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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on IFRS)

November 14, 2018

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo

Stock code: 3397

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

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Scheduled date to file Quarterly Securities Report: November 14, 2018

Scheduled date to commence dividend payments: -

Preparation of supplementary materials on quarterly financial results: Yes

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

(Amounts are rounded to the nearest million)

1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(1) Consolidated financial results (cumulative)

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	%
Six months ended September 30, 2018	71,981	28.5	4,122	(6.8)	4,128	(6.5)	2,923	(3.1)
Six months ended September 30, 2017	56,038	11.7	4,421	1.5	4,415	13.1	3,016	16.8

	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, 2018	2,948	(1.9)	4,438	49.4	68.14	67.76
Six months ended September 30, 2017	3,006	15.5	2,972	117.4	69.28	68.85

(Reference) EBITDA (*):

Six months ended September 30, 2018: ¥ 6,705 million (increased 5.7% year-on-year basis)

Six months ended September 30, 2017: ¥ 6,341 million

Adjusted EBITDA:

Six months ended September 30, 2018: ¥ 6,872 million (increased 2.8% year-on-year basis)

Six months ended September 30, 2017: ¥ 6,685 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 September 30, 2018	113,165	38,424	37,496	33.1	880.85
As of March 31, 2018	110,212	37,246	36,242	32.9	834.13

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	—	0.00	—	26.50	26.50
Year ended March 31, 2019	—	0.00			
Year ending March 31, 2019 (Forecast)			—	30.00	30.00

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	%
Fiscal year	144,673	24.2	4,710	(38.3)	4,219	(41.2)	3,017	(35.3)

	Profit for the period attributable to owners of the parent		Earnings per share attributable to owners of the parent (basic)
	Millions of yen	%	Yen
Fiscal year	3,105	(33.4)	71.75

*** Notes**

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: Yes

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 September 30, 2018	43,477,976 shares
As of March 31, 2018	43,448,845 shares

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

As of September 30, 2018	910,009 shares
As of March 31, 2018	9 shares

- 3) Average number of shares during the period

Six months ended September 30, 2018	43,269,270 shares
Six months ended September 30, 2017	43,394,459 shares

* This quarterly financial report is outside the scope of Quarterly Review under the Financial Instruments and Exchange Act.

* 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 quarterly financial results and quarterly financial results meeting)

TORIDOLL Holdings Corporation plans to hold quarterly financial results meeting for the institutional investors, analysts, and financial institutions on November 16, 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.

Condensed quarterly consolidated financial statements**Condensed quarterly consolidated statements of financial position**

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and cash equivalents	14,798	12,671
Trade and other receivables	5,766	4,554
Inventories	815	854
Other current assets	1,423	1,567
Total current assets	22,802	19,647
Non-current assets		
Property, plant and equipment	29,370	30,457
Intangible assets and goodwill	38,414	40,195
Investments accounted for using the equity method	4,084	6,060
Other financial assets	12,597	13,797
Deferred tax assets	1,829	1,971
Other non-current assets	1,116	1,038
Total non-current assets	87,410	93,518
Total assets	110,212	113,165

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Trade and other payables	9,997	8,531
Short-term loans payable	34,580	34,579
Current portion of long-term loans payable	5,198	5,234
Lease obligations	325	293
Income taxes payable	1,886	1,391
Provisions	505	554
Other current liabilities	3,906	3,751
Total current liabilities	56,396	54,333
Non-current liabilities		
Long-term loans payable	10,246	13,966
Lease obligations	3,457	3,382
Provisions	1,728	1,811
Deferred tax liabilities	956	867
Other non-current liabilities	182	382
Total non-current liabilities	16,570	20,408
Total liabilities	72,966	74,741
Equity		
Equity attributable to owners of the parent		
Capital stock	4,031	4,060
Capital surplus	4,064	4,069
Retained earnings	29,347	31,144
Treasury shares	(0)	(2,145)
Other components of equity	(1,200)	368
Total equity attributable to owners of the parent	36,242	37,496
Non-controlling interests	1,004	928
Total equity	37,246	38,424
Total liabilities and equity	110,212	113,165

Condensed quarterly consolidated statements of income and consolidated quarterly statements of comprehensive income

Condensed quarterly consolidated statements of income

	(Millions of yen)	
	Six months ended September 30, 2017	Six months ended September 30, 2018
Total trading transactions	56,038	71,981
Cost of sales	(14,403)	(19,418)
Gross profit	41,635	52,562
Selling, general and administrative expenses	(36,963)	(48,169)
Impairment loss	(178)	(143)
Other operating income	116	161
Other operating expenses	(190)	(290)
Operating profit	4,421	4,122
Finance income	170	393
Finance costs	(134)	(160)
Finance income (costs), net	36	234
Share of profit (loss) of investments accounted for using the equity method	(42)	(228)
Profit before tax	4,415	4,128
Income tax expense	(1,399)	(1,205)
Profit for the period	3,016	2,923
Profit for the period attributable to		
Owners of the parent	3,006	2,948
Non-controlling interests	9	(25)
Profit for the period	3,016	2,923
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	69.28	68.14
Diluted earnings per share	68.85	67.76

Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit for the period	3,016	2,923
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	(2)	1,660
Share of other comprehensive income of investments accounted for using the equity method	(42)	(145)
Other comprehensive income	(44)	1,515
Comprehensive income for the period	2,972	4,438
Comprehensive income for the period attributable to		
Owners of the parent	2,930	4,502
Non-controlling interests	42	(64)

Condensed quarterly consolidated statements of changes in equity

For the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(Millions of yen)

	Equity attributable to owners of the parent									
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total	Total	Non-controlling interests	Total equity
					Exchange differences on translating foreign operations	Subscription rights to shares				
As of April 1, 2017	3,975	4,007	25,813	(0)	117	291	408	34,203	804	35,006
Profit for the period			3,006				—	3,006	9	3,016
Other comprehensive income					(77)		(77)	(77)	33	(44)
Total comprehensive income for the period	—	—	3,006	—	(77)	—	(77)	2,930	42	2,972
Issuance of new shares (exercise of subscription rights)	33	33				(21)	(21)	44		44
Share-based payment transactions						38	38	38		38
Dividends			(1,128)				—	(1,128)	(20)	(1,148)
Change in scope of consolidation							—	—	116	116
Other			(3)				—	(3)		(3)
Total transaction amount with owners	33	33	(1,131)	—	—	17	17	(1,048)	97	(952)
As of September 30, 2017	4,007	4,040	27,689	(0)	40	308	348	36,084	942	37,026

For the six months ended September 30, 2018 (from April 1, 2018 to September 30, 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, 2018	4,031	4,064	29,347	(0)	(1,529)	329	(1,200)	36,242	1,004	37,246
Profit for the period			2,948				—	2,948	(25)	2,923
Other comprehensive income					1,554		1,554	1,554	(39)	1,515
Total comprehensive income for the period	—	—	2,948	—	1,554	—	1,554	4,502	(64)	4,438
Issuance of new shares (exercise of subscription rights)	27	27				(17)	(17)	38		38
Share-based payment transactions	1	1		1		31	31	34		34
Purchase of treasury shares		(20)		(2,145)			—	(2,165)		(2,165)
Dividends			(1,151)				—	(1,151)	(15)	(1,167)
Other		(3)					—	(3)	3	—
Total transaction amount with owners	28	6	(1,151)	(2,145)	—	15	15	(3,248)	(12)	(3,260)
As of September 30, 2018	4,060	4,069	31,144	(2,145)	25	344	368	37,496	928	38,424

Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before tax	4,415	4,128
Depreciation and amortization	1,847	2,454
Impairment loss	178	143
Interest income	(70)	(94)
Interest expenses	134	160
Share of loss (profit) of investments accounted for using the equity method	42	228
Decrease (increase) in trade and other receivables	157	887
Decrease (increase) in inventories	(59)	(34)
Increase (decrease) in trade and other payables	212	(1,083)
Other, net	292	(368)
Subtotal	7,146	6,421
Interest income received	17	14
Interest expenses paid	(122)	(150)
Income taxes paid	(1,204)	(1,882)
Net cash provided by (used in) operating activities	5,836	4,402
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,832)	(4,163)
Purchase of intangible assets	(98)	(145)
Payments for lease and guarantee deposits	(277)	(460)
Proceeds from collection of lease and guarantee deposits	42	69
Payments of construction assistance fund receivables	(91)	(124)
Collection of construction assistance fund receivables	234	215
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(974)	—
Purchase of investments accounted for using the equity method	—	(2,125)
Other, net	(308)	(240)
Net cash provided by (used in) investing activities	(4,303)	(6,973)
Cash flows from financing activities		
Proceeds from long-term loans payable	5,000	7,160
Repayments of long-term loans payable	(3,013)	(3,404)
Repayments of lease obligations	(124)	(123)
Purchase of treasury shares	—	(2,145)
Cash dividends paid	(1,128)	(1,151)
Other, net	25	31
Net cash provided by (used in) financing activities	760	368
Net increase (decrease) in cash and cash equivalents	2,293	(2,203)
Cash and cash equivalents at beginning of period	11,183	14,798
Effect of exchange rate change on cash and cash equivalents	(33)	76
Cash and cash equivalents at end of period	13,443	12,671