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Consolidated Financial Results for the Fiscal Year ended March 31, 2024 [Under IFRS]

May 9, 2024

Tokyo Stock Exchange :
PRIME

Company name **COLOWIDE Co., Ltd.**

Securities code 7616 URL <https://www.colowide.co.jp/>

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Scheduled date of annual General Meeting of shareholders June 27, 2024

Scheduled date to commence dividend payment June 6, 2024

Scheduled date to file annual Securities Report June 28, 2024

Preparation of supplementary material of financial results Yes

Holding of financial results briefing Yes

(Yen amounts are rounded to millions)

1. Consolidated Financial Results for the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates YoY changes)

Fiscal Year ended	Revenue		Business Profit*1		EBITDA*2		Profit before tax		Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	241,284	9.3	8,712	-	16,777	126.7	6,498	-	4,064	-	2,905	-
March 31, 2023	220,830	25.7	△196	-	7,400	△48.7	△8,446	-	△8,579	-	△6,801	-

Fiscal Year ended	Total Comprehensive Income		Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of business profit to revenue
	Millions of yen	%	Yen	Yen	%	%	%
March 31, 2024	4,317	-	27.52	27.52	6.6	2.5	3.6
March 31, 2023	△8,448	-	△84.45	△84.45	△15.7	△3.2	△0.1

(Note) Profit/loss of investments by Equity Method

March 2024	Million yen	March 2023	Million yen
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*1 Business Profit = Revenue – Cost of sales - Selling, general & administrative expenses

*2 EBITDA = Business Profit + Depreciation & amortization (excluding depreciation of right-of-use assets)

Operating Profit under IFRS was 7,117 million yen.

(2) Consolidated financial Position

As of	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2024	265,115	54,135	44,954	17.0	339.47
March 31, 2023	261,859	50,701	42,745	16.3	314.11

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from Operating activities	Cash flows from Investing activities	Cash flows from Financing activities	Cash & cash equivalents at End of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	29,879	△13,582	△20,329	46,307
March 31, 2023	28,783	△8,788	△18,755	50,066

2. Cash Dividends

	Annual Dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	5.00	5.00	433	-	1.4
March 31, 2024	-	0.00	-	5.00	5.00	434	18.2	1.5
March 31, 2025 (Forecast)	-	0.00	-	5.00	5.00		-	

3. Forecast of Consolidated Financial Results for the fiscal year ended March 2025 (From April 1, 2024 to March 31, 2025)

(% indicates YoY changes)

	Revenue		Business Profit		EBITDA		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	263,443	9.2	11,005	26.3	20,492	22.1	3,877	△4.6	2,034	△30.0	17.41

* Notes

(1) Changes of significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly added -(number of companies) (company name)-

Excluded -(number of companies) (company name)-

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	86,903,541 shares	As of March 31, 2023	86,903,541 shares
As of March 31, 2024	196,199 shares	As of March 31, 2023	223,977 shares
As of March 31, 2024	86,696,640 shares	As of March 31, 2023	86,667,527 shares

(ii) Number of treasury shares at the end of period

(iii) Average number of shares outstanding during the period

(Reference) Non-consolidated Financial Results

Non-consolidated financial results for the Fiscal year ended March 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated Financial Results

(% indicates YoY changes)

	Revenue		Operating Profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	1,773	57.2	△2,612	-	△2,192	-	△2,216	-
March 31, 2023	1,128	28.0	△2,949	-	△2,281	-	△2,066	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	△31.55	-
March 31, 2023	△29.83	-

(2) Non-consolidated Financial Position

	Total Assets	Net Assets	Equity-to-asset ratio	Net assets per share
Fiscal Year ended	Millions of yen	Millions of yen	%	Yen
March 31, 2024	131,391	54,063	41.1	444.54
March 31, 2023	134,990	57,145	42.3	480.25

(Reference) Equity March 2024 54,063 Millions of yen March 2023 57,145 Millions of yen

* Financial Results Report are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters.

(Warning on forward-looking statements.)

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors. Please refer to P.4 “1. Financial Results for the Year ended March 2024 (4) Future Outlook” for the assumptions of the forecasts. Disclosure of non-consolidated forecast information has been omitted because the impact on the consolidated figures is negligible and it is not important.

(How to obtain the supplementary material on financial results)

The supplementary material on financial results is disclosed on TDnet and is also scheduled to be posted on the Company’s website.

Preferred Share Dividends

Details of dividends per share and total dividends on shares in classes with different rights from those of common shares are as follows.

Preferred shares

(Record date)	Dividends per share					Total cash dividends (Total)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual	
Preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	–	–	3,136,360.00	3,136,360.00	94,090,800.00
Fiscal year ended March 31, 2024	–	–	–	3,149,090.00	3,149,090.00	94,472,700.00
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	3,252,730.00	3,252,730.00	97,581,900.00
Second series preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	–	–	3,636,360.00	3,636,360.00	109,090,800.00
Fiscal year ended March 31, 2024	–	–	–	3,649,090.00	3,649,090.00	109,472,700.00
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	3,752,730.00	3,752,730.00	112,581,900.00
Third series preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	–	–	3,500,000.00	3,500,000.00	315,000,000.00
Fiscal year ended March 31, 2024	–	–	–	3,500,000.00	3,500,000.00	315,000,000.00
Fiscal year ending March 31, 2025 (Forecast)	–	–	–	3,500,000.00	3,500,000.00	315,000,000.00

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1. Financial Results for the Year ended March 31, 2024

(1) Operating Results

During the consolidated fiscal year under review, the Japanese economy showed a gradual movement toward recovery, as the normalization of social and economic activities thanks to growth in external demand and a significant increase in inbound demand. However, the outlook remains uncertain due to fears of a cooling down of consumer sentiment from a more-than-expected prolonged trend of yen depreciation and high prices due to geopolitical risks and other factors. As for the global economy, there are still concerns about economic slowdown due to persistent inflation and stagnation in the Chinese economy.

In the restaurant industry, the top line is picking up due to a recovery in demand and a certain degree of effectiveness of price revisions by various companies, but upward pressure on costs has not abated and there is a chronic shortage of labor, so the business environment remains unpredictable. Furthermore, changes in lifestyles following the Corona disaster, such as a decline in the number of customers using late-night hours, have taken hold, and the stagnation of real wages has led to increased thriftiness and selectivity in the restaurant scene as well.

Under these circumstances, the Group is strengthening its efforts to create brands that consumers can choose, in line with their changing lifestyles, and is continuing its efforts to respond to changes in the business environment over the medium term.

In terms of product measures, each brand is striving to refine its mainstay products, which are the foundation of its ability to attract customers, and to enhance the value of the experience through menus that utilize high-value-added ingredients. As an example, Kappa Sushi offers more than 100 kinds of products priced at 100 yen (110 yen including tax) to maintain price competitiveness, and Kappa Sushi also sells products with luxurious ingredients and products made in collaboration with famous other foods restaurants to enhance added value.

As for sales promotion measures, TV commercials featuring celebrities will be used to enhance the image of Gyu-Kaku, OOTOYA, Kappa Sushi and other brands that have a certain network of stores in Japan, while Freshness Burger continued to focus on PR activities, such as its participation in a popular program on the TBS series "Job Tune" that received a favorable response. We have also been conducting promotions overseas, making full use of social networking services according to the market environment in each country. In the U.S., we have been attracting customers through the "Meat Day" project via the Gyu-Kaku app, etc.

We are also promoting the renovation of restaurants that have deteriorated over time in order to maintain a comfortable space for customers. Our main themes are to improve the convenience by introducing full-ordering of Kappa Sushi and to refresh and streamline the interior and exterior of Gyu-Kaku. In order to maintain an appropriate level of QSCA, we are focusing on recruiting and training sales personnel and continuing to work on the use of food delivery robots, smartphone ordering, and self-service cash registers.

With respect to new store investment, we are aggressively working to respond to changing restaurant needs and business areas, primarily by reviewing the balance of business categories and locations and recovering from the net decrease in directly managed stores during the Corona disaster period. In Japan, we have placed restaurant business categories such as Gyu-Kaku and OOTOYA mainly in suburban and roadside areas, and overseas, we have increased the number of restaurants, mainly Gyu-Kaku and its derivatives, in shopping malls, which have high customer attraction power, as major locations.

In response to rising costs, through the full-scale operation of the "COLOWIDE MD R&D Center," we have improved efficiency by integrating the product development departments of each group company to improve the yield rate of food ingredients, and have changed the grand menu and revised product prices in response to the procurement environment. Furthermore, to address the "2024 problem" in logistics, the number of distribution centers has been consolidated from 16 to 12 nationwide, and the frequency of food ingredients delivery has been optimized by reducing the delivery frequency from 6 days a week to 5 days a week at most of the distribution centers.

In the catering service business, which is one of our mid-term missions, we are working to increase the number

of contracts from business establishments and universities, and to enter the catering service business for hospitals and nursing care facilities as our main focus, we acquired all shares of Nifus Co., Ltd., which specializes in contract catering service in the healthcare field, on March 25, and welcomed it into our group. In addition, we have established a new logistics scheme with Yamato Transport Co., Ltd. to meet diverse delivery needs, such as small-lot deliveries of food materials, and are steadily accumulating and utilizing know-how in the catering service business.

As an example of our continued focus on sustainability, we have achieved a 100% food recycling rate at all of the 10 plants owned by the Group. We are also working to improve the operation rate of the soy meat production line at the plant, and we have commercialized our products under brands such as Steak Miya and Kappa Sushi. In addition, we have taken a stake in an agricultural production corporation to ensure a stable supply of vegetables, and we are working toward sustainable procurement of food ingredients from the perspective of the entire supply chain.

We are also promoting activities related to the growth and respect for diversity of our employees, such as training for female leaders and providing various forms of employment to ensure a comfortable working environment. In March, we were recognized as one of the "Excellent Health Management Corporations 2024 (Large Corporation Category)". In addition, the "Children's Cafeteria," which we have been working on as a contribution to the community and society, has served more than 70,000 people in total.

Regarding store openings and closings, the Company opened 106 stores in total by 94 directly operated restaurant-type stores and 12 directly operated izakaya (Japanese-style pubs)-type stores, while closing 67 stores in total by 48 directly operated restaurant-type stores and 19 directly operated izakaya (Japanese-style pubs)-type stores. As a result, the number of directly operated stores and the total number of stores including franchised stores at the end of the current consolidated fiscal year were 1,403 stores and 2,583 stores, respectively. The restaurant business accounts for 90% of the total number of restaurants, and we are steadily optimizing our business portfolio.

As a result of the above efforts, the consolidated business results for the fiscal year ended March 31, 2024, showed that although the recovery of the performance of consolidated subsidiary ATOM CORPORATION was delayed, the performance of other consolidated subsidiaries, mainly REINS international inc. and other consolidated subsidiaries were remarkably recovered, 241,284 million yen in revenue, 8,712 million yen in business profit, 4,064 million yen in profit, and 2,905 million yen in profit attributable to owners of parent.

The Group's revenue by segment were as follows: 85,255 million yen for COLOWIDE MD, 36,974 million yen for ATOM, 99,725 million yen for int REINS international, 72,197 million yen for KAPPA CREATE, 27,894 million yen for OOTOYA Holdings, and 7,638 million yen for others. The revenue for each segment does not take into account intersegment sales or transfers.

(2) Financial Position

Total assets at the end of the current consolidated fiscal year increased 3,256 million yen from the end of the previous consolidated fiscal year to 265,115 million yen. This was mainly due to increases of 5,228 million yen in property, plant and equipment, 2,345 million yen in goodwill, and 2,034 million yen in trade and other receivables, despite decreases of 3,759 million yen in cash and cash equivalents, 1,669 million yen in deferred tax assets, and 1,264 million yen in intangible assets.

Total liabilities decreased 178 million yen from the end of the previous consolidated fiscal year to 210,981 million yen. This was mainly due to decreases of 1,474 million yen in bonds and borrowings and 848 million yen in provisions, despite increases of 1,370 million yen in other current liabilities and 699 million yen in trade and other payables.

Total shareholders' equity increased 3,434 million yen from the end of the previous consolidated fiscal year to 54,135 million yen. This was mainly due to increases of 1,953 million yen in retained earnings and 1,225 million yen in noncontrolling interest.

(3) Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year decreased by 3,759 million yen from

the end of the previous consolidated fiscal year to 46,307 million yen as a result of net cash provided by operating activities of 29,879 million yen, net cash used in investing activities of (13,582) million yen, net cash used in financing activities of (20,329) million yen, and the effect of exchange rate changes on cash and cash equivalents of 273 million yen.

Net cash provided by operating activities was mainly due to profit before income taxes, depreciation and amortization.

Cash flows from investing activities were mainly due to payments for purchase of property, plant and equipment. Cash flows from financing activities were mainly due to repayments of lease liabilities.

(Reference)Key Management Indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
EBITDA ratio(%)	3.4	7.0
Net Debt(Interest-bearing debt)/EBITDA	9.9	4.5
Total consolidated equity ratio (%)	23.9	24.7

EBITDA ratio: EBITDA/Revenue

Total consolidated equity ratio: Total equity/ (Total assets-Cash & cash equivalents)

(Note1) All calculations are based on consolidated financial figures.

(Note2) Interest-bearing debt covers bonds and borrowings among the liabilities recorded in the consolidated statement of financial position.

(4)Future Outlook

For the fiscal year ending March 31, 2025, there are concerns about an intensifying global slowdown due to persistent inflation and interest rate policies in the U.S. and Europe and the stagnant Chinese economy. In Japan, although economic activity will maintain a recovery trend due to high corporate earnings, personal consumption is expected to continue to be frugal and selective due to the slow growth of real wages, together with a lull in the demand recovery since the end of the Corona disaster. In addition, upward pressure on costs and labor shortages have not abated, and the restaurant industry is expected to remain in a situation that does not allow for optimism.

Under these circumstances, our group is striving to promote our business based on our medium-term management plan, "COLOWIDE Vision 2030," with a view to increasing our corporate value over the medium to long term. While maintaining the domestic food service business as our business foundation, we will strive to increase corporate value by achieving consolidated net revenue of 500 billion yen by the fiscal year ending March 31, 2030, through growth in the overseas food service business, which is expected to expand its market, and in the catering service business, which we have newly entered.

In the domestic food service business, we will continue to open new stores, mainly in the restaurant category, to renovate and change the business format of older stores, and to expand our market share through M&A. On April 1, we acquired all shares of Nihon Meika Sohonpo Co., Ltd., which owns highly rated sweets brands such as "Cheese Garden" and "Criollo" to expand the dessert division, and we will promote business expansion in major cities in Japan and overseas.

In the overseas restaurant business, we plan to open new restaurants mainly in the yakiniku and conveyor-belt sushi categories in selected markets where there is significant room for growth, focusing mainly on the working-age population. In addition to strengthening business in Asian countries and North America, where we have already operated, we will promote the development of areas where we have yet to open new stores. In the Middle East region, where we concluded a joint venture agreement with Chinese Palace Corporate Management, a leading UAE company, on April 9, we aim to open 55 restaurants by the fiscal year ending March 2030.

In the catering service business, we are proceeding with full-scale entry and business expansion into the catering service business for hospitals and nursing care facilities, using the acquisition of shares in Nifus Corporation as a foothold. We will leverage our superiority as a food service company through our menu development capabilities and high operational efficiency cultivated through competition in the restaurant market,

as well as improved cooking efficiency through meal kits utilizing our central kitchen.

Furthermore, in order to fulfill our social responsibilities and continue to grow over the long term, we will also focus on promoting sustainability and we will continue to work based on our five materialities: "Contributing to the Global Environment," "Providing Food Safety and Security," "Respecting the Growth and Diversity of Employees," "Contributing to Local Communities and Society," and "Strengthening the Management Base.

Based on the above, the consolidated earnings forecasts for the fiscal year ending March 31, 2025 are revenue of 263,443 million yen, business profit of 11,005 million yen, net profit of 3,877 million yen, and net profit attributable to owners of the parent of the Company of 2,034 million yen.

2. Basic Policy on Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2017 in order to improve international comparability of financial information in the capital markets.

3. Consolidated Financial Statements & Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current Assets		
Cash & cash equivalents	50,066	46,307
Trade & other receivables	11,124	13,158
Other financial assets	634	542
Inventories	3,492	3,932
Income taxes receivables	386	160
Other current assets	3,611	3,177
Total current assets	69,312	67,275
Non-current Assets		
Property, plant & equipment	42,872	48,100
Right-of-use assets	22,509	23,253
Goodwill	80,188	82,534
Intangible assets	11,243	9,979
Investment property	389	387
Other financial assets	20,861	20,719
Deferred tax assets	14,038	12,370
Other non-current assets	447	499
Total non-current assets	192,547	197,840
Total Assets	261,859	265,115

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities & Equity		
Liabilities		
Current Liabilities		
Trade & other payable	23,661	23,999
Bonds & borrowings	31,956	39,098
Lease liabilities	14,681	14,826
Other financial liabilities	25	26
Income taxes payable	926	1,059
Provisions	5,532	4,663
Contract liabilities	211	220
Other current liabilities	9,504	10,873
Total Current Liabilities	86,494	94,765
Non-current Liabilities		
Trade & other payables	4,167	4,527
Bonds & borrowings	91,509	82,893
Lease liabilities	18,419	18,388
Other financial liabilities	2,048	1,951
Provisions	6,478	6,498
Deferred Tax liabilities	484	303
Contract liabilities	855	794
Other non-current liabilities	703	862
Total Non-current Liabilities	124,664	116,216
Total Liabilities	211,158	210,981
Equity		
Share capital	27,905	27,905
Capital surplus	40,482	40,532
Treasury shares	△143	△126
Other components of equity	△327	△139
Retained earnings	△25,172	△23,219
Total equity attributable to owners of parent	42,745	44,954
Non-controlling interests	7,956	9,181
Total Equity	50,701	54,135
Total Liabilities & Equity	261,859	265,115

(2) Consolidated Statement of Income & Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Revenue	220,830	241,284
Cost of sales	96,619	101,916
Gross profit	124,212	139,368
Selling, general & administrative expenses	124,408	130,656
Business profit (loss)(△)	△196	8,712
Other operating income		
Rental income	265	253
Miscellaneous income	632	903
Other	1,154	985
Total other operating income	2,051	2,142
Other operating expenses		
Impairment losses	7,061	2,900
Other	1,537	837
Total other operating expenses	8,598	3,736
IFRS Operating profit (loss)(△)	△6,743	7,117
Finance income	1,223	2,214
Finance costs	2,926	2,833
Profit (loss) before tax(△)	△8,446	6,498
Income tax expense	133	2,434
Profit (loss)(△)	△8,579	4,064
Profit (loss)(△) attributable to		
Owners of parent	△6,801	2,905
Non-controlling interests	△1,778	1,159
Profit (loss)(△)	△8,579	4,064
Earnings (loss)(△) per share		
Basic earnings (loss)(△) per share(yen)	△84.45	27.52
Diluted earnings (loss)(△) per share(yen)	△84.45	27.52

(Consolidated statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit (loss)(△)	△8,579	4,064
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	△6	44
Total of items that will not be reclassified to profit or loss	△6	44
Items that may be reclassified to profit or loss		
Cash flow hedges	△49	22
Exchange differences on translation of foreign operations	187	187
Total of items that may be reclassified to profit or loss	137	209
Other comprehensive income, net of tax	131	253
Comprehensive income	△8,448	4,317
Comprehensive income attributable to		
Owners of parent	△6,678	3,092
Non-controlling interests	△1,770	1,224
Comprehensive income	△8,448	4,317

(3) Consolidated statement of Changes in Equity

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operation
Balance as of April 1, 2022	27,905	40,424	△159	7	△189	△267
Loss	-	-	-	-	-	-
Other comprehensive income	-	-	-	0	△57	179
Comprehensive income	-	-	-	0	△57	179
Purchase of treasury shares	-	-	△1	-	-	-
Disposal of treasury shares	-	33	17	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interests of parent due to transaction with non-controlling interests	-	25	-	-	-	-
Total transactions and others with owners	-	57	16	-	-	-
Balance as of March 31, 2023	27,905	40,482	△143	7	△246	△88

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity	Retained earnings	Total equity attributable to owners of parent		
	Total other components of equity				
Balance as of April 1, 2022	△450	△17,421	50,300	9,730	60,030
Loss	-	△6,801	△6,801	△1,778	△8,579
Other comprehensive income	123	-	123	8	131
Comprehensive income	123	△6,801	△6,678	△1,770	△8,448
Purchase of treasury shares	-	-	△1	-	△1
Disposal of treasury shares	-	-	50	-	50
Dividends	-	△951	△951	-	△951
Changes in ownership interests of parent due to transaction with non-controlling interests	-	-	25	△4	21
Total transactions and others with owners	-	△951	△877	△4	△881
Balance as of March 31, 2023	△327	△25,172	42,745	7,956	50,701

Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations
Balance as of April 1, 2023	27,905	40,482	△143	7	△246	△88
Profit	-	-	-	-	-	-
Other comprehensive income	-	-	-	37	23	127
Comprehensive income	-	-	-	37	23	127
Purchase of treasury shares	-	-	△1	-	-	-
Disposal of treasury shares	-	39	18	-	-	-
Dividends	-	-	-	-	-	-
Changes in ownership interests of parent due to transactions with non-controlling interests	-	14	-	-	-	-
Changes in ownership interests in subsidiaries	-	△2	-	-	-	-
Total transactions and others with owners	-	51	17	-	-	-
Balance as of March 31, 2024	27,905	40,532	△126	44	△223	40

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity	Retained earnings	Total equity attributable to owners of parent		
	Total other components of equity				
Balance as of April 1, 2023	△327	△25,172	42,745	7,956	50,701
Profit	-	2,905	2,905	1,159	4,064
Other comprehensive income	187	-	187	65	253
Comprehensive income	187	2,905	3,092	1,224	4,317
Purchase of treasury shares	-	-	△1	-	△1
Disposal of treasury shares	-	-	57	-	57
Dividends	-	△952	△952	△19	△971
Changes in ownership interests of parent due to transactions with non-controlling interests	-	-	14	24	38
Changes in ownership interests in subsidiaries	-	-	△2	△4	△6
Total transactions and others with owners	-	△952	△883	0	△883
Balance as of March 31, 2024	△139	△23,219	44,954	9,181	54,135

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit (loss)(△)before tax	△8,446	6,498
Depreciation & amortization	22,696	22,788
Impairment losses	7,061	2,900
Finance income	△1,223	△2,214
Finance costs	2,926	2,833
Loss (gain) on sale & retirement of non-current assets(△:profit)	69	265
Decrease (increase) in inventories(△:increase)	△688	△729
Decrease (increase) in trade & other receivables(△:increase)	3,043	△1,188
Increase (decrease) in trade & other payables (△:decrease)	5,455	804
Other	488	1,090
Subtotal	31,383	33,048
Interest & dividends received	113	173
Interest paid	△2,449	△2,737
Income taxes refund	613	247
Income taxes paid	△878	△852
Cash flows from operating activities	28,783	29,879
Cash flows from investing activities		
Payments into time deposits	△12	△12
Purchase of property, plant & equipment	△9,220	△12,963
Proceeds from sale of property, plant & equipment	1,074	14
Payments of leasehold & guarantee deposit	△944	△803
Proceeds from refund of leasehold & guarantee deposit	1,988	1,795
Payments for acquisition of consolidated subsidiaries	-	△528
Other	△1,674	△1,085
Cash flows from investing activities	△8,788	△13,582

	(Millions of yen)	
	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short term borrowings(△:decrease)	38	△2,074
Proceeds from long term borrowings	23,900	25,400
Repayments of long term borrowings	△17,251	△20,678
Proceeds from issuance of bonds	4,675	4,868
Redemption of bonds	△12,443	△9,837
Repayment of lease liabilities	△16,761	△17,030
Purchase of treasury shares of consolidated subsidiaries	△0	-
Dividends paid	△950	△952
Dividends paid to non-controlling interests	△2	△21
Other	39	△7
Cash flows from financing activities	△18,755	△20,329
Effect of exchange rate changes on cash & cash equivalents	292	273
Net increase (decrease) in cash & cash equivalents(△:decrease)	1,532	△3,759
Cash & cash equivalents at beginning of period	48,534	50,066
Cash & cash equivalents at end of period	50,066	46,307

(5)Notes to Consolidated Financial Statements

(Notes to the assumption of going concern)

Not applicable.

(Notes to changes of accounting policies)

The accounting policies of significance applied in these consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year, except for the following.

Effective from the first quarter of the current fiscal year, the Group has adopted the following standards.

IFRS		Summary of New and Revised
IAS 1	Presentation of financial statements	Revised to require disclosure of material accounting policies rather than significant accounting policies.
IAS 8	Changes & errors of accounting policies and accounting estimates	Clarify the distinction between accounting policies and accounting estimates
IAS 12	Corporate income tax	Clarify accounting for deferred taxes on leases and disposal obligations

The adoption of these standards had no impact on the consolidated financial statements.

(Segment information)

(1) Reportable segment

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group is primarily engaged in the operation of directly managed restaurants and the development of franchise businesses. In consideration of the similarity of business categories and commonality of business operations, etc., COLOWIDE MD CO., Ltd., ATOM CORPORATION, REINS international inc., KAPPA CREATE CO., LTD. and OOTOYA Holdings Co., Ltd are decided as reportable segments. The operating results of the segment include 22 subsidiaries of REINS International, 2 subsidiaries of KAPPA CREATE, and 8 subsidiaries of OTOYA Holdings.

COLOWIDE MD CO., Ltd. is engaged in all aspects of merchandising, including product development, procurement, manufacturing, and distribution of various food products.

ATOM CORPORATION operates restaurant and izakaya (Japanese-style pubs) businesses such as "Steak Miya," "Nigiri no Tokubei," and "Neneya," as well as franchise businesses.

REINS international inc. operates restaurants and izakaya (Japanese style pubs) in Japan and overseas, including "Gyu-Kaku", "On-yasai", "Doma Doma", "Kamadoka", "Handmade Izakaya Amataro", "Kita no Aji Kiko to Jizake Hokkaido" and "Freshness Burger". The Company also recruits franchisees, provides management guidance to franchisees, plans and sells products, and supplies food materials and other items.

KAPPA CREATE CO., LTD. operates directly managed restaurants such as Kappa Sushi and delicatessen business including sushi and cooked bread.

OOTOYA Holdings Co., Ltd. operates directly managed restaurant restaurants in Japan and overseas, such as "OOTOYA Gohandokoro", and also recruits franchisees, provides management guidance to franchisees, plans and sells products, and supplies food materials.

The self-ordering total system business for restaurant operations at Worldpicom Corporation was transferred to IMPACT-E, Inc. during the first quarter of the current fiscal year.

(2) Calculation method of revenue, profit or loss, and other items by reportable segment

The accounting method for reportable segments is the same as that described in "Notes to Changes in Accounting Policies.

Profits of reportable segments are based on business profit.

Inter-segment revenues and transfers are based on prevailing market prices.

(3) Information on revenue, profit or loss, and other items by reportable segment

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment						Others (Note 4)	Total	Adjustment (Note 5)	Amount recorded in consolidate financial statements
	COLOWIDE MD	ATOM	Reins international (Note1)	KAPPA CREATE (Note 2)	OOTOYA Holdings (Note 3)	Total				
Revenue										
External revenue	1,174	35,222	85,029	69,961	23,709	215,095	5,736	220,830	-	220,830
Inter-segment revenue & transfers	76,764	44	2,563	477	138	79,986	2,744	82,730	△82,730	-
Total	77,938	35,266	87,592	70,438	23,847	295,081	8,480	303,560	△82,730	220,830
Business profit (loss)(△)	2,187	△939	2,791	△734	△39	3,267	△329	2,937	△3,133	△196
Other profit										2,051
Other expenses										8,598
Finance income										1,223
Finance costs										2,926
Losses before tax										△8,446
Tax expenses										133
Loss										△8,579
Segment assets	14,181	34,287	106,796	59,536	22,134	236,935	5,766	242,701	19,158	261,859

(Note1) REINS international segment includes REINS international inc. and its consolidated subsidiaries.

(Note2) KAPPA CREATE segment includes KAPPA CREATE CO., LTD. And its consolidated subsidiaries.

(Note3) OOTOYA Holdings segment includes OOTOYA Holdings Co., Ltd. And its consolidated subsidiaries.

(Note4) Others indicate business segments not included in reportable segments as follows. Worldpicom Corporation develops and sells total self-ordering systems for restaurant business, develops and operates wireless communication technology, Manufacturing and sales of fresh confectionery, baked goods and chocolates (fresh chocolate and others) in SILSMARIA Co., Ltd., Administrative work at Cocot Co., Ltd. and restaurant operations at W.P. JAPAN Co., Ltd., Operation of restaurants and franchise business at Bay Food Factory Co., Ltd., and catering service business at Dining Yell Co., Ltd., FC business operation of Future Link Co., Ltd. and labor-related operations at Colowide Support Center Co., Ltd.

(Note5) The details of adjustments are as follows

(i) Adjustment of business profit of (3,133) million yen includes adjustment of unrealized profit and general and administrative expenses that do not belong to any reportable segment.

(ii) Adjustment of segment assets of 19,158 million yen includes corporate assets in consolidated basis.

Fiscal year ended March 31, 2024(From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment						Others (Note4)	Tot	Adjustment (Note5)	Amount recorded in consolidate financial statements
	COLOWIDE MD	ATOM	Reins international (Note1)	KAPPA CREATE (Note2)	OOTOYA Holdings (Note3)	Total				
Revenue										
External revenue	2,097	36,971	97,017	71,526	27,836	235,447	5,838	241,284	-	241,284
Intersegment revenue & transfers	83,158	3	2,708	671	59	86,599	1,801	88,400	△88,400	-
Total	85,255	36,974	99,725	72,197	27,894	322,045	7,638	329,684	△88,400	241,284
Business profit (loss)(△)	2,046	△148	6,605	1,863	1,278	11,643	△203	11,440	△2,729	8,712
Other operating profit										2,142
Other operating expenses										3,736
Finance income										2,214
Finance costs										2,833
Profit before tax										6,498
Tax expenses										2,434
Profit										4,064
Segment assets	15,371	31,496	109,833	60,863	24,295	241,858	6,105	247,964	17,152	265,115

(Note1) REINS international segment includes REINS international inc. and its consolidated subsidiaries.

(Note2) KAPPA CREATE segment includes KAPPA CREATE CO., LTD. and its consolidated subsidiaries.

(Note3) OOTOYA Holdings segment includes OOTOYA Holdings Co., Ltd. and its consolidated subsidiaries.

(Note4) Others indicate business segments not included in reportable segments as follows. Planning, operation and maintenance of IT systems and call center clerical work at Worldpicom Corporation. Manufacturing and sales of fresh confectionery, baked goods and chocolates (fresh chocolate and others) in SILSMARIA Co., Ltd., Administrative work at Cocot Co., Ltd. and restaurant operations at W.P. JAPAN Co., Ltd., Operation of restaurants and franchise business at Bay Food Factory Co., Ltd., and catering service business at Dining Yell Co., Ltd., FC business operation of Future Link Co., Ltd. and labor-related operations at Colowide Support Center Co., Ltd.

(note5) The details of adjustments are as follows.

(i) Adjustment of business profit of (2,729) million yen includes adjustment of unrealized profit and general and administrative expenses that do not belong to any reportable segment.

(ii) Adjustment of segment assets of 17,152 million yen includes corporate assets in consolidated basis.

(4)Information by region

The following is a breakdown of revenue and non-current assets by geographic region.

Fiscal year ended March 31, 2023(From April 1, 2022 to March 31, 2023)

(1)External revenue

(Millions of yen)

Japan	North America	Asia	Total
192,050	15,662	13,119	220,830

(2)Non-current assets (Excluding financial instruments, deferred tax assets and rights arising from insurance contracts)

(Millions of yen)

Japan	North America	Asia	Total
136,695	18,828	2,125	157,648

Fiscal year ended March 31, 2024(From April 1, 2023 to March 31, 2024)

(1)External revenue

(Millions of yen)

Japan	North America	Asia	Total
209,662	17,160	14,462	241,284

(2)Non-current assets (Excluding financial instruments, deferred tax assets and rights arising from insurance contracts)

(Millions of yen)

Japan	North America	Asia	Total
141,546	20,199	3,006	164,751

(5)Information on major customers

In the previous and current consolidated fiscal years, the Group operated businesses for general consumers, and there is no single external customer (group) that accounts for 10% or more of the Group's revenue, so this information is omitted.

(Per share related information)

(1)Basic earnings per share

Basic earnings per share(△:loss)and calculation basis are as follows.

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit attributable to ordinary shareholders of the parent company (Millions of yen)		
Profit attributable to owners of parent	△6,801	2,905
Amount not attributable to ordinary shareholders of the parent company		
Dividends on preferred shares classified as equity	518	519
Profit attributable to ordinary shareholders of the parent company	△7,319	2,386
Weighted average number of common shares (share)	86,667,527	86,696,640
Basic earnings per share(Yen)	△84.45	27.52

(2)Diluted earnings per share

Diluted earnings per share(△:loss)and calculation basis are as follows.

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Diluted profit attributable to ordinary shareholders of the parent company (Millions of yen)		
Profit attributable to owners of parent	△6,801	2,905
Amount of profit adjustment		
Dividends on preferred shares classified as equity	518	519
Diluted profit attributable to ordinary shareholders of the parent company	△7,319	2,386
Diluted weighted average number of shares of common stock (share)		
Effect of dilution	-	-
Diluted weighted average number of common shares (share)	86,667,527	86,696,640
Diluted earnings per share(Yen)	△84.45	27.52

(Significant subsequent event)

On April 1, 2024, we acquired 100% of the shares of Nihon Meika Sohonpo Co.,Ltd.

Nihon Meika Sohonpo Co.,Ltd. became a subsidiary of the Company as a result of this share acquisition.

(1) Name of acquired company and its business

Name of acquired company : Nihon Meika Sohonpo Co.,Ltd.

Description of business : Manufacturing and retailing of regional confectionery

(2) Date of business combination

April 1, 2024

(3) Percentage of voting rights acquired

100% of voting rights

(4) Main reason for business combination

Our group is in the restaurant business, and from the perspective of responding to changing consumer needs, including the Corona disaster, it is important to expand our business domain based on more brand value and added value, and at the same time, we believe that the expansion of the dessert business is an important factor in improving customer satisfaction at the group's stores. In this regard, the target company was established as a platform company for business succession related to regional confectioneries, and has brands such as "Cheese Garden," "Criollo," and "Grindelberg," which are extremely popular among customers, and has achieved strong business growth by opening flagship stores in prime locations such as Fukaya Hanazono Premium Outlets and Azabudai Hills.

The Company believes that the Target Company's business is expected to grow further in the future, and the purpose of this transaction is to maximize the corporate value of the Target Company and the Company group as a whole by looking for new business opportunities such as sales in the existing businesses of the Company group, in addition to the business growth of the Target Company by opening new stores both in Japan and overseas.

The subject company's net revenue for the fiscal year ending May 2024 is expected to be 6,601 million yen.

(5) Legal form of business combination

Acquisition of shares for cash consideration

(6) Fair value of consideration paid, assets acquired and liabilities assumed at the date of business combination

Currently under calculation.