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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 2, 2024

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
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 Scheduled date of filing quarterly securities report: February 14, 2024
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	134,528	6.7	5,729	(16.2)	6,523	(8.0)	3,774	(9.2)
December 31, 2022	126,101	1.2	6,841	(1.2)	7,094	0.3	4,158	0.1

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 3,780 million [(9.1)%]
 Nine months ended December 31, 2022: ¥ 4,160 million [0.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	101.47	-
December 31, 2022	112.57	-

(Note)

EBITDA (Operating profit + Depreciation + Amortization of goodwill)	As of December 31, 2023:	¥ 9,604million
	As of December 31, 2022:	¥ 10,425million
Net income before Amortization of goodwill (Profit attributable to owners of parent + Amortization of goodwill)	As of December 31, 2023:	¥ 6,301million
	As of December 31, 2022:	¥ 6,532million
EPS before Amortization of goodwill (Profit before Amortization of goodwill / Average number of shares during the period)	As of December 31, 2023:	¥ 169.42
	As of December 31, 2022:	¥ 176.84

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	115,922	51,675	44.5
March 31, 2023	101,905	48,856	47.9

(Reference) Equity: As of December 31, 2023: ¥ 51,631 million
 As of March 31, 2023: ¥ 48,808 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	15.00	-	17.00	32.00
Fiscal year ending March 31, 2024	-	15.00	-		
Fiscal year ending March 31, 2024 (Forecast)				15.00	30.00

(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, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	180,000	5.9	10,000	5.3	10,700	6.0	6,200	9.6	166.68

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(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):

December 31, 2023: 38,902,785 shares

March 31, 2023: 38,902,785 shares

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

December 31, 2023: 1,612,609 shares

March 31, 2023: 1,777,609 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 37,197,662 shares

Nine months ended December 31, 2022: 36,940,499 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	18,770	23,164
Notes and accounts receivable - trade, and contract assets	16,951	17,046
Merchandise and finished goods	4,990	6,485
Work in process	90	139
Supplies	205	196
Other	3,208	2,898
Allowance for doubtful accounts	(2)	(2)
Total current assets	44,214	49,927
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,818	7,229
Tools, furniture and fixtures, net	1,538	1,634
Land	6,999	6,970
Other, net	751	570
Total property, plant and equipment	16,108	16,405
Intangible assets		
Goodwill	32,818	33,055
Software	667	723
Other	304	214
Total intangible assets	33,790	33,993
Investments and other assets		
Investment securities	142	134
Shares of subsidiaries and associates	-	8,179
Leasehold and guarantee deposits	3,942	3,957
Deferred tax assets	2,110	1,686
Other	1,616	1,659
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	7,791	15,596
Total non-current assets	57,689	65,994
Deferred assets		
Bond issuance costs	1	-
Total deferred assets	1	-
Total assets	101,905	115,922

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	19,958	26,133
Short-term borrowings	-	7,500
Current portion of bonds payable	608	-
Current portion of long-term borrowings	8,104	7,055
Income taxes payable	1,976	495
Provision for bonuses	2,310	1,217
Other	3,371	4,366
Total current liabilities	36,330	46,767
Non-current liabilities		
Long-term borrowings	14,038	14,827
Deferred tax liabilities	306	303
Provision for retirement benefits for directors (and other officers)	34	30
Retirement benefit liability	829	845
Asset retirement obligations	1,055	1,093
Other	455	378
Total non-current liabilities	16,719	17,478
Total liabilities	53,049	64,246
Net assets		
Shareholders' equity		
Share capital	5,786	5,786
Capital surplus	11,276	11,276
Retained earnings	34,355	36,923
Treasury shares	(2,596)	(2,350)
Total shareholders' equity	48,823	51,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(5)
Total accumulated other comprehensive income	(14)	(5)
Non-controlling interests	47	44
Total net assets	48,856	51,675
Total liabilities and net assets	101,905	115,922

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	126,101	134,528
Cost of sales	108,961	117,559
Gross profit	17,139	16,968
Selling, general and administrative expenses	10,297	11,238
Operating profit	6,841	5,729
Non-operating income		
Rental income from buildings	47	95
Commission income	89	92
Surrender value of insurance policies	-	1
Share of profit of entities accounted for using equity method	-	608
Subsidy income	8	10
Guarantee commission income	44	44
Subsidy income (other)	95	44
Other	121	80
Total non-operating income	407	977
Non-operating expenses		
Interest expenses	59	77
Rental expenses	38	51
Other	56	53
Total non-operating expenses	154	183
Ordinary profit	7,094	6,523
Extraordinary income		
Gain on sale of non-current assets	6	47
Gain on bargain purchase	-	25
Total extraordinary income	6	72
Extraordinary losses		
Loss on retirement of non-current assets	29	17
Loss on sale of non-current assets	3	13
Loss on withdrawal from employees' pension fund	-	38
Other	-	1
Total extraordinary losses	33	71
Profit before income taxes	7,068	6,524
Income taxes	2,908	2,753
Profit	4,159	3,771
Loss attributable to non-controlling interests	1	(3)
Profit attributable to owners of parent	4,158	3,774

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	4,159	3,771
Other comprehensive income		
Valuation difference on available-for-sale securities	0	9
Total other comprehensive income	0	9
Comprehensive income	4,160	3,780
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,158	3,783
Comprehensive income attributable to non-controlling interests	1	(3)