



(Securities Code 7616 TSE PRIME)

February 7, 2025

To whom it may concern

Company	COLOWIDE Co., Ltd.
Representative	Kohei NOJIRI President & Representative Director
Inquiries	Masaaki YONEMURA Chief of Corporate Planning Department (TEL +81-45-274-5970)

Notice of Recording Extraordinary Profit, Recording Extraordinary Losses
and Revision of Earnings Forecast at Consolidated Subsidiary
and Notice of Projected Recording Other Operating Income
in Consolidated Earnings of the Company

We would like to inform you that our consolidated subsidiary, ATOM CORPORATION (Headquarters: Yokohama-shi, Representative: Kimihiro Tanaka, President and Representative Director, hereafter referred to as “ATOM”), has announced the “Notice of Recording Extraordinary Profit, Recording Extraordinary Losses and Revision of Earnings Forecast” as per the attached document today.

In line with the transfer of the karaoke business at ATOM, as stated in the relevant notice, our consolidated financial results are also expected to record approximately 1,634 million yen in other operating income as a gain on transfer of business in the fourth quarter of the consolidated fiscal year. Please note that this estimated gain on transfer is calculated by deducting the book value expected at this point in time from the transfer price.

In addition, the impact of the revision of the earnings forecast of ATOM on the consolidated earnings of the Company for the fiscal year ending March 31, 2025 is currently under review, and if there are any matters that need to be disclosed, they will be disclosed promptly.

End

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.



(Securities CODE 7412 TSE STANDARD, Nagoya Stock Exchange MAIN)

February 7, 2025

To whom it may concern

Company	ATOM CORPORATION
Representative	Kimihiko TANAKA President & Representative Director
Inquiries	Shinichiro SATO Director and General Manager of Administration Department (TEL +81-45-224-7390)

Notice of Recording Extraordinary Profit, Recording of Extraordinary Losses and Revision of Earnings Forecast

We would like to notify of the following information regarding the clarification of the forecast for the amount of extraordinary profit to be recorded in the fourth quarter of the fiscal year ending March 31, 2025 in conjunction with the transfer of business through the company split that has already been announced, and the information that we have decided to record extraordinary losses (impairment losses) for the third quarter of the fiscal year ending March 31, 2025 as follows. We would also like to notify of the decision to revise the earnings forecast stated in the “Financial Results for the Fiscal Year Ended March 31, 2024 [under Japanese GAAP] (Non-consolidated)” announced on May 9, 2024.

Record

1. Recording Extraordinary Profit

As announced separately on December 24, 2024 and January 28, 2025, we are working to concentrate management resources on the restaurant business and improve corporate value by transferring the Izakaya business and Karaoke business.

The impact on the current fiscal year's operating results, which was under review at the time of the above disclosure, is expected to be 1,556 million yen for the transfer of the Izakaya business announced on December 24, 2024, and 1,659 million yen for the transfer of the Karaoke business announced on January 28, 2025, which will be recorded as extraordinary profit as a gain on transfer of business. Please note that the amount of the gain on transfer is an approximate amount calculated by deducting the book value expected at present from the transfer price.

2. Recording of Extraordinary Losses

As a result of a detailed examination of the stores involved in the above-mentioned business transfer, we recorded an impairment loss of 133 million yen for some of the stores involved in the third quarter of the current fiscal year, based on the “Accounting Standards for the Impairment of Non-current Assets”.

3. Regarding the Revision of the Earnings Forecast

Revision of the full-year earnings forecast for the fiscal year ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

	Revenue	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	38,957	1,183	1,168	31	(0.01)
Revised forecast this time (B)	35,453	(690)	(673)	65	0.17
Amount of changes (B-A)	(3,503)	(1,873)	(1,841)	34	
Ratio of changes (%)	(9.0)	(158.3)	(157.6)	108.4	
(Reference) Results in previous fiscal year ended March 31, 2024	36,947	(65)	9	(1,470)	(7.79)

4. Reasons for the Revision

During the current term, our company has worked to recover our business performance through measures such as reviewing our product lineup, remodeling and changing the business type of existing stores, closing unprofitable stores, and reducing head office costs, but the recovery in revenue has been slower than initially expected due to the increasing thriftiness and selective spending of consumers in an inflationary environment.

From the middle of the second quarter onwards, revenues are on a recovery trend thanks to strengthened sales promotion measures such as introduction of new products and TV commercials featuring celebrities, but this has not been enough to make up for the decline in revenue in the first quarter, and revenue, operating profit and ordinary profit are all expected to fall short of the previous forecast.

In addition, although profit for the current period is expected to exceed the initial forecast due to the recording of the above-mentioned extraordinary profit, in order to further strengthen the improvement in business performance through the concentration of management resources on the restaurant business, we plan to take drastic measures against unprofitable stores in the fourth quarter of the current fiscal year ending March 31, 2025, and we expect to record impairment losses and other losses associated with these measures, so we have set the forecast as stated in the previous paragraph.

The above forecasts are based on information available at the time of writing and certain assumptions, and actual results may vary due to various factors in the future.

End

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