



Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending June 30, 2025 [IFRS] (Consolidated)

February 13, 2025

Company name: QB Net Holdings Co., Ltd.

Listed on: Tokyo Stock Exchange

Code number: 6571

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Scheduled date of semiannual report submission: February 13, 2025

Scheduled date for commencement of dividend payment: —

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 Second Quarter (Interim Period) of the Fiscal Year Ending June 30, 2025 (July 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate changes from the interim period of 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	%
Interim Period of FYE June 2025	12,586	2.0	723	(43.9)	629	(48.4)	417	(50.6)	417	(50.6)	363	(55.9)
Interim Period of FYE June 2024	12,338	11.6	1,290	19.8	1,219	20.7	844	23.7	844	23.7	824	27.0

	Basic earnings per share	Diluted earnings per share
	yen	yen
Interim Period of FYE June 2025	31.79	31.20
Interim Period of FYE June 2024	64.57	62.92

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	million yen	million yen	million yen	%
Interim Period of FYE June 2025	32,789	14,182	14,182	43.3
FYE June 2024	32,297	14,170	14,170	43.9

2. Dividends

	Annual dividends				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FYE June 2024	-	0.00	-	27.00	27.00
FYE June 2025	-	0.00	-	-	-
FYE June 2025 (forecast)	-	-	-	35.00	35.00

(Note) Revision from the last announcement of dividend forecast: No

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

(Percentages indicate changes from 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

(Note) Revision from the last announcement of earnings forecast: No

*Notes

- (1) Significant changes in the scope of consolidation during the interim period: Yes
 Newly consolidated - 1 company (Company name) QB HOUSE VIETNAM COMPANY LIMITED,
 Excluded - (Company name) -
- (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)	Interim Period of FYE June 2025	13,129,300 shares	FYE June 2024	13,123,600 shares
(ii) Number of treasury shares at the end of the period	Interim Period of FYE June 2025	157 shares	FYE June 2024	123 shares
(iii) Average number of shares outstanding during the period (interim period)	Interim Period of FYE June 2025	13,125,349 shares	Interim Period of FYE June 2024	13,078,866 shares

* Financial results for the second quarter (interim period) are not subject to review 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.

(How to obtain supplementary explanatory materials for financial results)

Supplementary explanatory materials are disclosed on TDnet on the same day. They are also posted on the Company's website.

The Company plans to hold a financial results briefing for institutional investors and analysts on February 19, 2025. This briefing session will be held via a hybrid method of taking place at a physical venue and some members participating in a Zoom meeting.

The content of the financial results briefing will be posted on the Company's website at a later date.

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1. Qualitative Information Regarding the Interim Financial Results Under Review

(1) Explanation of Operating Results

During the interim period of the fiscal year under review (July 1, 2024 to December 31, 2024), consumer activity continued to recover partly due to improvements in the employment and income environments. Whereas there were concerns about labor shortages, centered in the nonmanufacturing sector, and the impact of rising prices on consumer spending, the environment surrounding consumer spending was improving thanks to positive factors, including the high rate of wage increases, as the result of the spring wage talks, permeating down to actual salaries and the expectation that the winter bonus amount would rise steadily.

Under these circumstances, the Company Group formulated the Medium-term Management Plan "NEXUS" for five years starting from the fiscal year ending June 2025, and has been engaged in business activities that can provide services that are *consistent* anywhere in the world by advancing investment in human resources and DX.

As a result, consolidated earnings in the interim period of the fiscal year under review were as follows: Revenue amounted to 12,586 million yen (up 2.0% year on year), operating profit was 723 million yen (down 43.9% year on year), profit before tax was 629 million yen (down 48.4% year on year), and profit attributable to owners of parent came to 417 million yen (down 50.6% year on year).

Since the Company Group has run the haircut business alone in countries throughout the world, its business had been described as the single segment of the haircut business. However, the ratio of the revenue of overseas subsidiaries to the entire revenue has continued to grow year after year, and the Medium-term Management Plan, announced in August of 2024, positions the strengthening of the overseas operations as one of the key strategies.

The Company Group revised its organizational structure during the fiscal year ended June 2024, and has been making preparations for reinforcing profit/loss management, HR management and the planning and execution of marketing in overseas operations. Moreover, the Medium-term Management Plan with the fiscal year ending June 2025 as the starting year clearly divides strategies between domestic and overseas operations. Accordingly, the Company Group has made a change from a single segment to the two segments of the domestic and overseas operations since the interim period of the fiscal year under review.

The segment information is as follows.

<Domestic Operations>

As the domestic operations continued to see a tight labor supply in the non-manufacturing sector in the wake of the recovery in consumer activity, shortages of stylists were observed in some regions. However, the total number of operational seats increased mainly due to improvements in the personnel system, enabling the operation to keep a level above the same period of the previous year. Customers visiting the outlets outnumbered the level of the same period of the previous fiscal year due to a generally stable trend in haircut demand despite the impacts of record heatwaves, typhoons and other events in the summer.

As a result, the segment posted revenue of 10,229 million yen (up 1.4% year on year) and profit of 715 million yen (down 41.7% year on year).

<Overseas Operations>

In the overseas operations, the number of customers visiting the outlets decreased slightly year on year as severe competition was ongoing in the markets of Hong Kong and Singapore. On the other hand, Taiwan and the U.S. remained firm, as more and more customers visited outlets even after price revisions. Consequently, the number of customers visiting the outlets increased as a whole for overseas operations. Additionally, the Group expanded into Canada and opened its first outlet in Toronto in August 2024, starting business there as its fifth overseas business base.

As a result, the segment posted revenue of 2,360 million yen (up 4.8% year on year) and profit of 8 million yen (down 86.3% year on year).

(Unit: million yen)

	Interim period of the previous fiscal year		Interim period of the current fiscal year	
	Revenue	Segment profit	Revenue	Segment profit
Domestic Operations	10,090	1,227	10,229	715
Overseas Operations	2,251	63	2,360	8

(2) Explanation of Financial Position

(i) Assets, liabilities and equity

Assets, liabilities and equity at the end of the interim period under review were as follows:

Current assets grew 481 million yen from the end of the previous fiscal year to 6,964 million yen. This was mainly due to an increase of 350 million yen in cash and cash equivalents, an increase of 104 million yen in trade and other receivables and an increase of 83 million yen in other current assets. Non-current assets increased 11 million yen from the end of the previous fiscal year to 25,825 million yen. This was mainly due to an increase of 42 million yen in property, plant and equipment, a decrease of 102 million yen in right-of-use assets and an increase of 59 million yen in intangible assets. As a result, assets rose 492 million yen from the end of the previous fiscal year to 32,789 million yen.

Current liabilities decreased 1,138 million yen from the end of the previous fiscal year to 5,943 million yen. This was mainly due to a decrease of 700 million yen in borrowings, a decrease of 160 million yen in income taxes payable and a decrease of 252 million yen in other current liabilities. Non-current liabilities were up 1,618 million yen from the end of the previous fiscal year to 12,664 million yen. This was mainly due to an increase of 1,653 million yen in borrowings and a decrease of 61 million yen in lease obligations. As a result, liabilities increased 480 million yen from the end of the previous fiscal year to 18,607 million yen.

Equity increased 12 million yen from the end of the previous fiscal year to 14,182 million yen. This was mainly due to a decrease of 352 million yen in capital surplus and an increase of 417 million yen in retained earnings.

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the interim period under review increased 350 million yen from the end of the previous fiscal year to 5,052 million yen. Individual cash flows for the interim period of the fiscal year under review and the factors behind them are as follows:

(Cash flows from operating activities)

Cash provided by operating activities was 1,630 million yen (2,351 million yen provided in the same period of the previous fiscal year). This was mainly attributable to factors causing an increase in cash, such as the recording of profit before tax of 629 million yen and depreciation and amortization of 1,742 million yen, in contrast to decreasing factors, such as a decrease of 328 million yen in accrued expenses and income taxes paid of 370 million yen.

(Cash flows from investing activities)

Cash used in investing activities was 744 million yen (336 million yen used in the same period of the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as purchase of property, plant and equipment of 654 million yen and purchase of intangible assets of 77 million yen.

(Cash flows from financing activities)

Cash used in financing activities was 479 million yen (2,439 million yen used in the same period of the previous fiscal year). This was mainly attributable to factors causing a decrease in cash, such as repayments of lease obligations of 1,506 million yen, in contrast to factors increasing cash such as proceeds from long-term borrowings of 2,000 million yen.

(3) Explanation of Information on Future Forecasts Including Consolidated Earnings Forecast

Regarding the financial forecast for the fiscal year ending June 30, 2025, there is no change to the full-year financial forecast announced on August 13, 2024. Forward-looking statements and others included in this document, including earnings forecasts, are based on information available to and certain premises deemed to be rational by the Company, and actual results and others may vary considerably from the above forecasts due to various factors.

2. Condensed Interim Consolidated Financial Statements and Main Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Unit: million yen)

	Previous fiscal year (June 30, 2024)	Interim period of the current fiscal year (December 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	4,701	5,052
Trade and other receivables	1,398	1,502
Other financial assets	4	3
Inventories	233	171
Income taxes receivable	-	5
Other current assets	144	228
Total current assets	6,482	6,964
Non-current assets		
Property, plant and equipment	1,389	1,432
Right-of-use assets	5,933	5,831
Goodwill	15,430	15,430
Intangible assets	154	214
Other financial assets	1,993	1,988
Deferred tax assets	799	813
Other non-current assets	113	115
Total non-current assets	25,814	25,825
Total assets	32,297	32,789
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	280	287
Borrowings	1,392	692
Lease obligations	2,611	2,566
Income taxes payable	397	236
Other financial liabilities	148	160
Other current liabilities	2,251	1,999
Total current liabilities	7,081	5,943
Non-current liabilities		
Borrowings	6,822	8,475
Lease obligations	3,306	3,244
Other financial liabilities	49	67
Deferred tax liabilities	20	23
Provisions	831	837
Other non-current liabilities	14	14
Total non-current liabilities	11,045	12,664
Total liabilities	18,126	18,607
Equity		
Share capital	1,352	1,354
Capital surplus	4,502	4,149
Retained earnings	7,733	8,150
Treasury shares	(0)	(0)
Other components of equity	582	527
Total equity attributable to owners of parent	14,170	14,182
Total equity	14,170	14,182
Total liabilities and equity	32,297	32,789

(2) Condensed Interim Consolidated Statement of Profit or Loss

(Unit: million yen)

	Interim period of the previous fiscal year (From July 1, 2023 to December 31, 2023)	Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)
Revenue	12,338	12,586
Cost of sales	(9,297)	(9,876)
Gross profit	3,040	2,710
Other operating income	32	7
Selling, general and administrative expenses	(1,752)	(1,989)
Other operating expenses	(29)	(4)
Operating profit	1,290	723
Finance income	11	10
Finance costs	(83)	(104)
Profit before tax	1,219	629
Income tax expense	(374)	(212)
Profit	844	417
Profit attributable to		
Owners of parent	844	417
Profit	844	417
Earnings per share		
Basic earnings per share (yen)	64.57	31.79
Diluted earnings per share (yen)	62.92	31.20

(3) Condensed Interim Consolidated Statement of Comprehensive Income

(Unit: million yen)

	Interim period of the previous fiscal year (From July 1, 2023 to December 31, 2023)	Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)
Profit	844	417
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(20)	(39)
Effective portion of cash flow hedges	-	(14)
Total of items that may be reclassified to profit or loss	(20)	(53)
Total other comprehensive income	(20)	(53)
Comprehensive income	824	363
Comprehensive income attributable to		
Owners of parent	824	363
Comprehensive income	824	363

(4) Condensed Interim Consolidated Statement of Changes in Equity

Interim period of the previous fiscal year (From July 1, 2023 to December 31, 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, 2023	1,326	4,736	6,431	(0)	312	67	379
Profit	-	-	844	-	-	-	-
Other comprehensive income	-	-	-	-	(20)	-	(20)
Total comprehensive income	-	-	844	-	(20)	-	(20)
Issuance of new shares (exercise of share acquisition rights)	19	19	-	-	-	(7)	(7)
Dividends of surplus	-	(260)	-	-	-	-	-
Total transactions with owners	19	(240)	-	-	-	(7)	(7)
Balance as of December 31, 2023	1,346	4,496	7,276	(0)	292	59	351

(Unit: million yen)

	Total equity attributable to owners of parent	Total equity
Balance as of July 1, 2023	12,874	12,874
Profit	844	844
Other comprehensive income	(20)	(20)
Total comprehensive income	824	824
Issuance of new shares (exercise of share acquisition rights)	32	32
Dividends of surplus	(260)	(260)
Total transactions with owners	(228)	(228)
Balance as of December 31, 2023	13,470	13,470

Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Share acquisition rights
Balance as of July 1, 2024	1,352	4,502	7,733	(0)	526	-	56
Profit	-	-	417	-	-	-	-
Other comprehensive income	-	-	-	-	(39)	(14)	-
Total comprehensive income	-	-	417	-	(39)	(14)	-
Issuance of new shares (exercise of share acquisition rights)	2	2	-	-	-	-	(1)
Dividends of surplus	-	(354)	-	-	-	-	-
Purchase of treasury shares	-	-	-	(0)	-	-	-
Total transactions with owners	2	(352)	-	(0)	-	-	(1)
Balance as of December 31, 2024	1,354	4,149	8,150	(0)	487	(14)	55

(Unit: million yen)

	Other components of equity	Total equity attributable to owners of parent	Total equity
	Total		
Balance as of July 1, 2024	582	14,170	14,170
Profit	-	417	417
Other comprehensive income	(53)	(53)	(53)
Total comprehensive income	(53)	363	363
Issuance of new shares (exercise of share acquisition rights)	(1)	2	2
Dividends of surplus	-	(354)	(354)
Purchase of treasury shares	-	(0)	(0)
Total transactions with owners	(1)	(351)	(351)
Balance as of December 31, 2024	527	14,182	14,182

(5) Condensed Interim Consolidated Statement of Cash Flows

(Unit: million yen)

	Interim period of the previous fiscal year (From July 1, 2023 to December 31, 2023)	Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Profit before tax	1,219	629
Depreciation and amortization	1,713	1,742
Impairment losses	12	-
Finance income	(11)	(10)
Finance costs	83	104
Decrease (increase) in trade and other receivables	(303)	(158)
Decrease (increase) in inventories	(32)	60
Increase (decrease) in trade and other payables	47	21
Increase (decrease) in accrued expenses	(162)	(328)
Other	197	32
Subtotal	2,762	2,093
Interest received	4	2
Interest paid	(79)	(97)
Income taxes refund	-	2
Income taxes paid	(335)	(370)
Net cash provided by (used in) operating activities	2,351	1,630
Cash flows from investing activities		
Purchase of property, plant and equipment	(332)	(654)
Purchase of intangible assets	(26)	(77)
Payments of guarantee deposits	(28)	(69)
Proceeds from refund of guarantee deposits	54	60
Other	(3)	(2)
Net cash provided by (used in) investing activities	(336)	(744)
Cash flows from financing activities		
Repayments of short-term borrowings	(400)	(600)
Proceeds from long-term borrowings	-	2,000
Repayments of long-term borrowings	(450)	(450)
Proceeds from sale and leaseback transactions	73	427
Repayments of lease obligations	(1,434)	(1,506)
Proceeds from exercise of share acquisition rights	31	2
Dividends paid	(260)	(354)
Other	-	(0)
Net cash provided by (used in) financing activities	(2,439)	(479)
Exchange differences of cash and cash equivalents	(3)	(55)
Net increase (decrease) in cash and cash equivalents	(427)	350
Cash and cash equivalents at beginning of period	4,432	4,701
Cash and cash equivalents at end of period	4,005	5,052

(6) Notes on the Condensed Interim Consolidated Financial Statements

(Notes on going concern assumption)

There are no applicable items.

(Change in presentation method)

(Consolidated Statement of Cash Flows)

“Increase (decrease) in accrued expenses,” which was included in “Other” under “Cash flows from operating activities” for the interim period of the previous fiscal year, is stated independently in the interim period of the current fiscal year, as its importance has increased. To reflect this change in presentation, the financial statements for the interim period of the previous fiscal year have been restated. As a result, 34 million yen stated in “Other” under “Cash flows from operating activities” in the consolidated statement of cash flows for the interim period of the previous fiscal year has been reclassified as (162) million yen in “Increase (decrease) in accrued expenses” and 197 million in “Other.”

Similarly, “Subsidy income” and “Proceeds from subsidy income” in “Cash flows from operating activities” have been included in “Other” in the interim period of the current fiscal year, as their importance has decreased. To reflect this change in presentation, the financial statements for the interim period of the previous fiscal year have been restated. As a result, (3) million yen in “Subsidy income” and 3 million yen in “Proceeds from subsidy income” have been reclassified in “Other” in the consolidated statement of cash flows for the interim period of the previous fiscal year.

(Segment information)

1. Overview of reportable segments

Since the Company Group has run the haircut business alone in countries throughout the world, its business had been described as the single segment of the haircut business. However, the ratio of the revenue of overseas subsidiaries to the entire revenue has continued to grow year after year, and the Medium-term Management Plan, announced in August of 2024, positions the strengthening of the overseas operations as one of the key strategies. The Company Group revised its organizational structure during the fiscal year ended June 2024, and has been making preparations for reinforcing profit/loss management, HR management and the planning and execution of marketing in overseas operations. Moreover, the Medium-term Management Plan with the fiscal year ending June 2025 as the starting year clearly divides strategies between domestic and overseas operations. Accordingly, the Company Group has made a change from a single segment to the two segments of the domestic and overseas operations since the interim period of the fiscal year under review.

Accordingly, segment information for the interim period of the previous fiscal year has been prepared based on the reportable segment classifications after the change.

The Company Group’s reportable segments are based on the business segments whose financial statements are available in a separate form from the Company’s constituent units and that are reviewed regularly in a way that allows the Board of Directors to decide on management resource allocation and evaluate its performance.

Providing haircut services through deploying outlets which consist of QB HOUSE, which specializes in haircuts, and QB PREMIUM and FaSS, which are designed to meet various needs, the Company Group administers its business by separating the domestic and overseas operations. Therefore, the Company Group has two reportable segments: Domestic Operations and Overseas Operations. In determining the above reportable segments, no business segments have been consolidated into the two.

The overview of each reportable segment is as follows.

(Domestic Operations)

Provision of haircut services in Japan

(Overseas Operations)

Provision of haircut services outside Japan (Asia and North America)

2. Information on the amounts of revenue and profit or loss by reportable segment

The revenue and performance of the Group Company's reportable segments are as follows.

Interim period of the previous fiscal year (From July 1, 2023 to December 31, 2023)

(Unit: million yen)

	Reportable segment			Adjustments (Note) 1	Amounts recorded in Condensed Interim Consolidated Financial Statements (Note) 2
	Domestic Operations	Overseas Operations	Total		
Revenue					
Revenue from external customers	10,086	2,251	12,338	-	12,338
Intersegment revenue	3	-	3	(3)	-
Total	10,090	2,251	12,342	(3)	12,338
Segment profit	1,227	63	1,291	(0)	1,290

(Notes) 1. The segment profit adjustment of minus 0 million yen is the elimination of intersegment transactions.

2. Segment profit is adjusted for operating profit recorded in Condensed Interim Consolidated Statement of Profit or Loss.

Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)

(Unit: million yen)

	Reportable segment			Adjustments (Note) 1	Amounts recorded in Condensed Interim Consolidated Financial Statements (Note) 2
	Domestic Operations	Overseas Operations	Total		
Revenue					
Revenue from external customers	10,226	2,360	12,586	-	12,586
Intersegment revenue	3	-	3	(3)	-
Total	10,229	2,360	12,590	(3)	12,586
Segment profit	715	8	723	(0)	723

(Notes) 1. The segment profit adjustment of minus 0 million yen is the elimination of intersegment transactions.

2. Segment profit is adjusted for operating profit recorded in Condensed Interim Consolidated Statement of Profit or Loss.

(Per share information)

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

	Interim period of the previous fiscal year (From July 1, 2023 to December 31, 2023)	Interim period of the current fiscal year (From July 1, 2024 to December 31, 2024)
Profit attributable to owners of parent (million yen)	844	417
Average number of common shares outstanding during the period (shares)	13,078,866	13,125,349
Number of common shares with dilutive effects		
Increase due to share options (shares)	342,736	249,801
Diluted average number of common shares outstanding during the period (shares)	13,421,602	13,375,150
Basic earnings per share (yen)	64.57	31.79
Diluted earnings per share (yen)	62.92	31.20

(Significant subsequent events)

There are no applicable items.