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# Consolidated Financial Results for the second quarter (interim period) of the fiscal year ending March 31, 2025 [Under IFRS]

November 8, 2024
Tokyo Stock Exchange
PRIME

| | | | | |
|---|---|---|---|---|
| Company name | **COLOWIDE Co., Ltd.** | | | |
| Securities code | 7616 | URL https://www.colowide.co.jp/ | | |
| Representative | (Title) | President and Representative Director | Kohei NOJIRI | |
| Inquiries | (Title) | Chief of Corporate Planning Department | Masaaki YONEMURA | TEL +81-45-274-5970 |
| Scheduled date to file the semi-annual securities report | | November 14, 2024 | Scheduled date to commence dividend payment | - |

Preparation of supplementary material of financial results : Yes
Holding of financial results briefing : Yes

(round to the nearest million yen)

## 1. Consolidated financial results for the second quarter (interim period) of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024)

### (1) Consolidated operating results (cumulative)

(The percentage figures show the rate of increase/decrease compared to the same period of the previous year)

| | Revenue | | Business Profit*1 | | EBITDA*2 | | Interim Profit before tax | | Interim Profit | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Interim period of the fiscal year ending March 31, 2025 | 132,199 | 12.4 | 3,571 | 10.2 | 7,872 | 10.9 | 1,759 | (60.4) | 1,264 | (55.5) |
| Interim period of the fiscal year ending March 31, 2024 | 118,015 | 12.8 | 3,241 | - | 7,097 | 538.8 | 4,440 | - | 2,842 | - |

| | Interim Profit attributable to owners of parent | | Total interim comprehensive income | | Basic interim earnings per share | Diluted interim earnings per share |
|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Yen | Yen |
| Interim period of the fiscal year ending March 31, 2025 | 385 | (83.3) | 1,379 | (55.5) | (1.57) | (1.57) |
| Interim period of the fiscal year ending March 31, 2024 | 2,310 | - | 3,101 | - | 20.66 | 20.66 |

*1 Business Profit = Revenue – Cost of sales – Selling, general and administrative expenses
2 EBITDA = Business Profit + Depreciation and amortization (excluding depreciation of right-of-use assets
Operating profit for interim period of the fiscal year ending March 31, 2025 under IFRS was 3,367 million yen.

**(2) Consolidated Financial Position**

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent to total assets | Equity attributable to owners of parent per share |
|---|---|---|---|---|---|
| | Millions of yen | Millions of yen | Millions of yen | % | Yen |
| Interim period of the fiscal year ending March 31, 2025 | 303,506 | 86,169 | 76,369 | 25.2 | 572.47 |
| March 31, 2024 | 265,115 | 54,135 | 44,954 | 17.0 | 339.47 |

**2. Cash Dividends**

| | Annual Dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter end | Second quarter end | Third quarter end | Fiscal year end | Total |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen |
| March 31, 2024 | - | 0.00 | - | 5.00 | 5.00 |
| March 31, 2025 | - | 0.00 | | | |
| March 31, 2025 (forecast) | | | - | 5.00 | 5.00 |

(Note) Revisions of the most recently announced dividend forecasts : None

The “Cash Dividends” above refers to the dividend status for common shares. For information on the dividend for the class shares (unlisted) issued by the Company, which have different rights from the common shares, please see the “Preferred Share Dividends” below.

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)**

(The percentage figures show the rate of increase/decrease compared to the same period of the previous year)

| | Revenue | | Business Profit | | EBITDA | | Profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 263,443 | 9.2 | 11,005 | 26.3 | 20,492 | 22.1 | 3,877 | (4.6) | 2,034 | (30.0) | 17.41 |

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

* Notes

(1) Significant changes in the scope of consolidation during the interim period under review : None

Newly added : -(number of companies) (company name)-

Excluded : -(number of companies) (company name)-

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS : Yes

(ii) Changes in accounting policies other than (i) : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (common shares)

| | | | | |
|---|---|---|---|---|
| (i)Total number of issued shares at the end of period (including treasury shares) | Interim period of the fiscal year ending March 31, 2025 | 106,453,541 shares | As of March 31, 2024 | 86,903,541 shares |
| (ii) Number of treasury shares at the end of period | Interim period of the fiscal year ending March 31, 2025 | 170,924 shares | As of March 31, 2024 | 196,199 shares |
| (iii) Average number of shares outstanding during the period (cumulative for the first half) | Interim period of the fiscal year ending March 31, 2025 | 89,507,196 shares | As of September 30, 2023 (interim) | 86,687,431 shares |

*Consolidated Financial Results for the second quarter (interim period) are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special notes

(1) The Company applies International Financial Reporting Standards (IFRS).

(2) The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and actual business and other results may differ substantially due to various factors.

## Preferred share dividends

The breakdown of dividends per share and total dividends for each class of shares with different rights from common shares are as follows.

Preferred shares

| | Dividends per share | | | | | Total cash dividends (Total) |
|---|---|---|---|---|---|---|
| (Record date) | First quarter end | Second quarter end | Third quarter end | Fiscal year end | Annual | |
| Preferred shares | Yen | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | - | - | 3,149,090.00 | 3,149,090.00 | 94,472,700.00 |
| Fiscal year ending March 31, 2025 (forecast) | - | - | - | 3,252,730.00 | 3,252,730.00 | 97,581,900.00 |
| Second series preferred shares | Yen | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | - | - | 3,649,090.00 | 3,649,090.00 | 109,472,700.00 |
| Fiscal year ending March 31, 2025 (forecast) | - | - | - | 3,752,730.00 | 3,752,730.00 | 112,581,900.00 |
| Third series preferred shares | Yen | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | - | - | 3,500,000.00 | 3,500,000.00 | 315,000,000.00 |
| Fiscal year ending March 31, 2025 (forecast) | - | - | - | 3,500,000.00 | 3,500,000.00 | 315,000,000.00 |

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1. Qualitative information on interim financial results under review

(1) Operating Results

During the current interim consolidated accounting period, the Japanese economy showed signs of a gradual recovery, with personal consumption picking up due to wage increases and strong inbound tourism. However, there are still concerns about the unstable exchange rate situation and the stagnation of real wages due to rising prices. In addition, the global economy is at a standstill, and there is a sense of uncertainty about the future due to factors such as the rising geopolitical risk, the slowdown in the Chinese economy, and the political situation in various countries.

In the food service industry, while cost pressures and labor shortages continue unabated, in addition to the thrifty mindset in everyday life, there is also a growing trend towards being selective even when it comes to special occasions, and the importance of initiatives to increase satisfaction while controlling costs is increasing further.

In this environment, the Group is working to create brands that consumers will choose, with a view to improving our corporate value over the medium term.

As a measure to control costs, COLOWIDE MD Co., Ltd. is taking the lead in continuing activities to standardize and unify raw materials. In addition to procuring and simply processing ingredients, the company is also increasing the amount of in-house production at its central kitchen, and in addition to producing hamburgers and other processed meat products, steak sauce and sauces, and ramen soup, it is also producing processed soy meat products and meal kits, which are particularly strong in the catering service business. In logistics, we are continuing to consolidate our distribution centers.

As part of our product-related measures, we are focusing on improving added value in order to increase customer satisfaction. OOTOYA is developing menus that add extra value to seasonal ingredients such as “Deep-fried Big Horse Mackerel ”, and this is contributing to an increase in the number of customers visiting the restaurants and an increase in the average amount spent per customer. Kappa Sushi has focused on price competitiveness, such as by offering thick, sweet "Hokkaido scallops" for 100 yen (110 yen including tax) per plate, and has also tried to create new value, such as by selling the “New Concept! Kappa Gunkan” sushi rolls, which are made with cucumber wrapped around the rice instead of seaweed, giving it a healthy feel. Steak Miya is working with COLOWIDE MD Co., Ltd. on product planning, and is maximizing group synergies by selling the “Super Amazing Hamburger Steak,” which balances a volume of 460g with store profitability, and has been well received.

With regard to sales promotion and PR, we are implementing measures that are suited to the situation of each brand. For our national brands, Gyu-Kaku, OOTOYA and Kappa Sushi, we are continuing to promote the brands and products through TV commercials. We have also collaborated with “Crayon Shin-chan” and “Pretty Cure” to target families and the “Oshikatsu” demand. Meanwhile, FRESHNESS BURGER, a brand that is particular about its ingredients, entered its classic menu item, the “Classic Avocado Cheeseburger,” into the Japan Food Selection and won the highest evaluation, the Grand Prix.

As for new stores, we are continuing to actively open new Gyu-Kaku and related restaurant formats, as well as OOTOYA and other restaurant formats, in suburban areas, roadside and shopping center locations in Japan. In addition, Kappa Sushi, which has been mainly developing in suburban areas and roadside locations, is also focusing on opening stores in downtown areas in order to capture new demand. Overseas, we are aiming to expand in existing areas in North America and Asian countries, while also developing new areas where we do not yet have a presence. We plan to open our first store in the Middle East in Dubai by the end of 2024.

With regard to catering service business, which we are planning to expand dramatically, we are promoting the creation of a foundation for business expansion, such as by starting to optimize the food procurement and distribution networks of companies that have newly joined the Group through M&A.

We are also continuing to focus on sustainability initiatives. As one example, in the area of “Workplace Diversity and Growth", which is one of our materiality issues, we achieved our target for the ratio of female employees (30.0%in 2026) by the end of June 2024, more than one year ahead of schedule (31.1%). In order to achieve “Contribution to the Environment,” we have begun supplying waste cooking oil as a raw material for domestic SAF (Sustainable Aviation Fuel) in accordance with the basic agreement we concluded last May. We are expanding the number of stores that are participating in this initiative.

In terms of the number of restaurants opened and closed, we opened 50 directly managed restaurants, while

closing 35 directly managed restaurants and 8 directly managed izakaya, for a total of 43 restaurants closed. In addition, as a result of making Nihon Meika Souhonpo Co., Ltd. as a consolidated subsidiary from April 2024, the 35 directly managed stores of that company became stores of our group, and as a result, the number of directly managed stores at the end of the current interim consolidated accounting period was 1,445, and the total number of stores, including franchises, was 2,605.

Despite these efforts, in the second quarter of the current consolidated fiscal year (July to September 2024), the impact of a foreign exchange loss of 1,354 million yen due to the rapid appreciation of the yen also contributed, consolidated results for the current interim consolidated accounting period were as follows: revenue of 132,199 million yen, business profit of 3,571 million yen, IFRS operating profit of 3,367 million yen, interim profit of 1,264 million yen, and interim profit attributable to owners of the parent of 385 million yen.

With regard to revenue by segment for the Group, COLOWIDE MD Co., Ltd. was 46,717 million yen, ATOM CORPORATION was 18,204 million yen, REINS international inc. was 46,036 million yen, KAPPA-CREATE CO., LTD. was 36,965 million yen, OOTOYA Holdings Co., Ltd. 15,062 million yen, and others were 19,017 million yen.

Please note that revenue for each segment does not take into account internal revenue or transfers between segments.

(2) Financial Position

(i) Assets, Liabilities and Equity

Total assets at the end of the current interim consolidated accounting period increased by 38,391 million yen compared to the end of the previous consolidated fiscal year to 303,506 million yen. This was mainly due to increases of 18,292 million yen in cash and cash equivalents, 6,403 million yen in property, plant and equipment, and 12,122 million yen in goodwill.

Total liabilities increased by 6,356 million yen compared to the end of the previous consolidated fiscal year to 217,336 million yen. This was mainly due to an increase of 3,391 million yen in trade and other payables and an increase of 3,470 million yen in bonds and borrowings.

Total equity increased by 32,035million yen compared to the end of the previous consolidated fiscal year, to 86,169 million yen. This was mainly due to an increase in share capital of 15,909 million yen and an increase in capital surplus of 15,815 million yen.

(ii) Cash Flows

Cash and cash equivalents at the end of the current interim consolidated accounting period were 11,622 million yen for cash flow from operating activities, (15,965) million yen for cash flow from investing activities, net cash used in financing activities was 22,545million yen, and the effect of exchange rate changes on cash and cash equivalents was 90 million yen. As a result, cash and cash equivalents at the end of the interim period under review increased by 18,292 million yen compared to the end of the previous fiscal year to 64,599 million yen.

Cash flow from operating activities is mainly due to interim profit before income taxes and depreciation and amortization.

Cash flow from investing activities is mainly due to expenditures for the acquisition of consolidated subsidiaries and expenditures for the acquisition of property, plant and equipment.

Cash flow from financing activities is mainly due to proceeds from issuance of new shares, expenditures for the repayment of lease liabilities and expenditures for the redemption of bonds.

(3) Future Outlook

There are no changes to the consolidated earnings forecast for the fiscal year ending March 31, 2025 from the full-year consolidated earnings forecast announced on May 9, 2024.

## 2. Interim consolidated financial statements and Notes

### (1) Interim consolidated statement of financial position

(Unit: Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Assets | | |
| Current Assets | | |
| Cash & cash equivalents | 46,307 | 64,599 |
| Trade & other receivables | 13,158 | 12,953 |
| Other financial assets | 542 | 474 |
| Inventories | 3,932 | 4,342 |
| Income taxes receivables | 160 | 130 |
| Other current assets | 3,177 | 3,628 |
| Total current assets | 67,275 | 86,125 |
| Non-current Assets | | |
| Property, plant & equipment | 48,100 | 54,503 |
| Right-of-use assets | 23,253 | 24,281 |
| Goodwill | 82,534 | 94,656 |
| Intangible assets | 9,979 | 9,379 |
| Investment property | 387 | 387 |
| Other financial assets | 20,719 | 21,012 |
| Deferred tax assets | 12,370 | 12,534 |
| Other non-current assets | 499 | 629 |
| Total non-current assets | 197,840 | 217,380 |
| Total assets | 265,115 | 303,506 |

(Unit: Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Liabilities & Equity | | |
| Liabilities | | |
| Current Liabilities | | |
| Trade & other payable | 23,999 | 25,776 |
| Bonds & borrowings | 39,098 | 43,324 |
| Lease liabilities | 14,826 | 13,224 |
| Other financial liabilities | 26 | 29 |
| Income taxes payable | 1,059 | 890 |
| Provisions | 4,663 | 3,926 |
| Contract liabilities | 220 | 327 |
| Other current liabilities | 10,873 | 10,933 |
| Total current liabilities | 94,765 | 98,430 |
| Non-current liabilities | | |
| Trade & other payables | 4,527 | 6,142 |
| Bonds & borrowings | 82,893 | 82,137 |
| Lease liabilities | 18,388 | 20,329 |
| Other financial liabilities | 1,951 | 1,820 |
| Provisions | 6,498 | 6,604 |
| Deferred tax liabilities | 303 | 167 |
| Contract liabilities | 794 | 749 |
| Other non-current liabilities | 862 | 959 |
| Total non-current liabilities | 116,216 | 118,907 |
| Total liabilities | 210,981 | 217,336 |
| Equity | | |
| Share capital | 27,905 | 43,814 |
| Capital surplus | 40,532 | 56,348 |
| Treasury shares | (126) | (109) |
| Other components of equity | (139) | 104 |
| Retained earnings | (23,219) | (23,787) |
| Total equity attributable to owners of parent | 44,954 | 76,369 |
| Non-controlling interests | 9,181 | 9,800 |
| Total equity | 54,135 | 86,169 |
| Total Liabilities & Equity | 265,115 | 303,506 |

(2) Interim consolidated statement of income

(Unit: Millions of yen)

| | | Previous interim consolidated accounting period (From April 1, 2023 to September 30, 2023) | Current interim consolidated accounting period (From April 1, 2024 to September 30, 2024) |
|---|---|---|---|
| Revenue | | 118,015 | 132,199 |
| Cost of sales | | 50,296 | 55,736 |
| Gross profit | | 67,719 | 76,463 |
| Selling, general and administrative expenses | | 64,477 | 72,892 |
| Business profit | | 3,241 | 3,571 |
| Other operating income | | 1,620 | 428 |
| Other operating expenses | | 679 | 631 |
| IFRS operating profit | | 4,182 | 3,367 |
| Finance income | | 1,663 | 453 |
| Finance costs | | 1,406 | 2,061 |
| Interim profit before tax | | 4,440 | 1,759 |
| Income tax expenses | | 1,598 | 495 |
| Interim profit | | 2,842 | 1,264 |
| Interim profit attributable to | | | |
| Owners of parent | | 2,310 | 385 |
| Non-controlling interests | | 532 | 879 |
| Interim profit | | 2,842 | 1,264 |
| Earnings (losses) per share interim | | | |
| Basic interim earnings (losses) per share (yen) | 12 | 20.66 | (1.57) |
| Diluted interim earnings (losses) per share (yen) | 12 | 20.66 | (1.57) |

(3) Interim consolidated statement of comprehensive income

(Unit: Millions of yen)

| | Previous interim consolidated financial period (From April 1, 2023 to September 30, 2023) | Current interim consolidated financial period (From April 1, 2024 to September 30, 2024) |
|---|---|---|
| Interim profit | 2,842 | 1,264 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through comprehensive income | 31 | (5) |
| Total items that will not be reclassified to profit or loss | 31 | (5) |
| Items that may reclassified to profit or loss | | |
| Exchange differences in transaction of foreign operations | 177 | 42 |
| Cash flow hedges | 51 | 78 |
| Total items that may be reclassified to profit or loss | 228 | 120 |
| Other comprehensive income, net of tax | 259 | 115 |
| Interim comprehensive income | 3,101 | 1,379 |
| Interim comprehensive income attributable to | | |
| Owners of parent | 2,514 | 628 |
| Non-controlling interests | 586 | 751 |
| Interim comprehensive income | 3,101 | 1,379 |

(4) Interim consolidated statement of changes in equity

Previous interim consolidated financial period (From April 1, 2023 to September 30, 2023)

(Unit: Millions of yen)

| | Equity attributable to owners of parent | | | | |
|---|---|---|---|---|---|
| | | | | Other components of equity | |
| | Share capital | Capital surplus | Treasury shares | Financial assets measured at fair value through comprehensive income | Cash flow hedges |
| Balance as of April 1, 2023 | 27,905 | 40,482 | (143) | 7 | (246) |
| Interim profit | - | - | - | - | - |
| Other comprehensive income | - | - | - | 26 | 54 |
| Interim comprehensive income | - | - | - | 26 | 54 |
| Purchase of treasury shares | - | - | (0) | - | - |
| Disposal of treasury shares | - | 39 | 18 | - | - |
| Dividends | - | - | - | - | - |
| Changes in ownership interests of parent due to transactions with non-controlling interests | - | 14 | - | - | - |
| Changes in ownership interests in subsidiaries | - | (2) | - | - | - |
| Total transactions and others with owners | - | 51 | 17 | - | - |
| Balance as of September 30, 2023 | 27,905 | 40,533 | (125) | 33 | (192) |

| | Equity attributable to owners of parent | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| | Other components of equity | | Retained earnings | Total equity attributable to owners of parent | | |
| | Exchange differences on transaction of foreign operation | Other components of equity | | | | |
| Balance as of April 1, 2023 | (88) | (327) | (25,172) | 42,745 | 7,956 | 50,701 |
| Interim profit | - | - | 2,310 | 2,310 | 532 | 2,842 |
| Other comprehensive income | 124 | 205 | - | 205 | 54 | 259 |
| Interim comprehensive income | 124 | 205 | 2,310 | 2,514 | 586 | 3,101 |
| Purchase of treasury shares | - | - | - | (0) | - | (0) |
| Disposal of treasury shares | - | - | - | 57 | - | 57 |
| Dividends | - | - | (952) | (952) | (19) | (971) |
| Changes in ownership interests of parent due to transactions with non-controlling interests | - | - | - | 14 | 23 | 38 |
| Changes in ownership interests in subsidiaries | - | - | - | (2) | (4) | (6) |
| Total transactions and others with owners | - | - | (952) | (883) | 0 | (883) |
| Balance as of September 30, 2023 | 36 | (122) | (23,814) | 44,376 | 8,543 | 52,919 |

Current interim consolidated financial period (From April 1, 2024 to September 30, 2024)

(Unit: Millions of yen)

| | Equity attributable to owners of parent | | | | |
|---|---|---|---|---|---|
| | | | | Other components of equity | |
| | Share capital | Capital surplus | Treasury shares | Financial assets measured at fair value through other comprehensive income | Cash flow hedges |
| Balance as of April 1, 2024 | 27,905 | 40,532 | (126) | 44 | (223) |
| Interim profit | - | - | - | - | - |
| Other comprehensive income | - | - | - | (1) | 76 |
| Interim comprehensive income | - | - | - | (1) | 76 |
| Issuance of new shares | 15,909 | 15,756 | - | - | - |
| Purchase of treasury shares | - | - | (1) | - | - |
| Disposal of treasury shares | - | 36 | 17 | - | - |
| Dividends | - | - | - | - | - |
| Changes in ownership interests of parent due to transactions with non-controlling interests | - | 23 | - | - | - |
| Total transactions and others with owners | 15,909 | 15,815 | 16 | - | - |
| Balance as of September 30, 2024 | 43,814 | 56,348 | (109) | 44 | (147) |

| | Equity attributable to owners of parent | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|
| | Other components of equity | | Retained earnings | Total equity attributable to owners of parent | | |
| | Exchange differences on transaction of foreign operation | Other components of equity | | | | |
| Balance as of April 1, 2024 | 40 | (139) | (23,219) | 44,954 | 9,181 | 54,135 |
| Interim profit | - | - | 385 | 385 | 879 | 1,264 |
| Other comprehensive interests | 167 | 243 | - | 243 | (128) | 115 |
| Interim comprehensive income | 167 | 243 | 385 | 628 | 751 | 1,379 |
| Issuance of new shares | - | - | - | 31,664 | - | 31,664 |
| Purchase of treasury shares | - | - | - | (1) | - | (1) |
| Disposal of treasury shares | - | - | - | 53 | - | 53 |
| Dividends | - | - | (952) | (952) | (141) | (1,094) |
| Changes in ownership interests of parent due to transactions with non-controlling interests | - | - | - | 23 | 9 | 32 |
| Total transactions and others with owners | - | - | (952) | 30,788 | (132) | 30,656 |
| Balance as of September 30, 2024 | 207 | 104 | (23,787) | 76,369 | 9,800 | 86,169 |

(5) Interim consolidated statement of cash flows

(Unit: Millions of yen)

| | Previous interim consolidated financial period (From April 1, 2023 to September 30, 2023) | Current interim consolidated financial period (From April 1, 2024 to September 30, 2024) |
|---|---|---|
| Cash flows from operation activities | | |
| Interim profit before tax | 4,440 | 1,759 |
| Depreciation & amortization | 11,462 | 11,805 |
| Impairment losses | 281 | 104 |
| Finance income | (1,663) | (453) |
| Finance costs | 1,406 | 2,061 |
| Loss (gain) on sale & retirement of property, plant & equipment | 183 | 82 |
| Decrease (increase) in inventories | (372) | (59) |
| Decrease (increase) in trade & other receivables | 70 | 1,453 |
| Increase (decrease) in trade & other payables | 855 | (57) |
| Others | 817 | (2,677) |
| Subtotal | 17,480 | 14,020 |
| Interests & dividends received | 101 | 134 |
| Interests paid | (1,393) | (1,439) |
| Income taxes refund | 247 | 76 |
| Income taxes paid | (679) | (1,169) |
| Cash flows from operating activities | 15,756 | 11,622 |
| Cash flows from investing activities | | |
| Payments into time deposits | (6) | (6) |
| Purchase of property, plant & equipment | (6,874) | (5,864) |
| Proceeds from sale of property, plant & equipment | 10 | 270 |
| Payments of leasehold & guarantee deposits | (456) | (385) |
| Proceeds from refund of leasehold & guarantee deposits | 971 | 498 |
| Payments of acquisition of consolidated subsidiaries | - | (9,735) |
| Others | (1,256) | (743) |
| Cash flows from investing activities | (7,612) | (15,965) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short term borrowings | (530) | 1,114 |
| Proceeds from long term borrowings | 12,500 | 15,200 |
| Repayment of long term borrowings | (10,103) | (14,245) |
| Proceeds from issuance of bonds | - | 1,464 |
| Repayment of bonds | (5,313) | (4,011) |
| Repayment of lease liabilities | (8,561) | (7,550) |
| Proceeds from issuance of new shares | - | 31,665 |
| Payments on acquisition of treasury shares of consolidated subsidiaries | (0) | - |
| Dividends paid | (950) | (951) |
| Dividends pai to non-controlling interests | (20) | (141) |
| Others | 50 | (1) |
| Cash flows from financing activities | (12,927) | (22,545) |
| Effects of exchange rate changes on cash & cash equivalents | 238 | 90 |
| Net increase (decrease) in cash & cash equivalents | (4,545) | (18,292) |
| Cash & cash equivalents at beginning of period | 50,066 | 46,307 |
| Cash & cash equivalents at interim end of period | 45,521 | 64,599 |

(6) Notes to interim consolidated financial statements

(Notes to assumption of going concern)

Not applicable

(Segment information)

(1) Overview of reportable segments

The reportable segments of the Group are those units of our group for which separate financial information is available, and which are subject to regular review by the board of directors in order to determine the allocation of management resources and evaluate performance.

The Group is mainly engaged in the operation of directly managed restaurants and the development of franchise businesses. Taking into account the similarity of business types and the commonality of operation types, etc., the five companies “COLOWIDE MD Co., Ltd.,” “ATOM CORPORATION,” “REINS international inc.,” “KAPPA-CREATE CO., LTD.” and “OOTOYA Holdings Co., Ltd.” are the five reportable segments.

In addition, the operating results of the segments include 23 subsidiaries for “REINS international inc.”, 2 subsidiaries for “KAPPA-CREATE CO., LTD.”, and 8 subsidiaries for “OOTOYA Holdings Co., Ltd.”.

COLOWIDE MD Co., Ltd. is involved in all aspects of merchandising, including product development, production, procurement, manufacturing, and distribution of various food products.

ATOM CORPORATION operates restaurants and franchise headquarters for restaurant chains such as "Steak Miya", "Nigiri no Tokubei", "Karubi Taisho", and "Neneya", as well as directly managed izakaya restaurants.

REINS international inc. operates directly managed restaurants and franchise headquarters businesses in Japan and overseas, including "Gyu-Kaku", "On-Yasai", "Doma Doma", "Kamadoka", and "FRESHNESS BURGER" etc. in restaurant and izakaya formats.

KAPPA-CREATE CO., LTD. operates directly managed restaurants in the restaurant business, such as “Kappa Sushi,” and also operates a delicatessen business, such as sushi and prepared bread.

OOTOYA Holdings Co., Ltd. operates directly managed restaurants in the restaurant business, such as “OOTOYA Gohan-Dokoro,” in Japan and overseas, and also operates a franchise headquarters business.

(2) Calculation method of revenue, profit or loss, and other items by reportable segment

The accounting method for reportable segments is the same as that described in the “Notes on Changes in Accounting Policies.”

The profit of reportable segments is based on IFRS operating profit.

The internal revenues and transfers amount between segments are based on prevailing market prices.

(3) Information on revenue, profit or loss, and other items by reportable segment

Previous interim consolidated financial period (From April 1, 2023 to September 30, 2023)

(Unit: Millions of yen)

| | Reportable segment | | | | | | Others (Note 4) | Total | Adjustment (Note 5) | Amounts recorded in interim consolidated financial statements (Note 6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | COLOWIDE MD | ATOM | REINS international (Note 1) | KAPPA-CREATE (Note 2) | OOTOYA Holdings (Note 3) | Total | | | | |
| Revenue | | | | | | | | | | |
| External revenue | 776 | 18,462 | 46,656 | 35,959 | 13,429 | 115,282 | 2,733 | 118,015 | - | 118,015 |
| Inter-segment revenue & transfers | 40,421 | 1 | 1,476 | 284 | 33 | 42,214 | 948 | 43,162 | (43,162) | - |
| Total | 41,197 | 18,463 | 48,131 | 36,242 | 13,462 | 157,496 | 3,681 | 161,177 | (43,162) | 118,015 |
| Segment profit (loss) | 716 | (436) | 3,672 | 643 | 515 | 5,111 | 329 | 5,440 | (1,258) | 4,182 |
| Finance income | | | | | | | | | | 1,663 |
| Finance costs | | | | | | | | | | 1,406 |
| Interim profit before tax | | | | | | | | | | 4,440 |
| Tax expenses | | | | | | | | | | 1,598 |
| Interim profit | | | | | | | | | | 2,842 |

(Note 1) The “REINS international inc.” segment includes REINS international inc. and its consolidated subsidiaries.

(Note 2) The “KAPPA-CREATE CO., LTD.” segment includes KAPPA-CREATE CO., LTD., and its consolidated subsidiaries.

(Note 3) The “OOTOYA Holdings Co., Ltd.” segment includes OOTOYA Holdings Co., Ltd., and its consolidated subsidiaries.

(Note 4) The “Others” indicate business segments not included in reportable segments as follows: Planning, operation and maintenance of IT systems, call center administration by Worldpicom Corporation, production and sale of fresh confections, baked confections, and chocolates (Nama-choco ganache, etc.) by SILSMARIA Co., Ltd., administrative work by Cocot Co., Ltd., operation of restaurants by WP JAPAN Co., Ltd., operation of restaurants and franchise business by Bay Food Factory Co., Ltd., operation of catering service business by Dining Yell Co., Ltd., operation of franchise business by Future Link Co., Ltd. and labor-related operations by Colowide Support Center Co., Ltd.

(Note 5) Adjustments are due to elimination of intersegment transactions. The business profit adjustment of (1,258) million yen includes adjustments for unrealized profit and general and administrative expenses that do not belong to any reportable segment.

(Note 6) Segment profit (loss) is adjusted with IFRS operating profit in the interim consolidated statement of income.

Current interim consolidated financial period (From April 1, 2023 to September 30, 2023)

(Unit: Millions of yen)

| | Reportable segment | | | | | | Others (Note 4) | Total | Adjustments (Note 5) | Amount recorded in interim consolidated financial statements (Note 6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | COLOWIDE MD | ATOM | REINS international (Note 1) | KAPPA-CREATE (Note 2) | OOTOYA Holdings (Note 3) | Total | | | | |
| Revenue | | | | | | | | | | |
| External revenue | 1,234 | 18,203 | 44,065 | 36,617 | 15,026 | 115,146 | 17,052 | 132,199 | - | 132,199 |
| Inter-segment revenue & transfers | 45,483 | 0 | 1,971 | 348 | 36 | 47,838 | 1,964 | 49,803 | (49,803) | - |
| Total | 46,717 | 18,204 | 46,036 | 36,965 | 15,062 | 162,985 | 19,017 | 182,001 | (49,803) | 132,199 |
| Segment profit | 1,646 | 181 | 2,840 | 586 | 756 | 6,010 | (604) | 5,406 | (2,038) | 3,367 |
| Finance income | | | | | | | | | | 453 |
| Finance costs | | | | | | | | | | 2,061 |
| Interim profit before tax | | | | | | | | | | 1,759 |
| Tax expenses | | | | | | | | | | 495 |
| Interim profit | | | | | | | | | | 1,264 |

(Note 1) The “REINS international inc.” segment includes REINS international inc. and its consolidated subsidiaries.

(Note 2) The “KAPPA-CREATE CO., LTD.” segment includes KAPPA-CREATE CO., LTD., and its consolidated subsidiaries.

(Note 3) the “OOTOYA Holdings Co., Ltd.” segment includes OOTOYA Holdings Co., Ltd., and its consolidated subsidiaries.

(Note 4) The “Others” indicate business segments not included in reportable segments as follows: Planning, operation and maintenance of IT systems, call center administration by Worldpicom Corporation, production and sale of fresh confections, baked confections, and chocolates (Nama-choco ganache, etc.) by SILSMARIA Co., Ltd., Production and sales of western-style confectioneries by Nihon Meika Souhonpo Co., Ltd. and its subsidiary, Administrative work by Cocot Co., Ltd., Operation of restaurants by Cheers Dining Co., Ltd., Operation of restaurants by WP JAPAN Co., Ltd., Operation of restaurants and franchise business by Bay Food Factory Co., Ltd., Operation of catering service business by Dining Yell Co., Ltd., Operation of catering service business by Amis, Inc., Operation of franchise business by Future Link Co., Ltd. and Labor-related operations by Colowide Support Center Co., Ltd.

(Note 5) Adjustments are due to elimination of intersegment transactions. The business profit adjustment of (2,038) million yen includes adjustments for unrealized profit and general and administrative expenses that do not belong to any reportable segment.

(Note 6) Segment profit is adjusted with IFRS operating profit in the interim consolidated statements of income.

(4) Information by region

Revenue and non-current assets by region are as follows.

Previous interim consolidated financial period (From April 1, 2024 to September 30, 2024)

(i) External revenue

(Unit: Millions of yen)

| Japan | North America | Asia | Total |
|---|---|---|---|
| 102,386 | 8,536 | 7,093 | 118,015 |

(ii) Non-current assets

(excluding financial instruments, deferred tax assets, and rights arising from insurance contracts)

(Unit: Millions of yen)

| Japan | North America | Asia | Total |
|---|---|---|---|
| 139,638 | 20,697 | 2,907 | 163,242 |

Current interim consolidated financial period (From April 1, 2024 to September 30, 2024)

(iii) External revenue

(Unit: Millions of yen)

| Japan | North America | Asia | Total |
|---|---|---|---|
| 115,649 | 8,809 | 7,740 | 132,199 |

(iv) Non-current assets

(excluding financial instruments, deferred tax assets, and rights arising from insurance contracts)

(Unit: Millions of yen)

| Japan | North America | Asia | Total |
|---|---|---|---|
| 161,889 | 19,032 | 2,913 | 183,834 |

(5) Information on major customers

In the previous and current interim consolidated accounting periods, the Group operated businesses for general consumers, and there was no single external customer (group) that accounted for 10% or more of the Group's revenue, so this information is omitted.

(Notes on changes in accounting policies)

The significant accounting policies applied in these interim consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year, with the following exceptions.

| IFRS | | Outline of new and revised |
|---|---|---|
| IAS 1 | Presentation of financial statements | Clarified the requirements for classifying liabilities as current or non-current<br>Revised to Require disclosure of information on long-term debt with special clauses |
| IAS 7<br>IFRS 7 | Statement of cash flows<br>Financial instruments: Disclosure | Revised to require disclosure to increase the transparency of supplier finance agreements |
| IFRS 16 | Lease | Clarified the accounting treatment after sale and leaseback transactions |

The adoption of these standards did not have any impact on the interim consolidated financial statements.