastic packaging materials, including abolishing plastic bread bag fasteners.
	Donated food to neighborhood cafeterias for children and food banks as an initiative to reduce food loss and strengthen ties with local communities.
	Reused beams from the Hirakata Ekimae store for the interior renovation as part of an effort to utilize old wood, waste wood, and scrap wood.
	<b>Opened the retro-style Atré Akihabara store reusing some of the materials from a store in the Nagoya metropolitan area that was closed.</b>
	<b>Opened the Nobeoka Shiroyama Park store, designed to be in harmony with the look of the park, using materials from the former Goto residence and wood from Miyazaki Prefecture.</b>
	<b>Sold “KOMEDA’s Coffee Crayons” made from used coffee grounds from Komeda blend coffee, through the online shop.</b>
Response to climate change	<b>Transitioned gradually from using dry ice when shipping frozen items to stores, to reusable cold storage materials.</b>
	Based on the framework of the TCFD recommendations on climate-related financial disclosures, provided information on the corporate website regarding CO <sub>2</sub> emissions for the fiscal year ending February 2023, and the impact of future climate change on the Company’s business.
	Installed solar panels at the Chiba Plant and Kanto Coffee Plant, <b>and at the newly opened Takatsuki Gunge Shinmachi store and Fukuoka Kasuga store.</b>

## (2) Overview of Financial Position

The status of assets, liabilities, and equity at the end of the subject third quarter cumulative period was as follows.

Current assets decreased ¥378 million from the end of the previous fiscal year (February 28, 2023) to ¥16,106 million, due mainly to a decrease in cash and cash equivalents. Non-current assets decreased ¥731 million to ¥82,830 million, due mainly to a decrease in property, plant, and equipment. As a result, total assets at the end of the subject third quarter cumulative period (November 30, 2023) decreased ¥1,109 million from the end of the previous fiscal year (February 28, 2023), to ¥98,936 million.

Current liabilities increased ¥153 million from the end of the previous fiscal year to ¥12,281 million, due mainly to an increase in trade payables. Non-current liabilities decreased ¥2,258 million to ¥45,040 million, due mainly to a decrease in borrowings. As a result, total liabilities decreased ¥2,391 million to ¥57,321 million.

Total equity increased ¥996 million from the end of the previous fiscal year to ¥41,615 million. This was due mainly to ¥2,391 million in dividends of surplus, and ¥1,000 million in acquisition of treasury stock, against ¥4,494 million in net income for the period.

### (3) Overview of Cash Flows

Cash and cash equivalents at the end of the subject third quarter cumulative period amounted to ¥5,889 million, a decrease of ¥792 million from the end of the previous fiscal year. The status of cash flows by activity and underlying factors were as follows.

#### (Cash flow from operating activities)

Cash provided by operating activities amounted to ¥7,691 million (an increase of ¥1,168 million from the same period of the previous fiscal year). This mainly reflected income before income tax of ¥6,599 million (increase of ¥763 million), an increase in financial liabilities of ¥2,552 million (increase of ¥597 million), and income taxes paid of ¥2,241 million (decrease of ¥257 million).

#### (Cash flow from investing activities)

Cash used in investing activities amounted to ¥733 million (a decrease of ¥222 million from the same period of the previous fiscal year). This mainly reflected purchase of property, plant and equipment of ¥886 million (increase of ¥164 million).

#### (Cash flow from financing activities)

Cash used in financing activities amounted to ¥7,757 million (increase of ¥945 million from the same period of the previous fiscal year). This mainly reflected repayment of borrowings of ¥1,460 million (decrease of ¥185 million), repayments of lease liabilities of ¥2,809 million (increase of ¥82 million), purchase of treasury stock of ¥1,000 million (increase of ¥900 million), and cash dividends paid to owners of the parent of ¥2,338 million (increase of ¥0 million).

### (4) Explanation of Consolidated Results Forecasts and Other Future Predictions

Consolidated results forecasts for the fiscal year ending February 29, 2024, are unchanged from those announced on April 12, 2023.

## 2. Consolidated Financial Statements

### (1) Consolidated Statements of Financial Position (Unaudited)

(Millions of yen)

	February 28, 2023	November 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,681	5,899
Trade and other receivables	5,285	6,228
Other financial assets	3,336	3,135
Inventories	294	407
Other current assets	888	447
Total current assets	16,484	16,106
<b>Non-current assets</b>		
Property, plant and equipment	14,316	13,214
Goodwill	38,354	38,354
Other intangible assets	374	399
Trade and other receivables	26,523	26,808
Other financial assets	3,315	3,435
Deferred tax assets	299	174
Other non-current assets	380	446
Total non-current assets	83,561	82,830
<b>Total assets</b>	<b>100,045</b>	<b>98,936</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	2,075	2,392
Borrowings	1,941	1,925
Lease liabilities	3,602	3,649
Income tax payable	1,322	1,030
Other financial liabilities	1,949	2,148
Other current liabilities	1,239	1,137
Total current liabilities	12,128	12,281
<b>Non-current liabilities</b>		
Borrowings	10,143	8,700
Lease liabilities	29,874	28,843
Other financial liabilities	6,486	6,649
Provisions	389	377
Other non-current liabilities	406	471
Total non-current liabilities	47,298	45,040
Total liabilities	59,426	57,321
<b>Equity</b>		
Share capital	651	656
Capital surplus	13,100	13,024
Retained earnings	26,895	28,996
Treasury stock	(109)	(1,071)
Other components of equity	6	10
Equity attributable to owners of the parent	40,543	41,615
Non-controlling interests	76	—
Total equity	40,619	41,615
<b>Total liabilities and equity</b>	<b>100,045</b>	<b>98,936</b>

## 2. Consolidated Financial Statements (continued)

### (2) Consolidated Statements of Income (Unaudited)

	(Millions of yen)	
	Nine Months ended November 30	
	2022	2023
Revenue	27,549	32,120
Cost of sales	(18,035)	(21,181)
Gross profit	9,514	10,939
Other operating income	215	142
Selling, general and administrative expenses	(3,897)	(4,421)
Other operating expenses	(20)	(41)
Operating profit	5,812	6,619
Financial income	79	41
Financial expense	(55)	(61)
Income before income taxes	5,836	6,599
Income taxes	(1,863)	(2,105)
Net income	3,973	4,494
<b>Net income attributable to:</b>		
Owners of the parent	3,953	4,492
Non-controlling interests	20	2
Net income	3,973	4,494
<b>Interim earnings per share</b>		
Basic (Yen)	85.70	97.83
Diluted (Yen)	85.54	97.76

### (3) Consolidated Statements of Comprehensive Income (Unaudited)

	(Millions of yen)	
	Nine Months ended November 30	
	2022	2023
Net income	3,973	4,494
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7	7
Other comprehensive income after taxes	7	7
Total comprehensive income	3,980	4,501
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	3,955	4,496
Non-controlling interests	25	5
Total comprehensive income	3,980	4,501

## 2. Consolidated Financial Statements (continued)

### (4) Consolidated Statements of Changes in Equity (Unaudited)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of March 1, 2022	639	13,099	23,870	(53)	4	37,559	56	37,615
Net income			3,953			3,953	20	3,973
Other comprehensive income					2	2	5	7
Total comprehensive income	—	—	3,953	—	2	3,955	25	3,980
Exercise of subscription rights to shares	3	2				5		5
Share-based payment transactions		26				26		26
Dividends			(2,399)			(2,399)	(8)	(2,407)
Acquisition of treasury stock		1		(101)		(100)		(100)
Disposal of treasury stock		(47)		47		—		—
Total transactions with owners	3	(18)	(2,399)	(54)	—	(2,468)	(8)	(2,476)
Balance as of November 30, 2022	642	13,081	25,424	(107)	6	39,046	73	39,119
Balance as of March 1, 2023	651	13,100	26,895	(109)	6	40,543	76	40,619
Net income			4,492			4,492	2	4,494
Other comprehensive income					4	4	3	7
Total comprehensive income	—	—	4,492	—	4	4,496	5	4,501
Exercise of subscription rights to shares	5	3				8		8
Share-based payment transactions		38				38		38
Dividends			(2,391)			(2,391)		(2,391)
Acquisition of treasury stock		9		(1,009)		(1,000)		(1,000)
Disposal of treasury stock		(47)		47		—		—
Acquisition of Non-controlling interests		(79)				(79)	(81)	(160)
Total transactions with owners	5	(76)	(2,391)	(962)	—	(3,424)	(81)	(3,505)
Balance as of November 30, 2023	656	13,024	28,996	(1,071)	10	41,615	—	41,615

## 2. Consolidated Financial Statements (continued)

### (5) Consolidated Statements of Cash Flows (Unaudited)

	(Millions of yen)	
	Nine Months ended November 30	
	2022	2023
<b>Cash flows from operating activities</b>		
Income before income taxes	5,836	6,599
Depreciation and amortization	1,213	1,198
Financial income	(79)	(41)
Financial expense	55	61
Decrease (increase) in trade and other receivables	(365)	(1,096)
Decrease (increase) in guarantee deposits and construction assistance fund receivables	(56)	(66)
Increase (decrease) in trade payables	501	310
Increase (decrease) in guarantee deposits received and construction assistance fund received	130	100
Increase (decrease) in other financial liabilities	1,955	2,552
Others	(340)	(141)
Subtotal	8,850	9,476
Interest received	1	1
Interest paid	(61)	(32)
Income taxes paid	(2,498)	(2,241)
Income taxes refund	231	487
Net cash provided by operating activities	6,523	7,619
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	—	200
Purchase of property, plant and equipment	(722)	(886)
Purchase of intangible assets	(153)	(75)
Purchase of investment securities	—	(38)
Others	(80)	66
Net cash provided by (used in) investing activities	(955)	(733)
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,645)	(1,460)
Repayments of lease liabilities	(2,727)	(2,809)
Proceeds from issuance of shares	6	10
Purchase of treasury stock	(100)	(1,000)
Cash dividends paid to owners of the parent	(2,338)	(2,338)
Cash dividends paid to non-controlling interests	(8)	—
Purchase of shares of subsidiaries not resulting in change in the scope of consolidation	—	(160)
Net cash used in financing activities	(6,812)	(7,757)
Effect of exchange rate changes on cash and cash equivalents	52	7
Net increase (decrease) in cash and cash equivalents	(1,192)	(792)
Cash and cash equivalents at beginning of period	6,205	6,681
Cash and cash equivalents at end of period	5,013	5,889

## 2. Consolidated Financial Statements (continued)

### (6) Notes to Consolidated Financial Statements (Unaudited)

#### Notes on Assumption of Going Concern

None

#### Segment Information

As the Company only has a single segment consisting of the cafe business, the description of segment information is omitted.

#### Changes in Accounting Policies

The material accounting policies adopted for the consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended February 28, 2023, except for the following item.

Income taxes for the nine months ended November 30, 2023 are calculated based on the estimated average annual effective tax rate.

#### (IAS 12 "Income Taxes")

The Company has applied the standard "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (an amendment of IAS 12 "Income Taxes") effective for the fiscal year ending February 29, 2024. The adoption of this standard does not have a material impact on the consolidated financial statements of the Company.

#### Earnings per Share

	Nine Months ended November 30, 2022	Nine Months ended November 30, 2023
Net income attributable to owners of the parent (millions of yen)	3,953	4,492
Weighted average number of ordinary shares (shares)	46,119,863	45,916,215
Number of ordinary shares with dilutive effects Increase due to stock options (shares)	89,133	33,940
Weighted average number of ordinary shares after dilution (shares)	46,208,996	44,950,155
Basic earnings per share (yen)	85.70	97.83
Diluted earnings per share (yen)	85.54	97.76

#### Significant Subsequent Events

None