

Translation

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Summary of Consolidated Financial Results For the Six Months ended September 30, 2020 (IFRS)

November 13, 2020

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Stock code: 3397

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Date of release of quarterly securities report: November 13, 2020

Starting date of dividend payments: -

Preparation of explanatory materials on quarterly financial results: Yes

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

(Amounts are rounded to the nearest million)

1. Consolidated Financial Results for the Six Months Ended September 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	%
Six months ended September 30, 2020	63,473	(20.7)	(3,551)	—	(2,707)	—	(3,505)	—	(2,073)	—
Six months ended September 30, 2019	80,017	11.2	5,840	32.9	5,084	23.3	4,100	(0.7)	2,601	(11.0)

	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
Six months ended September 30, 2020	(2,094)	—	(3,283)	—	(26.52)	(26.52)
Six months ended September 30, 2019	2,569	(12.9)	1,385	(68.8)	30.16	30.07

(Reference) EBITDA (*)

Six months ended September 30, 2020: ¥ 5,688 million (decreased 63.3% year-on-year basis)

Six months ended September 30, 2019: ¥ 15,499 million

Adjusted EBITDA

Six months ended September 30, 2020: ¥ 6,843 million (decreased 56.0% year-on-year basis)

Six months ended September 30, 2019: ¥ 15,560 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 September 30, 2020	208,863	41,450	41,011	19.6	475.19
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	12.50
Fiscal Year ended March 31, 2021	—	0.00			
Fiscal Year ending March 31, 2021 (Forecast)			—	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	
Fiscal year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
	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)	
Fiscal year	Millions of yen	%	Yen	
	(700)	—	(12.23)	

*** 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 September 30, 2020	87,163,752 shares
As of March 31, 2020	87,143,352 shares

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

As of September 30, 2020	858,344 shares
As of March 31, 2020	1,805,644 shares

- 3) Average number of shares during the period

Six months ended September 30, 2020	86,247,711 shares
Six months ended September 30, 2019	85,187,772 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.

Method of obtaining supplementary results materials

The company plans to hold quarterly financial results meeting for institutional investors, analysts, and financial institutions on November 17, 2020. Presentation materials will be posted on its website. In addition to the above, the company may hold meetings and presentations on our business for individual investors as needed. The schedule and details are available on its website.

Condensed Quarterly Consolidated Financial Statements**Condensed Quarterly Consolidated Statements of Financial Position**

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	25,801	22,025
Trade and other receivables	3,967	5,231
Inventories	836	785
Other current assets	1,931	1,781
Total current assets	32,536	29,822
Non-current assets		
Property, plant and equipment	34,581	32,338
Right-of-use assets	78,773	81,986
Intangible assets and goodwill	40,257	39,349
Investments accounted for using the equity method	4,770	4,352
Other financial assets	14,698	14,839
Deferred tax assets	3,464	5,243
Other non-current assets	900	935
Total non-current assets	177,443	179,041
Total assets	209,978	208,863

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Trade and other payables	10,855	11,617
Short-term loans payable	29	7,023
Current portion of long-term loans payable	12,424	12,142
Lease liabilities	13,625	14,622
Income taxes payable	794	806
Provisions	727	826
Other current liabilities	4,240	5,190
Total current liabilities	42,694	52,225
Non-current liabilities		
Long-term loans payable	45,578	40,353
Lease liabilities	70,079	69,490
Provisions	2,807	2,794
Deferred tax liabilities	1,475	1,462
Other non-current liabilities	780	1,090
Total non-current liabilities	120,719	115,188
Total liabilities	163,414	167,414
Equity		
Equity attributable to owners of the parent		
Capital stock	4,159	4,173
Capital surplus	3,848	2,350
Other equity instruments	10,847	10,847
Retained earnings	29,503	26,683
Treasury shares	(2,124)	(1,022)
Other components of equity	(806)	(2,019)
Total equity attributable to owners of the parent	45,427	41,011
Non-controlling interests	1,138	438
Total equity	46,565	41,450
Total liabilities and equity	209,978	208,863

Condensed Quarterly Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Total trading transactions	80,017	63,473
Cost of sales	(20,903)	(16,548)
Gross profit	59,115	46,925
Selling, general and administrative expenses	(53,275)	(50,477)
Impairment loss	(55)	(1,123)
Other operating income	315	2,711
Other operating expenses	(1,015)	(744)
Operating profit (loss)	5,084	(2,707)
Finance income	118	55
Finance costs	(728)	(618)
Finance income (costs), net	(610)	(562)
Share of profit (loss) of investments accounted for using the equity method	(374)	(236)
Profit (loss) before tax	4,100	(3,505)
Income tax expense	(1,499)	1,432
Profit (loss) for the period	2,601	(2,073)
Profit (loss) for the period attributable to		
Owners of the parent	2,569	(2,094)
Non-controlling interests	32	22
Profit (loss) for the period	2,601	(2,073)
Earnings (losses) per share attributable to owners of the parent (yen)		
Basic earnings (losses) per share	30.16	(26.52)
Diluted earnings (losses) per share	30.07	(26.52)

Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss) for the period	2,601	(2,073)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(1,072)	(1,014)
Share of other comprehensive income of investments accounted for using the equity method	(144)	(197)
Other comprehensive income	(1,216)	(1,211)
Comprehensive income for the period	1,385	(3,283)
Comprehensive income for the period attributable to		
Owners of the parent	1,381	(3,297)
Non-controlling interests	4	14

Condensed Quarterly Consolidated Statements of Changes in Equity

For the six months ended September 30, 2019

(Millions of yen)

(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			2,569				—	2,569	32	2,601
Other comprehensive income					(1,188)		(1,188)	(1,188)	(28)	(1,216)
Total comprehensive income for the period	—	—	2,569	—	(1,188)	—	(1,188)	1,381	4	1,385
Issuance of new shares (exercise of subscription rights)	45	45				(27)	(27)	63		63
Share-based payment transactions	1	1				52	52	54		54
Purchase and disposal of treasury shares				13			—	13		13
Dividends			(64)				—	(64)		(64)
Other		(241)					—	(241)		(241)
Total transaction amount with owners	46	(195)	(64)	13	—	25	25	(176)	—	(176)
Transfer to retained earnings from other components of equity			10			(10)	(10)	—		—
As of September 30, 2019	4,122	3,890	30,112	(2,130)	(2,082)	393	(1,689)	34,305	1,027	35,332

For the six months ended September 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				(2,094)				—	(2,094)	22	(2,073)
Other comprehensive income						(1,203)		(1,203)	(1,203)	(8)	(1,211)
Total comprehensive income for the period	—	—	—	(2,094)	—	(1,203)	—	(1,203)	(3,297)	14	(3,283)
Issuance of new shares (exercise of subscription rights)	12	12					(6)	(6)	19		19
Share-based payment transactions	1	1					45	45	47		47
Purchase and disposal of treasury shares		(0)			1,102			—	1,102		1,102
Dividends				(533)				—	(533)	(48)	(581)
Distribution to owners of other equity instruments				(192)				—	(192)		(192)
Change in ownership interests in subsidiaries without loss of control		(1,184)				(50)		(50)	(1,234)	(665)	(1,899)
Other		(327)						—	(327)		(327)
Total transaction amount with owners	13	(1,498)	—	(726)	1,102	(50)	39	(11)	(1,119)	(713)	(1,832)
As of September 30, 2020	4,173	2,350	10,847	26,683	(1,022)	(2,477)	457	(2,019)	41,011	438	41,450

Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before tax	4,100	(3,505)
Depreciation and amortization	9,715	10,361
Impairment loss	55	1,123
Interest income	(118)	(55)
Interest expenses	531	504
Share of loss (profit) of investments accounted for using the equity method	374	236
Decrease (increase) in trade and other receivables	191	(1,433)
Decrease (increase) in inventories	(63)	45
Increase (decrease) in trade and other payables	653	1,751
Other, net	466	980
Subtotal	15,905	10,007
Interest income received	69	53
Interest expenses paid	(264)	(532)
Income taxes paid	(193)	(198)
Net cash provided by (used in) operating activities	15,517	9,329
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,449)	(4,489)
Purchase of intangible assets	(188)	(59)
Payments for lease and guarantee deposits	(373)	(329)
Proceeds from collection of lease and guarantee deposits	143	305
Payments of construction assistance fund receivables	(134)	(215)
Collection of construction assistance fund receivables	283	250
Other, net	(564)	(490)
Net cash provided by (used in) investing activities	(6,283)	(5,027)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(45)	6,994
Proceeds from long-term loans payable	11,108	521
Repayments of long-term loans payable	(5,957)	(6,028)
Repayments of lease liabilities	(6,906)	(7,710)
Cash dividends paid	(64)	(533)
Distribution to owners of other equity instruments	—	(277)
Payments for purchase of shares of subsidiaries that do not result in change in scope of consolidation	(130)	(801)
Other, net	318	(29)
Net cash provided by (used in) financing activities	(1,676)	(7,864)
Net increase (decrease) in cash and cash equivalents	7,557	(3,562)
Cash and cash equivalents at beginning of period	14,398	25,801
Effect of exchange rate change on cash and cash equivalents	(239)	(215)
Cash and cash equivalents at end of period	21,716	22,025