



Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 05, 2021

Company name: Qol Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 3034
 URL: <https://www.qolhd.co.jp/eng/>
 Representative: Takashi Nakamura, President and Representative Director
 Contact: Yutaka Togashi, Director
 Phone: +81-(0)3-6430-9060
 Scheduled date of filing quarterly securities report: November 12, 2021
 Scheduled date of commencing dividend payments: December 01, 2021
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	81,814	3.4	4,177	100.8	4,274	102.7	2,455	289.4
September 30, 2020	79,090	(2.7)	2,080	(39.4)	2,109	(41.7)	630	(65.6)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 2,443 million [307.5%]
 Six months ended September 30, 2020: ¥ 599 million [(68.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	66.98	-
September 30, 2020	16.75	-

(Reference)

EBITDA (Operating profit + Depreciation + Amortization of goodwill)	As of September 30, 2021:	¥ 6,493 million
	As of September 30, 2020:	¥ 4,377 million
Net income before Amortization of goodwill (Profit attributable to owners of parent + Amortization of goodwill)	As of September 30, 2021:	¥ 4,024 million
	As of September 30, 2020:	¥ 2,159 million
EPS before Amortization of goodwill (Profit before Amortization of goodwill / Average number of shares during the period)	As of September 30, 2021:	¥ 109.78
	As of September 30, 2020:	¥ 57.34

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	97,565	41,066	42.1
March 31, 2021	100,571	41,834	40.9

(Reference) Equity: As of September 30, 2021: ¥ 41,026 million
 As of March 31, 2021: ¥ 41,162 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen -	Yen 14.00	Yen -	Yen 14.00	Yen 28.00
Fiscal year ending March 31, 2022	-	14.00			
Fiscal year ending March 31, 2022 (Forecast)			-	14.00	28.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	175,000	8.1	10,000	35.8	10,000	35.1	5,000	48.6	136.39

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2021: 38,902,785 shares
March 31, 2021: 38,902,785 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 2,182,509 shares
March 31, 2021: 2,291,509 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 36,660,834 shares
Six months ended September 30, 2020: 37,655,426 shares

(Note) Treasury stock includes shares owned by the exclusive trust account of the Company's Employee Stock Ownership Association.

(Remarks) Supplementary Material is available on our website.

<https://www.qolhd.co.jp/eng/ir/library/supplementarymaterial.html>

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	19,648	16,431
Notes and accounts receivable - trade	18,231	-
Notes and accounts receivable - trade, and contract assets	-	17,670
Merchandise and finished goods	4,606	5,701
Work in process	127	156
Supplies	120	124
Other	2,766	2,452
Allowance for doubtful accounts	(2)	(3)
Total current assets	45,499	42,532
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,380	6,481
Tools, furniture and fixtures, net	1,280	1,344
Land	4,762	4,855
Other, net	307	196
Total property, plant and equipment	12,730	12,877
Intangible assets		
Goodwill	34,071	33,695
Software	508	618
Other	358	280
Total intangible assets	34,938	34,594
Investments and other assets		
Investment securities	183	165
Leasehold and guarantee deposits	3,783	3,764
Deferred tax assets	1,904	1,936
Other	1,535	1,700
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	7,393	7,554
Total non-current assets	55,062	55,025
Deferred assets		
Bond issuance costs	9	7
Total deferred assets	9	7
Total assets	100,571	97,565

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Accounts payable - trade	19,822	18,037
Short-term borrowings	200	-
Current portion of bonds payable	1,108	1,008
Current portion of long-term borrowings	10,261	9,978
Income taxes payable	1,693	2,080
Provision for bonuses	2,281	2,488
Other	3,343	2,987
Total current liabilities	38,709	36,580
Non-current liabilities		
Bonds payable	1,416	962
Long-term borrowings	16,736	16,858
Deferred tax liabilities	302	302
Provision for retirement benefits for directors	30	27
Retirement benefit liability	650	649
Asset retirement obligations	809	834
Other	81	283
Total non-current liabilities	20,026	19,918
Total liabilities	58,736	56,498
Net assets		
Shareholders' equity		
Share capital	5,786	5,786
Capital surplus	13,490	11,276
Retained earnings	25,364	27,292
Treasury shares	(3,360)	(3,198)
Total shareholders' equity	41,280	41,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(118)	(129)
Total accumulated other comprehensive income	(118)	(129)
Non-controlling interests	672	39
Total net assets	41,834	41,066
Total liabilities and net assets	100,571	97,565

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	79,090	81,814
Cost of sales	70,008	70,957
Gross profit	9,082	10,857
Selling, general and administrative expenses	7,001	6,679
Operating profit	2,080	4,177
Non-operating income		
Rental income from buildings	15	17
Commission income	27	42
Surrender value of insurance policies	-	3
Subsidy income	4	9
Guarantee commission received	25	29
Other	56	81
Total non-operating income	129	184
Non-operating expenses		
Interest expenses	55	52
Other	45	35
Total non-operating expenses	100	87
Ordinary profit	2,109	4,274
Extraordinary income		
Gain on sale of non-current assets	4	1
Gain on sale of investment securities	204	0
Gain on reversal of provision for withdraw loss from employees' pension fund	-	71
Total extraordinary income	209	73
Extraordinary losses		
Loss on retirement of non-current assets	35	18
Loss on sale of non-current assets	0	0
Impairment losses	396	-
Loss on valuation of shares of subsidiaries	-	49
Total extraordinary losses	432	67
Profit before income taxes	1,886	4,280
Income taxes	1,179	1,825
Profit	706	2,454
Profit (loss) attributable to non-controlling interests	76	(0)
Profit attributable to owners of parent	630	2,455

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	706	2,454
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(11)
Total other comprehensive income	(107)	(11)
Comprehensive income	599	2,443
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	523	2,444
Comprehensive income attributable to non-controlling interests	76	(0)

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	1,886	4,280
Depreciation	768	746
Amortization of goodwill	1,528	1,569
Increase (decrease) in provision for retirement benefits for directors	(59)	(202)
Increase (decrease) in retirement benefit liability	(10)	(0)
Increase (decrease) in provision for bonuses	168	204
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Loss (gain) on sale and retirement of non-current assets	31	16
Impairment losses	396	-
Loss on valuation of shares of subsidiaries	-	49
Gain on reversal of provision for withdraw loss from employees' pension fund	-	(71)
Loss (gain) on sale of investment securities	(204)	(0)
Surrender value of insurance policies	-	(3)
Interest and dividend income	(3)	(3)
Interest expenses	55	52
Decrease (increase) in inventories	139	(1,092)
Decrease (increase) in trade receivables	1,942	679
Increase (decrease) in trade payables	(936)	(1,848)
Other, net	(228)	(61)
Subtotal	5,472	4,313
Interest and dividends received	2	2
Interest paid	(55)	(52)
Income taxes paid	(2,556)	(1,626)
Net cash provided by (used in) operating activities	2,862	2,638
Cash flows from investing activities		
Payments into time deposits	(3)	(7)
Proceeds from withdrawal of time deposits	-	204
Purchase of property, plant and equipment	(1,139)	(670)
Proceeds from sale of property, plant and equipment	18	61
Purchase of intangible assets	(151)	(94)
Proceeds from sale of investment securities	272	5
Proceeds from collection of loans receivable	2	2
Payments of leasehold and guarantee deposits	(448)	(24)
Proceeds from refund of leasehold and guarantee deposits	89	24
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(44)	(1,794)
Payments for acquisition of businesses	(573)	-
Other, net	(50)	517
Net cash provided by (used in) investing activities	(2,027)	(1,775)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,000	(200)
Proceeds from long-term borrowings	1,000	5,100
Repayments of long-term borrowings	(4,713)	(5,261)
Redemption of bonds	(554)	(554)
Proceeds from disposal of treasury shares	164	166
Purchase of treasury shares	(236)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(2,845)
Dividends paid	(530)	(527)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(2,875)	(4,125)
Net increase (decrease) in cash and cash equivalents	(2,040)	(3,262)
Cash and cash equivalents at beginning of period	15,766	19,498
Cash and cash equivalents at end of period	13,726	16,236