

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on IFRS)

February 13, 2019

Company name: TORIDOLL Holdings Corporation

Stock exchange listing: Tokyo

Stock code: 3397

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Scheduled date to file Quarterly Securities Report: February 13, 2019

Scheduled date to commence dividend payments: -

Preparation of supplementary material on quarterly financial results: No

Holding of quarterly financial results meeting: No

(Amounts are rounded to the nearest million)

1. Consolidated financial results for the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	108,895	28.7	5,883	(4.0)	5,544	(9.0)	3,895	(2.4)
Nine months ended December 31, 2017	84,612	10.7	6,126	(12.3)	6,090	(12.6)	3,990	(14.9)

	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
Nine months ended December 31, 2018	3,906	(1.8)	4,878	15.7	90.78	90.34
Nine months ended December 31, 2017	3,976	(15.5)	4,217	34.9	91.60	90.97

(Reference) EBITDA (*):

Nine months ended December 31, 2018: ¥ 10,139 million (increased 12.3% year-on-year basis)

Nine months ended December 31, 2017: ¥ 9,030 million

Adjusted EBITDA:

Nine months ended December 31, 2018: ¥ 10,393 million (increased 8.0% year-on-year basis)

Nine months ended December 31, 2017: ¥ 9,626 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 December 31, 2018	125,720	39,172	37,953	30.2	891.50
As of March 31, 2018	110,983	37,470	36,242	32.7	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	
Fiscal year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
	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)
Fiscal year	Millions of yen	%	Yen
	3,105	(33.4)	72.33

*** Notes**

(1) Changes in significant subsidiaries during the nine months ended December 31, 2018 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

New: —

Excluded: —

(2) Changes in accounting policies and accounting estimate

1) Changes in accounting policies required by IFRS: 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 December 31, 2018	43,482,076 shares
As of March 31, 2018	43,448,845 shares

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

As of December 31, 2018	910,009 shares
As of March 31, 2018	9 shares

3) Average number of shares during the period

Nine months ended December 31, 2018	43,030,587 shares
Nine months ended December 31, 2017	43,407,067 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.

Condensed quarterly consolidated financial statements

Condensed quarterly consolidated statements of financial position

	(Millions of yen)	
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	14,798	21,886
Trade and other receivables	5,766	4,971
Inventories	815	934
Other current assets	1,423	1,619
Total current assets	22,802	29,410
Non-current assets		
Property, plant and equipment	29,370	31,682
Intangible assets and goodwill	39,214	41,250
Investments accounted for using the equity method	4,084	6,163
Other financial assets	12,597	14,246
Deferred tax assets	1,800	1,961
Other non-current assets	1,116	1,008
Total non-current assets	88,182	96,309
Total assets	110,983	125,720

	(Millions of yen)	
	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Trade and other payables	9,997	8,778
Short-term loans payable	34,580	16,875
Current portion of long-term loans payable	5,198	9,171
Lease obligations	325	299
Income taxes payable	1,886	617
Provisions	505	492
Other current liabilities	3,906	4,132
Total current liabilities	56,396	40,363
Non-current liabilities		
Long-term loans payable	10,246	39,200
Lease obligations	3,457	3,314
Provisions	1,728	1,845
Deferred tax liabilities	1,504	1,408
Other non-current liabilities	182	418
Total non-current liabilities	17,118	46,185
Total liabilities	73,514	86,548
Equity		
Equity attributable to owners of the parent		
Capital stock	4,031	4,070
Capital surplus	4,064	4,079
Retained earnings	29,347	32,102
Treasury shares	(0)	(2,144)
Other components of equity	(1,200)	(154)
Total equity attributable to owners of the parent	36,242	37,953
Non-controlling interests	1,228	1,219
Total equity	37,470	39,172
Total liabilities and equity	110,983	125,720

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

Condensed quarterly consolidated statements of income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Total trading transactions	84,612	108,895
Cost of sales	(22,115)	(29,353)
Gross profit	62,497	79,542
Selling, general and administrative expenses	(56,094)	(72,970)
Impairment loss	(197)	(152)
Other operating income	210	239
Other operating expenses	(290)	(776)
Operating profit	6,126	5,883
Finance income	215	281
Finance costs	(205)	(283)
Finance income (costs), net	10	(3)
Share of profit (loss) of investments accounted for using the equity method	(46)	(337)
Profit before tax	6,090	5,544
Income tax expense	(2,100)	(1,649)
Profit for the period	3,990	3,895
Profit for the period attributable to		
Owners of the parent	3,976	3,906
Non-controlling interests	14	(11)
Profit for the period	3,990	3,895
Earnings per share attributable to owners of the parent (yen)		
Basic earnings per share	91.60	90.78
Diluted earnings per share	90.97	90.34

Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit for the period	3,990	3,895
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	166	1,011
Share of other comprehensive income of investments accounted for using the equity method	61	(28)
Other comprehensive income	227	983
Comprehensive income for the period	4,217	4,878
Comprehensive income for the period attributable to		
Owners of the parent	4,138	4,912
Non-controlling interests	79	(34)

Condensed quarterly consolidated statements of changes in equity

For the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(Millions of yen)

	Equity attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total			
					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			3,976				—	3,976	14	3,990
Other comprehensive income					162		162	162	65	227
Total comprehensive income for the period	—	—	3,976	—	162	—	162	4,138	79	4,217
Issuance of new shares (exercise of subscription rights)	46	46				(29)	(29)	63		63
Share-based payment transactions						55	55	55		55
Dividends			(1,128)				—	(1,128)	(20)	(1,148)
Change in scope of consolidation							—	—	374	374
Other			(3)				—	(3)		(3)
Total transaction amount with owners	46	46	(1,131)	—	—	26	26	(1,013)	354	(659)
As of December 31, 2017	4,021	4,053	28,658	(0)	279	317	595	37,327	1,237	38,564

For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(Millions of yen)

	Equity attributable to owners of the parent							Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total			
					Exchange differences on translating foreign operations	Subscription rights to shares				
As of April 1, 2018	4,031	4,064	29,347	(0)	(1,529)	329	(1,200)	36,242	1,228	37,470
Profit for the period			3,906				—	3,906	(11)	3,895
Other comprehensive income					1,006		1,006	1,006	(23)	983
Total comprehensive income for the period	—	—	3,906	—	1,006	—	1,006	4,912	(34)	4,878
Issuance of new shares (exercise of subscription rights)	37	37				(19)	(19)	54		54
Share-based payment transactions	2	2		2		59	59	64		64
Purchase of treasury shares		(20)		(2,145)			—	(2,165)		(2,165)
Dividends			(1,151)				—	(1,151)	(15)	(1,167)
Change in scope of consolidation							—	—	37	37
Other		(3)					—	(3)	3	—
Total transaction amount with owners	38	15	(1,151)	(2,144)	—	40	40	(3,201)	25	(3,176)
As of December 31, 2018	4,070	4,079	32,102	(2,144)	(523)	369	(154)	37,953	1,219	39,172

Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities		
Profit before tax	6,090	5,544
Depreciation and amortization	2,823	3,719
Impairment loss	197	152
Interest income	(111)	(144)
Interest expenses	204	247
Share of loss (profit) of investments accounted for using the equity method	46	337
Decrease (increase) in trade and other receivables	(284)	622
Decrease (increase) in inventories	(90)	(111)
Increase (decrease) in trade and other payables	272	(852)
Other, net	(713)	583
Subtotal	8,435	10,097
Interest income received	21	35
Interest expenses paid	(175)	(251)
Income taxes paid	(2,304)	(3,153)
Net cash provided by (used in) operating activities	5,976	6,728
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,892)	(6,669)
Purchase of intangible assets	(103)	(278)
Payments for lease and guarantee deposits	(523)	(744)
Proceeds from collection of lease and guarantee deposits	52	226
Payments of construction assistance fund receivables	(209)	(219)
Collection of construction assistance fund receivables	342	331
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,823)	(1,062)
Purchase of investments accounted for using the equity method	—	(2,225)
Other, net	(845)	(601)
Net cash provided by (used in) investing activities	(8,999)	(11,242)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,500	(17,767)
Proceeds from long-term loans payable	8,000	37,995
Repayments of long-term loans payable	(4,746)	(5,068)
Repayments of lease obligations	(194)	(201)
Purchase of treasury shares	—	(2,145)
Cash dividends paid	(1,128)	(1,151)
Other, net	57	34
Net cash provided by (used in) financing activities	5,490	11,697
Net increase (decrease) in cash and cash equivalents	2,467	7,183
Cash and cash equivalents at beginning of period	11,183	14,798
Effect of exchange rate change on cash and cash equivalents	(3)	(95)
Cash and cash equivalents at end of period	13,647	21,886