



## Financial Results for the Fiscal Year Ended June 2024 [IFRS] (Consolidated)

August 13, 2024

Company name: QB Net Holdings Co., Ltd.

Listed on: Tokyo Stock Exchange

Code number: 6571

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Scheduled date of the Ordinary General Meeting of Shareholders: September 26, 2024

Scheduled date for commencement of dividend payment: September 27, 2024

Scheduled date for securities report submission: September 27, 2024

Supplementary explanatory materials for financial results: Yes

Financial results briefings: Yes (for institutional investors and analysts)

(Rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate changes from the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
FYE June 2024	24,757	8.8	2,115	(1.1)	1,964	(1.3)	1,301	(9.9)	1,301	(9.9)	1,515	(3.1)
FYE June 2023	22,746	10.6	2,138	52.9	1,990	59.2	1,444	68.5	1,444	68.5	1,563	34.7

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Profit before tax to total assets ratio	Operating profit margin
	yen	yen	%	%	%
FYE June 2024	99.37	97.36	9.6	6.2	8.5
FYE June 2023	111.13	107.99	11.9	6.5	9.4

(Reference) Share of profit (loss) of entities accounted for using equity method  
 FYE June 2024 - million yen  
 FYE June 2023 - million yen

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	million yen	million yen	million yen	%	yen
FYE June 2024	32,297	14,170	14,170	43.9	1,079.78
FYE June 2023	31,108	12,874	12,874	41.4	986.96

#### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FYE June 2024	5,058	(846)	(4,116)	4,701
FYE June 2023	4,694	(484)	(3,597)	4,432

### 2. Dividends

	Annual dividends					Total amount of dividends (Total)	Dividend payout ratio (Consolidated)	Dividend payout ratio to equity attributable to owners of parent (Consolidated)
	End-Q1	End-Q2	End-Q3	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FYE June 2023	-	0.00	-	20.00	20.00	260	18.0	2.1
FYE June 2024	-	0.00	-	27.00	27.00	354	27.2	2.6
FYE June 2025 (forecast)	-	0.00	-	35.00	35.00		38.2	

(Note) All dividends for the fiscal year ended June 2024 are paid out of capital surplus. For details, please refer to "Breakdown of Dividends from Capital Surplus" to be mentioned later.

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages indicate changes from the same period of the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	25,710	3.8	1,900	(10.2)	1,750	(10.9)	1,220	(6.3)	1,220	(6.3)	91.70

\*Notes

- (1) Significant changes in the scope of consolidation during the period: No  
Newly consolidated - companies (Company names) -, Excluded - companies (Company names) -
- (2) Changes in accounting policies and accounting estimates  
(i) Changes in accounting policies required by IFRS: No  
(ii) Changes in accounting policies other than (i): No  
(iii) Changes in accounting estimates: No

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)	FYE June 2024	13,123,600 shares	FYE June 2023	13,045,100 shares
(ii) Number of treasury shares at the end of the period	FYE June 2024	123 shares	FYE June 2023	123 shares
(iii) Average number of shares outstanding during the period	FYE June 2024	13,097,345 shares	FYE June 2023	12,994,542 shares

\* Financial results are not subject to audit by certified public accountants or audit firms.

\* Explanation on the appropriate use of earnings forecasts and other special notes  
(Notes on forward-looking statements)

Forward-looking statements and others included in this document, including earnings forecasts, are based on information currently available to and certain premises deemed to be rational by the Company, and it is not committed to achieving such. Actual earnings and others may differ due to various factors. For information on earnings forecasts, please refer to “(4) Forecasts” in “1. Overview of Operating Results” on page 7 of the Attachment.

(How to obtain supplementary explanatory materials for financial results and the content of the financial results briefing)

Supplementary explanatory materials for financial results were disclosed on TDnet on the same day and will also be posted on the Company website.

The Company plans to hold a financial results briefing for institutional investors and analysts on August 16, 2024. The content of the financial results briefing will be posted on the Company’s website at a later date.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

#### Breakdown of Dividends from Capital Surplus

The following provides a breakdown of the part of dividends for the fiscal year ended June 2024 that is paid out of capital surplus.

Record date	Year-end	Total
Dividend per share	27.00 yen	27.00 yen
Total amount of dividends	354 million yen	354 million yen

(Note) The ratio of decrease in net assets pursuant to the provisions of law is zero.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Fiscal Year Ended June 30, 2024

#### (Explanation of Company's Initiative)

During the fiscal year under review (July 1, 2023 to June 30, 2024), consumption activity showed signs of a recovery partly due to an easing of restrictions on movements in both Japan and overseas. On the other hand, a rapid recovery in consumption activity has caused labor shortages, particularly in the non-manufacturing sector, bringing uncertainty to the outlook for economic activity, coupled with the impact of rising prices on consumer spending.

Under these circumstances, the Company Group engaged in action plans such as "Enhancement of the retention rate of stylists and strengthening the recruitment thereof" with the aim of accommodating high haircut demand and moving to the phase of outlet expansion from the fourth quarter onwards by ensuring adequate levels of stylists.

During the fiscal year under review, we achieved improvements in the treatment of employees in terms of wages through a base salary hike and others mainly for stylists in Japan, and the working environment. The number of recruits increased from the previous fiscal year since competitiveness in salary offers for recruitment was enhanced. The number of people leaving the Company decreased compared with the previous fiscal year due to improvements in the working environment, such as regular holidays and the shortening of business hours, in addition to improvements in salary. As a result, the net increase in the number of personnel exceeded that of the previous fiscal year, setting the total number of operational seats for haircuts at outlets on an upward trend.

#### (Explanation of Operating Results)

During the fiscal year under review, customer demand for haircuts generally remained strong, and this led the overall number of customers visiting outlets in the Group to a similar level as the previous fiscal year. Revenue increased 2,010 million yen year on year (of which, 362 million yen was a foreign exchange effect from the yen's depreciation) to 24,757 million yen since the impact of higher revenue, resulting from price revisions implemented in Japan and overseas in the previous fiscal year, contributed on a full-year basis. The situation of revenue by region is as below.

#### <Domestic operations>

There remain outlets that need to set regular holidays although the situation of employing stylists remains firm amid the demand and supply of workers tightening in the non-manufacturing sector, resulting from a recovery in consumption activity. The total number of operational seats for haircuts was not able to return to the level of the previous fiscal year, although the number started to rise as the expansion and reinforcement of personnel progressed. On the other hand, customer demand for haircuts continued to be steady, and the number of customers visiting outlets reached a similar level as in the previous fiscal year. Additionally, there was a revenue increase by implementing a price revision in April 2023 for the main purpose of securing funds for improving the treatment of stylists. As a result, revenue was up 1,580 million yen year on year.

#### <Hong Kong>

Consumption activity in Hong Kong is recovering after the COVID-19 pandemic, and demand for haircuts is picking up, albeit moderately, and the number of customers visiting outlets is on an upward trend. As a result, revenue in foreign currency recovered year on year. Accordingly, revenue in yen terms increased 233 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

#### <Singapore>

In Singapore, the number of customers visiting outlets decreased mainly due to shortages of stylists and the impact of outlet closures in addition to intensifying market competition. As a result, revenue in foreign currency decreased year on year. However, revenue in yen terms was up 14 million yen due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

#### <Taiwan>

In Taiwan, the number of customers visiting outlets grew due to price revisions implemented in the middle of the previous fiscal year and steady progress in outlet openings. As a result, revenue in foreign currency rose year on year. Revenue in yen terms rose 118 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

#### <United States (New York)>

Revenue was pushed up by the price revision implemented during the previous fiscal year. As a result, revenue in foreign currency rose year on year. Revenue in yen terms increased 63 million yen partly due to a revenue increase from foreign exchange effects associated with the depreciation of the yen.

(Unit: million yen)

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)	Changes	Changes (excluding foreign exchange effects)
Domestic operations	18,493	20,073	1,580	-
Overseas operations	4,253	4,683	430	68
Hong Kong	2,127	2,361	233	41
Singapore	1,088	1,103	14	(84)
Taiwan	717	836	118	77
United States	319	382	63	32
Consolidated	22,746	24,757	2,010	68

(Note) Amounts are after deducting intercompany transactions among group companies.

Cost of sales increased 1,465 million yen year on year (of which, 304 million yen was from foreign exchange effects associated with the depreciation of the yen) to 18,926 million yen. The main changes are as follows.

(Unit: million yen)

Item	Changes	Major reasons for changes other than foreign exchange effects
Personnel expenses	1,071 (170)	Increase in the number of stylists and a hike of the base salary
Rent, etc.	287 (95)	Increase in revenue-based rent in the wake of a rise in revenue

(Note) Figures in parentheses indicate changes caused by the impact of the depreciation of the yen.

Selling, general and administrative expenses were up 539 million yen year on year (of which, 50 million yen was from foreign exchange effects associated with the depreciation of the yen) to 3,661 million yen. The main changes are as follows.

(Unit: million yen)

Item	Changes	Major reasons for changes other than foreign exchange effects
Personnel expenses	225 (23)	Increase in in-house haircut school trainees and staff in the head office
Rent, etc.	75 (5)	Increase in rents at the new head office, etc.
Recruiting expenses	42 (0)	Strengthening of recruitment of stylists

(Note) Figures in parentheses indicate changes caused by the impact of the depreciation of the yen.

Other operating income increased 12 million yen year on year to 78 million yen. Other operating expenses were up 40 million yen year on year to 132 million yen mainly due to an increase in impairment losses of outlet assets.

As a result, consolidated earnings in the fiscal year under review were as follows: Revenue amounted to 24,757 million yen (up 8.8% year on year), operating profit came to 2,115 million yen (down 1.1% year on year), profit before tax recorded 1,964 million yen (down 1.3% year on year), and profit attributable to owners of parent came to 1,301 million yen (down 9.9% year on year).

In terms of our outlet network, we opened 20 outlets. They were divided into nine outlets in Japan and, overseas, three in Singapore, four in Hong Kong, and four in Taiwan. The number of outlets at the end of the fiscal year under review was down 10 from the end of the previous fiscal year to 691 outlets due to the closure of 30 outlets mainly because outlets were consolidated as a measure for improving the working conditions.

The description by segment is omitted because the Company Group engages in a single segment of the haircutting business.

(2) Overview of Financial Position for the Fiscal Year Ended June 30, 2024

Assets, liabilities and equity at the end of the fiscal year under review were as follows:

Current assets grew 682 million yen from the end of the previous fiscal year to 6,482 million yen. This was mainly due to an increase of 268 million yen in cash and cash equivalents and an increase of 426 million yen in trade and other receivables. Non-current assets were up 506 million yen from the end of the previous fiscal year to 25,814 million yen. This was mainly due to an increase of 176 million yen in property, plant and equipment and an increase of 328 million yen in right-of-use assets. As a result, assets rose 1,188 million yen from the end of the previous fiscal year to 32,297 million yen.

Current liabilities were up 472 million yen from the end of the previous fiscal year to 7,081 million yen. This was mainly due to a decrease of 300 million yen in borrowings, an increase of 213 million yen in lease obligations and an increase of 449 million yen in other current liabilities. Non-current liabilities dropped 579 million yen from the end of the previous fiscal year to 11,045 million yen. This was mainly due to a decrease of 892 million yen in borrowings. As a result, liabilities decreased 107 million yen from the end of the previous fiscal year to 18,126 million yen.

Equity grew 1,295 million yen from the end of the previous fiscal year to 14,170 million yen. This was mainly due to a decrease of 234 million yen in capital surplus and an increase of 1,301 million yen in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year Ended June 30, 2024

Cash and cash equivalents (hereinafter referred to as “Cash”) at the end of the fiscal year under review increased 268 million yen from the end of the previous fiscal year to 4,701 million yen. Individual cash flows for the fiscal year under review and the factors behind them were as follows:

(Cash flows from operating activities)

Cash provided by operating activities was 5,058 million yen (4,694 million yen provided in the previous fiscal year). This was mainly attributable to factors causing an increase in cash, such as the recording of profit before tax of 1,964 million yen and depreciation and amortization of 3,466 million yen, in contrast to decreasing factors, such as income taxes paid of 664 million yen.

(Cash flows from investing activities)

Cash used in investing activities was 846 million yen (484 million yen used in the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as purchase of property, plant and equipment of 823 million yen.

(Cash flows from financing activities)

Cash used in financing activities was 4,116 million yen (3,597 million yen used in the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as repayments of long-term borrowings of 800 million yen, repayments of lease obligations of 2,914 million yen and dividends paid of 260 million yen.

(4) Forecasts

The Company Group has formulated the new Medium-term Management Plan “NEXUS” for five years starting from the fiscal year ending June 2025, in order to connect the improvement of customer experience value to the sustainable growth of the Group. The name of this plan contains our desire to deepen the relationship between customers and stylists and to further enhance customer experience value.

What we want to achieve during the period of this Medium-term Management Plan is to utilize future-oriented technology to create data of the “usual” hairstyles of an annual 20 million customers using our service worldwide and accumulate data of feedback such as customer satisfaction levels after a haircut service and what they want in their next visit. In this way, we will create a world in which “usual” hairstyles can be offered “anywhere” and “by anyone” more readily as customers use more of our services.

Then, we intend to broaden the opportunity to offer this professional service across the world, build a foundation that enables us to enhance our corporate value stably in the long run and connect such accomplishments to a further enhancement of our corporate value.

The numerical targets of the Medium-term Management Plan are as follows.

	FYE June 2024 (Actual)	FYE June 2025 (Earnings forecasts)	FYE June 2029 (Plan)
Revenue	24,757 million yen	25,710 million yen	35,500 million yen
Operating profit	2,115 million yen	1,900 million yen	3,400 million yen
Number of outlets at end of year (consolidated)	691	724	966

Details of the Medium-Term Management Plan will be posted on TDnet and the Company’s website on August 13, 2024.

## 2. Basic Approach to the Selection of Accounting Standards

The Company Group has adopted the International Accounting Standards (IFRS) effective from the fiscal year ended June 30, 2017, with a view to enhancing the international comparability and convenience of financial information in the capital market.



### 3. Consolidated Financial Statements and Main Notes

#### (1) Consolidated Statement of Financial Position

(Unit: million yen)

	Previous fiscal year (June 30, 2023)	Current fiscal year (June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	4,432	4,701
Trade and other receivables	972	1,398
Other financial assets	15	4
Inventories	237	233
Income taxes receivable	13	-
Other current assets	129	144
Total current assets	5,800	6,482
Non-current assets		
Property, plant and equipment	1,213	1,389
Right-of-use assets	5,605	5,933
Goodwill	15,430	15,430
Intangible assets	120	154
Other financial assets	2,004	1,993
Deferred tax assets	822	799
Other non-current assets	112	113
Total non-current assets	25,308	25,814
Total assets	31,108	32,297
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	261	280
Borrowings	1,692	1,392
Lease obligations	2,397	2,611
Income taxes payable	372	397
Other financial liabilities	82	148
Other current liabilities	1,802	2,251
Total current liabilities	6,609	7,081
Non-current liabilities		
Borrowings	7,714	6,822
Lease obligations	3,067	3,306
Other financial liabilities	52	49
Deferred tax liabilities	39	20
Provisions	740	831
Other non-current liabilities	9	14
Total non-current liabilities	11,624	11,045
Total liabilities	18,233	18,126
Equity		
Share capital	1,326	1,352
Capital surplus	4,736	4,502
Retained earnings	6,431	7,733
Treasury shares	(0)	(0)
Other components of equity	379	582
Total equity attributable to owners of parent	12,874	14,170
Total equity	12,874	14,170
Total liabilities and equity	31,108	32,297

## (2) Consolidated Statement of Profit or Loss

(Unit: million yen)

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
Revenue	22,746	24,757
Cost of sales	(17,460)	(18,926)
Gross profit	5,285	5,830
Other operating income	65	78
Selling, general and administrative expenses	(3,121)	(3,661)
Other operating expenses	(91)	(132)
Operating profit	2,138	2,115
Finance income	18	23
Finance costs	(165)	(174)
Profit before tax	1,990	1,964
Income tax expense	(546)	(662)
Profit	1,444	1,301
Profit attributable to Owners of parent	1,444	1,301
Profit	1,444	1,301
Earnings per share		
Basic earnings per share (yen)	111.13	99.37
Diluted earnings per share (yen)	107.99	97.36

(3) Consolidated Statement of Comprehensive Income

(Unit: million yen)

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
Profit	1,444	1,301
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	119	214
Total of items that may be reclassified to profit or loss	119	214
Total other comprehensive income	119	214
Comprehensive income	1,563	1,515
Comprehensive income attributable to		
Owners of parent	1,563	1,515
Comprehensive income	1,563	1,515

(4) Consolidated Statement of Changes in Equity  
 Previous fiscal year (From July 1, 2022 to June 30, 2023)

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Share acquisition rights	Total
Balance as of July 1, 2022	1,289	4,829	4,987	(0)	193	88	281
Profit	-	-	1,444	-	-	-	-
Other comprehensive income	-	-	-	-	119	-	119
Total comprehensive income	-	-	1,444	-	119	-	119
Issuance of new shares (exercise of share acquisition rights)	36	36	-	-	-	(20)	(20)
Forfeiture of share acquisition rights	-	-	0	-	-	(0)	(0)
Dividends of surplus	-	(129)	-	-	-	-	-
Total transactions with owners	36	(92)	0	-	-	(20)	(20)
Balance as of June 30, 2023	1,326	4,736	6,431	(0)	312	67	379

(Unit: million yen)

	Total equity attributable to owners of parent	Total equity
Balance as of July 1, 2022	11,387	11,387
Profit	1,444	1,444
Other comprehensive income	119	119
Total comprehensive income	1,563	1,563
Issuance of new shares (exercise of share acquisition rights)	53	53
Forfeiture of share acquisition rights	-	-
Dividends of surplus	(129)	(129)
Total transactions with owners	(75)	(75)
Balance as of June 30, 2023	12,874	12,874

Current fiscal year (From July 1, 2023 to June 30, 2024)

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Share acquisition rights	Total
Balance as of July 1, 2023	1,326	4,736	6,431	(0)	312	67	379
Profit	-	-	1,301	-	-	-	-
Other comprehensive income	-	-	-	-	214	-	214
Total comprehensive income	-	-	1,301	-	214	-	214
Issuance of new shares (exercise of share acquisition rights)	26	26	-	-	-	(11)	(11)
Forfeiture of share acquisition rights	-	-	-	-	-	-	-
Dividends of surplus	-	(260)	-	-	-	-	-
Total transactions with owners	26	(234)	-	-	-	(11)	(11)
Balance as of June 30, 2024	1,352	4,502	7,733	(0)	526	56	582

(Unit: million yen)

	Total equity attributable to owners of parent	Total equity
Balance as of July 1, 2023	12,874	12,874
Profit	1,301	1,301
Other comprehensive income	214	214
Total comprehensive income	1,515	1,515
Issuance of new shares (exercise of share acquisition rights)	41	41
Forfeiture of share acquisition rights	-	-
Dividends of surplus	(260)	(260)
Total transactions with owners	(219)	(219)
Balance as of June 30, 2024	14,170	14,170

## (5) Consolidated Statement of Cash Flows

(Unit: million yen)

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before tax	1,990	1,964
Depreciation and amortization	3,284	3,466
Impairment losses	71	115
Finance income	(18)	(23)
Finance costs	165	174
Subsidy income	(51)	(22)
Decrease (increase) in trade and other receivables	(41)	(367)
Decrease (increase) in inventories	(143)	6
Increase (decrease) in trade and other payables	(5)	27
Other	224	495
Subtotal	5,477	5,837
Interest received	3	8
Interest paid	(128)	(166)
Proceeds from subsidy income	51	22
Income taxes refund	-	20
Income taxes paid	(710)	(664)
Net cash provided by (used in) operating activities	4,694	5,058
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(390)	(823)
Purchase of intangible assets	(48)	(69)
Payments of guarantee deposits	(158)	(96)
Proceeds from refund of guarantee deposits	122	147
Other	(9)	(4)
Net cash provided by (used in) investing activities	(484)	(846)
<b>Cash flows from financing activities</b>		
Repayments of short-term borrowings	(22)	(400)
Repayments of long-term borrowings	(700)	(800)
Proceeds from sale and leaseback transactions	92	218
Repayments of lease obligations	(2,835)	(2,914)
Proceeds from exercise of share acquisition rights	53	41
Dividends paid	(130)	(260)
Other	(54)	-
Net cash provided by (used in) financing activities	(3,597)	(4,116)
Exchange differences of cash and cash equivalents	95	173
Net increase (decrease) in cash and cash equivalents	708	268
Cash and cash equivalents at beginning of period	3,724	4,432
Cash and cash equivalents at end of period	4,432	4,701

(6) Notes on the Consolidated Financial Statements

(Notes on going concern assumption)

There are no applicable items.

(Segment information)

The description is omitted because the Company Group engages in a single segment of the haircut business.

(Per share information)

Basis of the calculation of basic and diluted earnings per share is as follows:

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
Profit attributable to owners of parent (million yen)	1,444	1,301
Average number of common shares outstanding during the period (shares)	12,994,542	13,097,345
Number of common shares with dilutive effects		
Increase due to share options (shares)	377,580	270,262
Diluted average number of common shares outstanding during the period (shares)	13,372,122	13,367,607
Basic earnings per share (yen)	111.13	99.37
Diluted earnings per share (yen)	107.99	97.36

(Significant subsequent events)

QB Net Co., Ltd. (hereinafter referred to as the "Borrower"), a subsidiary of the Company, had concluded a commitment line agreement for a total of 3,000 million yen with MUFG Bank, Ltd., Mizuho Bank, Ltd. and Resona Bank, Limited. The said agreement expired on July 31, 2024.

Then, the Borrower entered into a loan agreement for a total of 2,000 million yen with MUFG Bank, Ltd. on the same day (July 31, 2024).

The main contents of the agreement are as follows.

(1) Financial institution	MUFG Bank, Ltd.
(2) Loan amount	2,000 million yen
(3) Outstanding borrowings as of the date of submitting the report	2,000 million yen
(4) Repayment date	July 31, 2029
(5) Repayment method	Lump-sum repayment on the repayment date
(6) Interest rate	1.13%
(7) Guarantor	QB Net Holdings Co., Ltd.
(8) Uses of funds	Investment in human resource development, DX and outlet openings