



Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 04, 2022

Company name: Qol Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 3034
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 Scheduled date of filing quarterly securities report: November 14, 2022
 Scheduled date of commencing dividend payments: December 01, 2022
 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, 2022 (April 01, 2022 to September 30, 2022)

(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, 2022	82,459	0.8	4,022	(3.7)	4,174	(2.3)	2,366	(3.6)
September 30, 2021	81,814	3.4	4,177	100.8	4,274	102.7	2,455	289.4

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 2,367 million [(3.1) %]
 Six months ended September 30, 2021: ¥ 2,443 million [307.5 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	64.11	-
September 30, 2021	66.98	-

(Note)

EBITDA (Operating profit + Depreciation + Amortization of goodwill)	As of September 30, 2022: ¥ 6,382 million
	As of September 30, 2021: ¥ 6,493 million
Net income before Amortization of goodwill (Profit attributable to owners of parent + Amortization of goodwill)	As of September 30, 2022: ¥ 3,949 million
	As of September 30, 2021: ¥ 4,024 million
EPS before Amortization of goodwill (Profit before Amortization of goodwill / Average number of shares during the period)	As of September 30, 2022: ¥ 107.01
	As of September 30, 2021: ¥ 109.78

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	91,027	45,918	50.4
March 31, 2022	95,984	43,881	45.7

(Reference) Equity: As of September 30, 2022: ¥ 45,875 million
 As of March 31, 2022: ¥ 43,835 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen -	Yen 14.00	Yen -	Yen 14.00	Yen 28.00
Fiscal year ending March 31, 2023	-	15.00			
Fiscal year ending March 31, 2023 (Forecast)			-	17.00	32.00

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

Year-end dividend for the fiscal year 2022 includes an ordinary dividend of ¥15.00 and commemorative dividend of ¥2.00 for the 30th anniversary of founding.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	180,000	8.3	12,000	21.8	12,000	18.9	6,500	18.4	176.12

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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: No

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, 2022: 38,902,785 shares

March 31, 2022: 38,902,785 shares

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

September 30, 2022: 1,923,709 shares

March 31, 2022: 2,057,109 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 36,907,549 shares

Six months ended September 30, 2021: 36,660,834 shares

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

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	16,685	14,492
Notes and accounts receivable - trade, and contract assets	17,382	15,260
Merchandise and finished goods	5,254	5,150
Work in process	210	127
Supplies	118	124
Other	2,648	2,790
Allowance for doubtful accounts	(2)	(2)
Total current assets	42,296	37,943
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,315	6,728
Tools, furniture and fixtures, net	1,364	1,420
Land	4,893	4,890
Other, net	272	582
Total property, plant and equipment	12,846	13,621
Intangible assets		
Goodwill	32,339	30,929
Software	624	619
Other	273	256
Total intangible assets	33,238	31,806
Investments and other assets		
Investment securities	152	125
Leasehold and guarantee deposits	3,793	3,857
Deferred tax assets	2,021	2,064
Other	1,642	1,617
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	7,598	7,652
Total non-current assets	53,682	53,080
Deferred assets		
Bond issuance costs	4	2
Total deferred assets	4	2
Total assets	95,984	91,027

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	18,382	17,181
Current portion of bonds payable	808	692
Current portion of long-term borrowings	7,914	6,970
Income taxes payable	2,800	1,920
Provision for bonuses	2,326	2,311
Other	3,229	2,882
Total current liabilities	35,460	31,958
Non-current liabilities		
Bonds payable	608	270
Long-term borrowings	13,952	10,348
Deferred tax liabilities	303	303
Provision for retirement benefits for directors	29	31
Retirement benefit liability	640	650
Asset retirement obligations	853	1,086
Other	254	459
Total non-current liabilities	16,642	13,149
Total liabilities	52,103	45,108
Net assets		
Shareholders' equity		
Share capital	5,786	5,786
Capital surplus	11,276	11,276
Retained earnings	29,798	31,636
Treasury shares	(3,012)	(2,813)
Total shareholders' equity	43,849	45,886
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(11)
Total accumulated other comprehensive income	(14)	(11)
Non-controlling interests	45	43
Total net assets	43,881	45,918
Total liabilities and net assets	95,984	91,027

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 30,2021	For the six months ended September 30,2022
Net sales	81,814	82,459
Cost of sales	70,957	71,602
Gross profit	10,857	10,856
Selling, general and administrative expenses	6,679	6,834
Operating profit	4,177	4,022
Non-operating income		
Rental income from buildings	17	24
Commission income	42	52
Surrender value of insurance policies	3	-
Subsidy income	9	3
Guarantee commission received	29	29
Cancellation income	37	-
Other	44	136
Total non-operating income	184	246
Non-operating expenses		
Interest expenses	52	39
Other	35	55
Total non-operating expenses	87	94
Ordinary profit	4,274	4,174
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	0	-
Gain on reversal of provision for withdraw loss from employees' pension fund	71	-
Total extraordinary income	73	0
Extraordinary losses		
Loss on retirement of non-current assets	18	14
Loss on sale of non-current assets	0	3
Loss on valuation of shares of subsidiaries	49	-
Total extraordinary losses	67	18
Profit before income taxes	4,280	4,156
Income taxes	1,825	1,792
Profit	2,454	2,363
Loss attributable to non-controlling interests	(0)	(2)
Profit attributable to owners of parent	2,455	2,366

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	2,454	2,363
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	3
Total other comprehensive income	(11)	3
Comprehensive income	2,443	2,367
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,444	2,369
Comprehensive income attributable to non-controlling interests	(0)	(2)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	4,280	4,156
Depreciation	746	776
Amortization of goodwill	1,569	1,583
Increase (decrease) in provision for retirement benefits for directors	(202)	1
Increase (decrease) in retirement benefit liability	(0)	9
Increase (decrease) in provision for bonuses	204	(14)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Loss (gain) on sale and retirement of non-current assets	16	17
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	(0)	-
Surrender value of insurance policies	(3)	-
Interest and dividend income	(3)	(4)
Interest expenses	52	39
Decrease (increase) in inventories	(1,092)	189
Decrease (increase) in trade receivables	679	2,122
Increase (decrease) in trade payables	(1,848)	(1,201)
Other, net	(61)	(26)
Subtotal	4,313	7,651
Interest and dividends received	2	4
Interest paid	(52)	(39)
Income taxes paid	(1,626)	(2,904)
Net cash provided by (used in) operating activities	2,638	4,711
Cash flows from investing activities		
Payments into time deposits	(7)	-
Proceeds from withdrawal of time deposits	204	-
Purchase of property, plant and equipment	(670)	(1,087)
Proceeds from sale of property, plant and equipment	61	1
Purchase of intangible assets	(94)	(144)
Proceeds from sale of investment securities	5	-
Proceeds from collection of loans receivable	2	2
Payments of leasehold and guarantee deposits	(24)	(82)
Proceeds from refund of leasehold and guarantee deposits	24	61
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,794)	-
Payments for acquisition of businesses	-	(426)
Other, net	517	(5)
Net cash provided by (used in) investing activities	(1,775)	(1,681)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(200)	-
Proceeds from long-term borrowings	5,100	-
Repayments of long-term borrowings	(5,261)	(4,547)
Redemption of bonds	(554)	(454)
Proceeds from disposal of treasury shares	166	172
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,845)	-
Dividends paid	(527)	(527)
Proceeds from sale and leaseback transactions	-	138
Other, net	(2)	(4)
Net cash provided by (used in) financing activities	(4,125)	(5,223)
Net increase (decrease) in cash and cash equivalents	(3,262)	(2,193)
Cash and cash equivalents at beginning of period	19,498	16,516
Cash and cash equivalents at end of period	16,236	14,323