

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on IFRS)

May 15, 2018

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo

Stock code: 3397

URL: <http://www.toridoll.com>

Representative: Takaya Awata, President, Representative Director

Inquiries: Yuzuru Taninaka, General Manager Accounting Department

TEL: +81-78- 200-3430

Scheduled date of Ordinary General Meeting of Shareholders: June 28, 2018

Scheduled date to commence dividend payments: June 14, 2018

Scheduled date to file Securities Report: June 28, 2018

Preparation of supplementary materials on financial results: Yes

Holding of financial results meeting: Yes (for institutional investors, analysts, and financial institutions)

(Amounts are rounded to the nearest million)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Total trading transactions		Operating profit		Profit before tax		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	116,504	14.5	7,635	(11.4)	7,175	(15.2)	4,663	(16.5)
Year ended March 31, 2017	101,779	6.5	8,619	(1.3)	8,466	4.3	5,585	6.5

	Profit for the year attributable to owners of the parent		Comprehensive income for the year		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
Year ended March 31, 2018	4,665	(17.2)	3,089	(38.1)	107.44	106.66
Year ended March 31, 2017	5,631	8.0	4,987	2.1	129.89	129.29

	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets	Operating profit ratio to total trading transactions
	%	%	%
Year ended March 31, 2018	13.2	8.2	6.6
Year ended March 31, 2017	17.5	13.9	8.5

(Reference) Share of profit (loss) of investments accounted for using the equity method:

Year ended March 31, 2018: ¥ (184) million

Year ended March 31, 2017: ¥ 9 million

EBITDA (*):

Year ended March 31, 2018: ¥ 11,745 million (decreased 3.5% year-on-year basis)

Year ended March 31, 2017: ¥ 12,167 million

Adjusted EBITDA:

Year ended March 31, 2018: ¥ 12,362 million (decreased 4.4% year-on-year basis)

Year ended March 31, 2017: ¥ 12,934 million

(*) The Company group discloses EBITDA as useful comparative information.

EBITDA = Operating profit + Other operating expenses - Other operating income
+ Depreciation and amortization

Adjusted EBITDA = EBITDA + Impairment loss + Extraordinary expenses

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	110,212	37,246	36,242	32.9	834.13
As of March 31, 2017	64,011	35,006	34,203	53.4	788.44

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	9,862	(39,860)	35,039	14,798
Year ended March 31, 2017	9,743	(8,769)	102	11,183

2. Cash dividends

	Annual dividends per share					Total amount of cash dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	—	0.00	—	26.00	26.00	1,128	20.0	3.5
Year ended March 31, 2018	—	0.00	—	26.50	26.50	1,151	24.7	3.3
Year ending March 31, 2019 (Forecast)	—	0.00	—	30.00	30.00		20.0	

3. Forecasts of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Total trading transactions		Operating profit		Profit before tax		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1 st half	75,585	34.9	5,925	34.0	5,645	27.9	4,011	33.0
Fiscal year	153,213	31.5	9,865	29.2	9,399	31.0	6,589	41.3

	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	3,677	22.3	84.63
Fiscal year	6,515	39.7	149.95

* Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
New: —
Excluded: —

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

- (3) Number of issued shares (common shares)

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

As of March 31, 2018	43,448,845 shares
As of March 31, 2017	43,380,200 shares

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

As of March 31, 2018	9 shares
As of March 31, 2017	9 shares

- 3) Average number of shares during the period

Year ended March 31, 2018	43,416,544 shares
Year ended March 31, 2017	43,353,044 shares

* This financial report is outside the scope of audit procedures.

* Explanation of the proper use of financial results forecast and other notes

(Notes concerning forward-looking statements, etc.)

The forward-looking statements in this report are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors.

(Procedure for obtaining supplementary materials on financial results and financial results meeting)

TORIDOLL Holdings Corporation plans to hold financial results meeting for the institutional investors, analysts, and financial institutions on May 17, 2018. Presentation materials will be posted on our website. In addition to the above, TORIDOLL Holdings Corporation holds the meeting and the presentations on our business for the individual investors timely. For the schedule and details, we'd like you to access our website.

Consolidated financial statements

Consolidated statements of financial position

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	11,183	14,798
Trade and other receivables	3,697	5,766
Inventories	585	815
Other current assets	1,242	1,423
Total current assets	16,706	22,802
Non-current assets		
Property, plant and equipment	23,972	29,370
Intangible assets and goodwill	6,100	38,414
Investments accounted for using the equity method	4,061	4,084
Other financial assets	10,307	12,597
Deferred tax assets	1,629	1,829
Other non-current assets	1,236	1,116
Total non-current assets	47,305	87,410
Total assets	64,011	110,212

	(Millions of yen)	
	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Trade and other payables	6,867	9,997
Short-term loans payable	24	34,580
Current portion of long-term loans payable	5,167	5,198
Lease obligations	244	325
Income taxes payable	1,340	1,886
Provisions	424	505
Other current liabilities	2,397	3,906
Total current liabilities	16,464	56,396
Non-current liabilities		
Long-term loans payable	6,588	10,246
Lease obligations	3,684	3,457
Provisions	1,188	1,728
Deferred tax liabilities	963	956
Other non-current liabilities	119	182
Total non-current liabilities	12,541	16,570
Total liabilities	29,005	72,966
Equity		
Equity attributable to owners of the parent		
Capital stock	3,975	4,031
Capital surplus	4,007	4,064
Retained earnings	25,813	29,347
Treasury shares	(0)	(0)
Other components of equity	408	(1,200)
Total equity attributable to owners of the parent	34,203	36,242
Non-controlling interests	804	1,004
Total equity	35,006	37,246
Total liabilities and equity	64,011	110,212

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Millions of yen)	
	Year ended March 31, 2017	Year ended March 31, 2018
Total trading transactions	101,779	116,504
Cost of sales	(26,216)	(30,860)
Gross profit	75,563	85,644
Selling, general and administrative expenses	(66,280)	(77,685)
Impairment loss	(673)	(198)
Other operating income	523	335
Other operating expenses	(514)	(462)
Operating profit	8,619	7,635
Finance income	177	182
Finance costs	(339)	(458)
Finance income (costs), net	(162)	(276)
Share of profit (loss) of investments accounted for using the equity method	9	(184)
Profit before tax	8,466	7,175
Income tax expense	(2,881)	(2,513)
Profit for the year	5,585	4,663
Profit for the year attributable to		
Owners of the parent	5,631	4,665
Non-controlling interests	(46)	(2)
Profit for the year	5,585	4,663
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	129.89	107.44
Diluted earnings per share	129.29	106.66

Consolidated statements of comprehensive income

(Millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Profit for the year	5,585	4,663
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(250)	(1,721)
Share of other comprehensive income of investments accounted for using the equity method	(348)	148
Other comprehensive income	(598)	(1,574)
Comprehensive income for the year	4,987	3,089
Comprehensive income for the year attributable to		
Owners of the parent	5,086	3,019
Non-controlling interests	(99)	70

Consolidated statements of changes in equity

For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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, 2016	3,907	3,947	21,219	(0)	662	254	916	29,989	883	30,872
Profit for the year			5,631				—	5,631	(46)	5,585
Other comprehensive income					(545)		(545)	(545)	(53)	(598)
Total comprehensive income for the period	—	—	5,631	—	(545)	—	(545)	5,086	(99)	4,987
Issuance of new shares (exercise of subscription rights)	68	68				(40)	(40)	95		95
Share-based payment transactions						79	79	79		79
Dividends			(1,039)				—	(1,039)	(20)	(1,059)
Change in scope of consolidation							—	—	33	33
Change in ownership interests in subsidiaries without loss of control		(7)					—	(7)	7	—
Total transaction amount with owners	68	60	(1,039)	—	—	39	39	(872)	20	(853)
Transfer to retained earnings from other components of equity			3			(3)	(3)	—		—
As of March 31, 2017	3,975	4,007	25,813	(0)	117	291	408	34,203	804	35,006

For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(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, 2017	3,975	4,007	25,813	(0)	117	291	408	34,203	804	35,006
Profit for the year			4,665				—	4,665	(2)	4,663
Other comprehensive income					(1,646)		(1,646)	(1,646)	72	(1,574)
Total comprehensive income for the period	—	—	4,665	—	(1,646)	—	(1,646)	3,019	70	3,089
Issuance of new shares (exercise of subscription rights)	55	55				(34)	(34)	76		76
Share-based payment transactions	2	2				73	73	76		76
Dividends			(1,128)				—	(1,128)	(20)	(1,148)
Change in scope of consolidation							—	—	150	150
Other			(3)				—	(3)		(3)
Total transaction amount with owners	57	57	(1,131)	—	—	38	38	(979)	130	(849)
Transfer to retained earnings from other components of equity			0			(0)	(0)	—		—
As of March 31, 2018	4,031	4,064	29,347	(0)	(1,529)	329	(1,200)	36,242	1,004	37,246

Consolidated statements of cash flows

	(Millions of yen)	
	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	8,466	7,175
Depreciation and amortization	3,557	3,984
Impairment loss	673	198
Interest income	(176)	(181)
Interest expenses	275	275
Share of loss (profit) of investments accounted for using the equity method	(9)	184
Decrease (increase) in trade and other receivables	(937)	(1,276)
Decrease (increase) in inventories	83	(120)
Increase (decrease) in trade and other payables	899	985
Increase (decrease) in accrued expenses	35	479
Other, net	341	807
Subtotal	13,206	12,510
Interest income received	17	34
Interest expenses paid	(279)	(243)
Income taxes paid	(3,200)	(2,439)
Net cash provided by (used in) operating activities	9,743	9,862
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,492)	(5,498)
Purchase of intangible assets	(196)	(202)
Payments of loans receivable	(658)	(1,739)
Collections of loans receivable	320	724
Payments for lease and guarantee deposits	(377)	(778)
Proceeds from collections of lease and guarantee deposits	147	66
Payments of construction assistance fund receivables	(20)	(283)
Collections of construction assistance fund receivables	455	465
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,787)	(32,418)
Purchase of investments accounted for using the equity method	(1,812)	(60)
Other, net	(347)	(136)
Net cash provided by (used in) investing activities	(8,769)	(39,860)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	34,579
Proceeds from long-term loans payable	7,200	8,745
Repayments of long-term loans payable	(5,885)	(7,007)
Repayments of lease obligations	(246)	(221)
Cash dividends paid	(1,039)	(1,128)
Other, net	72	70
Net cash provided by (used in) financing activities	102	35,039
Net increase (decrease) in cash and cash equivalents	1,077	5,041
Cash and cash equivalents at beginning of period	10,094	11,183
Effect of exchange rate change on cash and cash equivalents	12	(1,426)
Cash and cash equivalents at end of period	11,183	14,798