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May 13, 2021

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Under IFRS)

Company name: COLOWIDE Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7616
 URL: <https://www.colowide.co.jp/>
 Representative: Kohei Nojiri, President and Representative Director
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 Telephone: +81-45-274-5970
 Scheduled date of annual general meeting of shareholders: June 24, 2021
 Scheduled date to commence dividend payments: June 25, 2021
 Scheduled date to file annual securities report: June 25, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Business profit*1		EBITDA*2		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2021	168,181	(28.5)	(8,146)	—	(98)	—	(10,769)	—
March 31, 2020	235,334	(3.7)	5,632	(33.7)	14,319	(19.2)	(6,798)	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
March 31, 2021	(9,728)	—	(10,946)	—	(136.55)	(136.55)
March 31, 2020	(6,447)	—	(6,947)	—	(88.62)	(88.62)

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of business profit to revenue
	%	%	%
Fiscal year ended			
March 31, 2021	(36.3)	(5.4)	(4.8)
March 31, 2020	(22.2)	(3.8)	2.4

Reference: Share of profit (loss) of investments accounted for using equity method
 For the fiscal year ended March 31, 2021: ¥— million
 For the fiscal year ended March 31, 2020: ¥— million

*1 Business profit = Revenue - cost of sales - selling, general and administrative expenses

2 EBITDA = Business profit + depreciation and amortization (excluding depreciation of right-of-use assets)
 Operating loss under IFRS for the fiscal year ended March 31, 2021 was ¥(13,163) million.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2021	263,993	37,810	31,442	11.9	212.23
March 31, 2020	248,832	38,889	24,958	10.0	249.96

(3) Consolidated 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	3,420	(12,924)	15,890	38,422
March 31, 2020	26,072	(15,348)	(12,338)	32,215

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	–	0.00	–	5.00	5.00	375	–	1.6
Fiscal year ended March 31, 2021	–	0.00	–	5.00	5.00	375	–	2.2
Fiscal year ending March 31, 2022 (Forecast)	–	0.00	–	5.00	5.00		–	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		EBITDA		Profit	
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
	221,665	31.8	7,656	–	15,131	–	2,413	–

	Profit attributable to owners of parent		Basic earnings per share
Full year	Millions of yen	%	Yen
	536	–	0.24

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Company name) OOTOYA Holdings Co., Ltd.

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	75,284,041 shares
As of March 31, 2020	75,284,041 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2021	250,046 shares
As of March 31, 2020	249,483 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2021	75,034,247 shares
Fiscal year ended March 31, 2020	75,035,182 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	928	(76.0)	(3,311)	–	(3,135)	–	8,018	–
March 31, 2020	3,862	(0.5)	423	(15.3)	613	(6.6)	766	4.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	99.97	–
March 31, 2020	7.51	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	124,131	44,966	36.2	392.48
March 31, 2020	91,500	28,203	30.8	293.22

Reference: Equity

As of March 31, 2021: ¥44,966 million
As of March 31, 2020: ¥28,203 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Warning regarding forward-looking statements)

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ substantially due to various factors.

Disclosure of non-consolidated forecast information has been omitted because the impact on the consolidated figures is negligible and it is not important.

(How to obtain the supplementary material on financial results)

The supplementary material on financial results is disclosed on TDnet and is also scheduled to be posted on the Company's website.

Preferred Share Dividends

Details of dividends per share and total dividends on shares in classes with different rights from those of common shares are as follows.

Preferred shares

(Record date)	Dividends per share					Total cash dividends (Total)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual	
Preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	–	–	–	3,126,360.00	3,126,360.00	93,790,800.00
Fiscal year ended March 31, 2021	–	–	–	3,126,360.00	3,126,360.00	93,790,800.00
Fiscal year ending March 31, 2022 (Forecast)	–	–	–	3,126,360.00	3,126,360.00	93,790,800.00
Second series preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	–	–	–	3,626,360.00	3,626,360.00	108,790,800.00
Fiscal year ended March 31, 2021	–	–	–	3,626,360.00	3,626,360.00	108,790,800.00
Fiscal year ending March 31, 2022 (Forecast)	–	–	–	3,626,360.00	3,626,360.00	108,790,800.00
Third series preferred shares	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	–	–	–	–	–	–
Fiscal year ended March 31, 2021	–	–	–	3,500,000.00	3,500,000.00	315,000,000.00
Fiscal year ending March 31, 2022 (Forecast)	–	–	–	3,500,000.00	3,500,000.00	315,000,000.00

Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	32,215	38,422
Trade and other receivables	8,533	14,238
Other financial assets	1,057	989
Inventories	3,297	2,806
Income taxes receivable	1,716	605
Other current assets	4,558	4,659
Subtotal	<u>51,376</u>	<u>61,719</u>
Non-current assets held for sale	–	517
Total current assets	51,376	62,236
Non-current assets		
Property, plant and equipment	47,820	44,339
Right-of-use assets	28,566	27,831
Goodwill	71,795	81,028
Intangible assets	6,077	8,680
Investment property	559	509
Other financial assets	29,608	25,608
Deferred tax assets	12,469	13,376
Other non-current assets	560	385
Total non-current assets	<u>197,456</u>	<u>201,757</u>
Total assets	<u><u>248,832</u></u>	<u><u>263,993</u></u>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	23,748	18,721
Bonds and borrowings	32,619	51,686
Lease liabilities	14,131	15,286
Other financial liabilities	24	22
Income taxes payable	941	3,407
Provisions	5,906	5,514
Contract liabilities	326	238
Other current liabilities	10,138	8,971
Total current liabilities	87,834	103,845
Non-current liabilities		
Trade and other payables	5,363	4,113
Bonds and borrowings	78,484	81,885
Lease liabilities	27,461	24,618
Other financial liabilities	2,222	2,223
Retirement benefit liability	–	522
Provisions	6,608	7,123
Deferred tax liabilities	303	186
Contract liabilities	1,056	811
Other non-current liabilities	613	856
Total non-current liabilities	122,109	122,337
Total liabilities	209,943	226,182
Equity		
Share capital	14,030	18,530
Capital surplus	18,876	31,302
Treasury shares	(158)	(159)
Other components of equity	(495)	(630)
Retained earnings	(7,295)	(17,602)
Total equity attributable to owners of parent	24,958	31,442
Non-controlling interests	13,931	6,368
Total equity	38,889	37,810
Total liabilities and equity	248,832	263,993

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Revenue	235,334	168,181
Cost of sales	101,168	75,524
Gross profit	134,166	92,657
Selling, general and administrative expenses	128,535	100,804
Business profit (loss)	5,632	(8,146)
Other operating income		
Rental income	357	336
Miscellaneous income	672	432
Other	478	976
Total other operating income	1,507	1,745
Other operating expenses		
Impairment losses	10,619	4,121
Provision of loss on closing of stores	290	82
Other	836	2,559
Total other operating expenses	11,745	6,762
IFRS operating loss	(4,606)	(13,163)
Finance income	275	2,421
Finance costs	4,507	3,219
Loss before tax	(8,839)	(13,961)
Income tax expense	(2,041)	(3,193)
Loss	(6,798)	(10,769)
Loss attributable to		
Owners of parent	(6,447)	(9,728)
Non-controlling interests	(351)	(1,040)
Loss	(6,798)	(10,769)
Earnings per share		
Basic loss per share (Yen)	(88.62)	(136.55)
Diluted loss per share (Yen)	(88.62)	(136.55)

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Loss	(6,798)	(10,769)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(45)	27
Remeasurements of defined benefit plans	—	(7)
Total of items that will not be reclassified to profit or loss	(45)	21
Items that may be reclassified to profit or loss		
Cash flow hedges	(52)	(18)
Exchange differences on translation of foreign operations	(52)	(180)
Total of items that may be reclassified to profit or loss	(104)	(198)
Other comprehensive income, net of tax	(149)	(177)
Comprehensive income	(6,947)	(10,946)
Comprehensive income attributable to		
Owners of parent	(6,600)	(9,864)
Non-controlling interests	(347)	(1,082)
Comprehensive income	(6,947)	(10,946)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2019	14,030	18,775	(155)	(11)	–	(151)
Cumulative effect of accounting change	–	–	–	–	–	–
Restated balance	14,030	18,775	(155)	(11)	–	(151)
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	(27)	–	(52)
Comprehensive income	–	–	–	(27)	–	(52)
Purchase of treasury shares	–	–	(3)	–	–	–
Disposal of treasury shares	–	–	0	–	–	–
Dividends	–	–	–	–	–	–
Changes in ownership interests of parent due to transactions with non-controlling interests	–	101	–	–	–	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	31	–	–
Total transactions and others with owners	–	101	(2)	31	–	–
Balance as of March 31, 2020	14,030	18,876	(158)	(7)	–	(203)

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2019	(211)	(373)	2,558	34,835	15,810	50,645
Cumulative effect of accounting change	–	–	(2,798)	(2,798)	(1,600)	(4,398)
Restated balance	(211)	(373)	(240)	32,037	14,210	46,247
Profit	–	–	(6,447)	(6,447)	(351)	(6,798)
Other comprehensive income	(75)	(153)	–	(153)	5	(149)
Comprehensive income	(75)	(153)	(6,447)	(6,600)	(347)	(6,947)
Purchase of treasury shares	–	–	–	(3)	–	(3)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	(578)	(578)	(439)	(1,017)
Changes in ownership interests of parent due to transactions with non-controlling interests	–	–	–	101	506	607
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	31	(31)	–	–	–
Total transactions and others with owners	–	31	(609)	(479)	67	(412)
Balance as of March 31, 2020	(286)	(495)	(7,295)	24,958	13,931	38,889

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2020	14,030	18,876	(158)	(7)	–	(203)
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	21	(7)	(18)
Comprehensive income	–	–	–	21	(7)	(18)
Issuance of new shares	4,500	4,500	–	–	–	–
Purchase of treasury shares	–	–	(1)	–	–	–
Disposal of treasury shares	–	0	0	–	–	–
Dividends	–	–	–	–	–	–
Changes in ownership interests of parent due to transactions with non-controlling interests	–	(3,776)	–	–	–	–
Increase (decrease) from newly consolidated subsidiaries	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	11,702	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–
Total transactions and others with owners	4,500	12,426	(1)	–	–	–
Balance as of March 31, 2021	18,530	31,302	(159)	15	(7)	(221)

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Retained earnings	Total equity attributable to owners of parent		
	Exchange differences on translation of foreign operations	Total other components of equity				
Balance as of April 1, 2020	(286)	(495)	(7,295)	24,958	13,931	38,889
Profit	–	–	(9,728)	(9,728)	(1,040)	(10,769)
Other comprehensive income	(131)	(135)	–	(135)	(42)	(177)
Comprehensive income	(131)	(135)	(9,728)	(9,864)	(1,082)	(10,946)
Issuance of new shares	–	–	–	9,000	–	9,000
Purchase of treasury shares	–	–	–	(1)	–	(1)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	(578)	(578)	(316)	(894)
Changes in ownership interests of parent due to transactions with non-controlling interests	–	–	–	(3,776)	(5,352)	(9,128)
Increase (decrease) from newly consolidated subsidiaries	–	–	–	–	(1,276)	(1,276)
Changes in ownership interest in subsidiaries	–	–	–	11,702	464	12,166
Transfer from other components of equity to retained earnings	–	–	–	–	–	–
Total transactions and others with owners	–	–	(578)	16,348	(6,480)	9,868
Balance as of March 31, 2021	(417)	(630)	(17,602)	31,442	6,368	37,810

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Loss before tax	(8,839)	(13,961)
Depreciation and amortization	25,950	22,592
Impairment losses	10,619	4,121
Finance income	(275)	(2,421)
Finance costs	4,507	3,219
Loss (gain) on sale and retirement of fixed assets	196	204
Decrease (increase) in inventories	357	566
Decrease (increase) in trade and other receivables	1,881	(4,567)
Increase (decrease) in trade and other payables	(4,668)	(2,934)
Other	1,329	(1,498)
Subtotal	31,058	5,321
Interest and dividends received	116	141
Interest paid	(2,682)	(2,794)
Income taxes refund	–	1,953
Income taxes paid	(2,419)	(1,201)
Cash flows from operating activities	26,072	3,420
Cash flows from investing activities		
Payments into time deposits	(12)	(12)
Proceeds from withdrawal of time deposits	–	85
Purchase of property, plant and equipment	(9,296)	(5,323)
Proceeds from sale of property, plant and equipment	240	335
Purchase of investment securities	(3,084)	(0)
Payments of leasehold and guarantee deposits	(578)	(680)
Proceeds from refund of leasehold and guarantee deposits	1,468	3,096
Payments for acquisition of consolidated subsidiaries	–	(4,369)
Payments for acquisition of businesses	(2,589)	(3,009)
Other	(1,498)	(3,046)
Cash flows from investing activities	(15,348)	(12,924)

(Millions of yen)

	Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,471	8,046
Proceeds from long-term borrowings	34,223	28,909
Repayments of long-term borrowings	(41,242)	(17,598)
Proceeds from issuance of bonds	19,699	13,467
Redemption of bonds	(10,677)	(13,044)
Proceeds from disposal of treasury shares of subsidiaries	678	–
Repayments of lease liabilities	(19,545)	(19,587)
Proceeds from issuance of shares	–	9,000
Purchase of treasury shares of consolidated subsidiaries	–	(9,123)
Dividends paid	(578)	(578)
Dividends paid to non-controlling interests	(432)	(314)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	16,712
Other	66	(1)
Cash flows from financing activities	(12,338)	15,890
Effect of exchange rate changes on cash and cash equivalents	(25)	(180)
Net increase (decrease) in cash and cash equivalents	(1,639)	6,207
Cash and cash equivalents at beginning of period	33,854	32,215
Cash and cash equivalents at end of period	32,215	38,422