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Summary of Consolidated Financial Results For the Three Months ended June 30, 2020 (IFRS)

August 13, 2020

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 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 3397
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 Date of release of quarterly securities report: August 13, 2020
 Starting date of dividend payments: -
 Preparation of explanatory materials on quarterly financial results: Yes
 Information meetings arranged related to quarterly financial results: No

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Three Months Ended June 30, 2020

(1) Consolidated Operating Results

(% figures denote year-on-year change)

	Total trading transactions		Business profit		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	27,294	(30.4)	(4,193)	—	(3,550)	—	(3,922)	—	(2,602)	—
Three months ended June 30, 2019	39,212	10.8	2,431	8.8	2,051	(8.4)	1,369	(39.2)	912	(42.4)

	Profit for the period attributable to owners of the parent		Comprehensive income for the period		Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended June 30, 2020	(2,614)	—	(3,140)	—	(31.43)	(31.43)
Three months ended June 30, 2019	909	(42.4)	216	(90.2)	10.68	10.65

(Reference) EBITDA (*)

Three months ended June 30, 2020: ¥ 394 million (decreased 94.6% year-on-year basis)

Three months ended June 30, 2019: ¥ 7,277 million

Adjusted EBITDA

Three months ended June 30, 2020: ¥ 937 million (decreased 87.1% year-on-year basis)

Three months ended June 30, 2019: ¥ 7,292 million

(*) The Company discloses EBITDA as comparative information.

EBITDA = Operating Profit + Other Operating Expenses - Other Operating Income
 + Depreciation + Amortization

Adjusted EBITDA = EBITDA + Impairment Loss + Extraordinary Expenses

Note: With an effective date of April 1, 2020, the company performed a 2-for-1 stock split of its common stock. The company calculated “Earnings per share attributable to owners of the parent (basic)” and “Earnings per share attributable to owners of the parent (diluted)” assuming that the stock split was implemented with an effective date of April 1, 2019.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity per share attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	208,800	42,727	41,889	20.1	485.52
As of March 31, 2020	209,978	46,565	45,427	21.6	532.32

Note: With an effective date of April 1, 2020, the company performed a 2-for-1 stock split of its common stock. The company calculated “Equity per share attributable to owners of parent” assuming that the stock split was implemented with an effective date of April 1, 2019.

2. Dividends

	Annual dividend per share				
	Q1	Q2	Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2020	—	0.00	—	12.50	12.5
Fiscal Year ended March 31, 2021	—				
Fiscal Year ending March 31, 2021 (Forecast)		0.00	—	6.25	6.25

Note: With an effective date of April 1, 2020, the company performed a 2-for-1 stock split of its common stock. For dividends for the years ended March 31, 2020, the above dividends paid show the actual amounts prior to the stock split. The dividend for the year ending March 31, 2021 (Forecast) reflects the stock split.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2021

Percentages indicate year-on-year changes

	Total trading transactions	Business profit	Operating profit	Profit before tax	Profit for the period
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %
1 st half	60,700 (24.1)	(4,300) —	(4,600) —	(5,400) —	(3,800) —
Fiscal year	148,200 (5.3)	5,000 (43.7)	200 (95.4)	(1,400) —	(800) —

	Profit for the period attributable to owners of the parent	Earnings per share attributable to owners of the parent (basic)
	Millions of yen %	Yen
1 st half	(3,700) —	(44.96)
Fiscal year	(700) —	(12.24)

*** Notes**

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope consolidation): No
New: —
Excluded: —

- (2) Changes in accounting policies and accounting estimates
1) Changes in accounting policies as required by IFRS: No
2) Changes in accounting policies other than 1) above: Yes
3) Changes in accounting estimates: No

- (3) Number of shares outstanding (ordinary shares)

- 1) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2020	87,145,352 shares
As of March 31, 2020	87,143,352 shares

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

As of June 30, 2020	869,018 shares
As of March 31, 2020	1,805,644 shares

- 3) Average number of shares during the period

Three months ended June 30, 2020	86,239,221 shares
Three months ended June 30, 2019	85,151,792 shares

Note: With an effective date of April 1, 2020, the company performed a 2-for-1 stock split of its common stock. The company calculated the above three numbers of shares assuming that the stock split was implemented with an effective date of April 1, 2019.

*Summary quarterly financial statements are not subject to quarterly review by a public certified accountant or an auditing firm.

*** Appropriate use of financial results forecasts and other notes**

The forward-looking statements in this report are based upon various assumptions, including, without limitation, business forecasts, management's estimates, assumptions, and projections at the time of publication. These statements do not represent a promise or commitment by the Company to achieve these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

Condensed Quarterly Consolidated Financial Statements

Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	25,801	20,751
Trade and other receivables	3,967	5,681
Inventories	836	819
Other current assets	1,931	1,844
Total current assets	32,536	29,095
Non-current assets		
Property, plant and equipment	34,581	32,009
Right-of-use assets	78,773	82,452
Intangible assets and goodwill	40,257	39,835
Investments accounted for using the equity method	4,770	4,499
Other financial assets	14,698	15,023
Deferred tax assets	3,464	5,013
Other non-current assets	900	874
Total non-current assets	177,443	179,705
Total assets	209,978	208,800

	(Millions of yen)	
	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Trade and other payables	10,855	10,364
Short-term loans payable	29	4,023
Current portion of long-term loans payable	12,424	12,249
Lease liabilities	13,625	15,183
Income taxes payable	794	843
Provisions	727	657
Other current liabilities	4,240	4,709
Total current liabilities	42,694	48,028
Non-current liabilities		
Long-term loans payable	45,578	43,044
Lease liabilities	70,079	69,709
Provisions	2,807	3,132
Deferred tax liabilities	1,475	1,433
Other non-current liabilities	780	726
Total non-current liabilities	120,719	118,045
Total liabilities	163,414	166,073
Equity		
Equity attributable to owners of the parent		
Capital stock	4,159	4,161
Capital surplus	3,848	3,046
Other equity instruments	10,847	10,847
Retained earnings	29,503	26,162
Treasury shares	(2,124)	(1,025)
Other components of equity	(806)	(1,303)
Total equity attributable to owners of the parent	45,427	41,889
Non-controlling interests	1,138	838
Total equity	46,565	42,727
Total liabilities and equity	209,978	208,800

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Total trading transactions	39,212	27,294
Cost of sales	(10,376)	(7,129)
Gross profit	28,836	20,165
Selling, general and administrative expenses	(26,405)	(24,358)
Impairment loss	(12)	(543)
Other operating income	228	1,435
Other operating expenses	(596)	(249)
Operating profit (loss)	2,051	(3,550)
Finance income	55	48
Finance costs	(469)	(296)
Finance income (costs), net	(414)	(247)
Share of profit (loss) of investments accounted for using the equity method	(268)	(124)
Profit (loss) before tax	1,369	(3,922)
Income tax expense	(457)	1,319
Profit (loss) for the period	912	(2,602)
Profit (loss) for the period attributable to		
Owners of the parent	909	(2,614)
Non-controlling interests	2	12
Profit (loss) for the period	912	(2,602)
Earnings (losses) per share attributable to owners of the parent (yen)		
Basic earnings (losses) per share	10.68	(31.43)
Diluted earnings (losses) per share	10.65	(31.43)

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss) for the period	912	(2,602)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(762)	(367)
Share of other comprehensive income of investments accounted for using the equity method	67	(171)
Other comprehensive income	(695)	(538)
Comprehensive income for the period	216	(3,140)
Comprehensive income for the period attributable to		
Owners of the parent	230	(3,134)
Non-controlling interests	(14)	(6)

Condensed Quarterly Consolidated Statements of Changes in Equity

For the three months ended June 30, 2019

(Millions of yen)

	Equity attributable to owners of the parent									
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Non-controlling interests	Total equity
					Exchange differences on translating foreign operations	Subscription rights to shares	Total			
As of April 1, 2019	4,076	4,085	28,477	(2,143)	(894)	378	(516)	33,979	1,024	35,003
Cumulative effect of changes in accounting policies			(880)				—	(880)		(880)
Restated balance	4,076	4,085	27,597	(2,143)	(894)	378	(516)	33,099	1,024	34,123
Profit for the period			909				—	909	2	912
Other comprehensive income					(679)		(679)	(679)	(16)	(695)
Total comprehensive income for the period	—	—	909	—	(679)	—	(679)	230	(14)	216
Issuance of new shares (exercise of subscription rights)	29	29				(19)	(19)	39		39
Share-based payment transactions	0					27	27	28		28
Purchase and disposal of treasury shares				12			—	12		12
Dividends			(64)				—	(64)		(64)
Other		(11)					—	(11)		(11)
Total transaction amount with owners	30	19	(64)	12	—	8	8	4	—	4
Transfer to retained earnings from other components of equity			10			(10)	(10)	—		—
As of June 30, 2019	4,106	4,104	28,452	(2,131)	(1,573)	376	(1,197)	33,334	1,009	34,343

For the three months ended June 30, 2020

(Millions of yen)

	Equity attributable to owners of the parent										
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury shares	Other components of equity			Total	Non-controlling interests	Total equity
						Exchange differences on translating foreign operations	Subscription rights to shares	Total			
As of April 1, 2020	4,159	3,848	10,847	29,503	(2,124)	(1,224)	418	(806)	45,427	1,138	46,565
Profit (loss) for the period				(2,614)				—	(2,614)	12	(2,602)
Other comprehensive income						(520)		(520)	(520)	(17)	(538)
Total comprehensive income for the period	—	—	—	(2,614)	—	(520)	—	(520)	(3,134)	(6)	(3,140)
Issuance of new shares (exercise of subscription rights)	1	1					(0)	(0)	2		2
Share-based payment transactions	0	0					24	24	25		25
Purchase and disposal of treasury shares		(0)			1,100			—	1,100		1,100
Dividends				(533)				—	(533)		(533)
Distribution to owners of other equity instruments				(194)				—	(194)		(194)
Change in ownership interests in subsidiaries without loss of control		(804)						—	(804)	(294)	(1,097)
Total transaction amount with owners	2	(802)	—	(727)	1,100	—	23	23	(404)	(294)	(697)
As of June 30, 2020	4,161	3,046	10,847	26,162	(1,025)	(1,744)	442	(1,303)	41,889	838	42,727

Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit (loss) before tax	1,369	(3,922)
Depreciation and amortization	4,858	5,130
Impairment loss	12	543
Interest income	(55)	(48)
Interest expenses	262	257
Share of loss (profit) of investments accounted for using the equity method	268	124
Decrease (increase) in trade and other receivables	(359)	(1,251)
Decrease (increase) in inventories	(152)	14
Increase (decrease) in trade and other payables	1,083	408
Other, net	473	36
Subtotal	7,759	1,293
Interest income received	30	94
Interest expenses paid	(184)	(259)
Income taxes paid	(464)	(163)
Net cash provided by (used in) operating activities	7,141	965
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,894)	(2,733)
Purchase of intangible assets	(75)	(2)
Payments for lease and guarantee deposits	(152)	(112)
Proceeds from collection of lease and guarantee deposits	153	106
Payments of construction assistance fund receivables	(99)	(79)
Collection of construction assistance fund receivables	141	124
Other, net	(398)	(201)
Net cash provided by (used in) investing activities	(3,324)	(2,897)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(35)	3,994
Proceeds from long-term loans payable	11,122	321
Repayments of long-term loans payable	(2,779)	(3,030)
Repayments of lease liabilities	(3,169)	(3,651)
Cash dividends paid	(64)	(533)
Distribution to owners of other equity instruments	—	(279)
Other, net	16	2
Net cash provided by (used in) financing activities	5,091	(3,177)
Net increase (decrease) in cash and cash equivalents	8,908	(5,108)
Cash and cash equivalents at beginning of period	14,398	25,801
Effect of exchange rate change on cash and cash equivalents	(145)	59
Cash and cash equivalents at end of period	23,160	20,751