

Summary of Financial Results for the Second Quarter Ended August 31, 2021 [IFRS] (Consolidated)

October 14, 2021

Company **create restaurants holdings inc.** Listed on the TSE
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 Expected date of filing of quarterly report: October 14, 2021 Expected starting date of dividend payment: November 15, 2021
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Rounded down to million yen)

1. Consolidated business results for the six months ended August 2021 (March 1, 2021 through August 31, 2021)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the period		Profit attributable to owners of parent		Total comprehensive profit for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Aug. 2021	34,493	7.7	7,314	-	7,170	-	5,267	-	4,823	-	5,473	-
Six months ended Aug. 2020	32,031	-49.6	-9,760	-	-10,198	-	-10,169	-	-9,165	-	-10,497	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Aug. 2021	25.83	25.82
Six months ended Aug. 2020	-49.07	-49.07

(Reference) Adjusted EBITDA: Six months ended Aug. 2021: 15,121 million yen (-%)

Six months ended Aug. 2020: -1,006 million yen (-%)

(Note 1) "Basic earnings per share" and "Diluted earnings per share" are calculated based on "Profit attributable to owners of parent."

(Note 2) As for the diluted earnings per share for the six months ended August 2021, dilutive shares have no dilution effect because the exercise of stock options issued by consolidated subsidiary decreases quarterly loss per share.

(Note 3) Adjusted EBITDA is disclosed as useful comparative information on the business performance of the Group. For definitions and calculation methods of Adjusted EBITDA, please refer to "1. Qualitative Information on Results for the Current Quarter (1) Qualitative information on the consolidated financial results" on page 2 of the attached document.

(Note 4) During the previous fiscal year, the Company finalized the provisional accounting treatment for business combinations, and the related consolidated operating results for the six months of the previous fiscal year reflect the provisional accounting treatment.

(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	%
As of Aug. 2021	158,200	28,316	21,657	13.7
As of Feb. 2021	161,966	23,264	17,052	10.5

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Feb. 2021	-	0.00	-	0.00	0.00
Year ending Feb. 2022	-	1.50	-	-	-
Year ending Feb. 2022 (forecast)	-	-	-	3.00	4.50

(Note) Revisions to dividend forecast for the current quarter: Yes

3. Forecast of consolidated business results for the fiscal year ending February 2022

(March 1, 2021 through February 28, 2022)

(% change from the previous corresponding period)

	Revenue		Operating profit		Profit before taxes		Profit for the year		Profit attributable to owners of parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Feb. 2022	91,200	22.5	10,800	-	10,200	-	7,400	-	6,500	-	34.80

(Note) Revisions to business forecast for the current quarter: Yes

(Reference) Adjusted EBITDA: Year ending February 2022 (Forecast): 27,100 million yen (428.2%)

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies required under IFRS : Yes

② Changes in accounting policies due to reasons other than ① : None

③ Changes in accounting estimates : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of August 2021 189,445,284 shares

As of February 2021 189,445,284 shares

② Treasury stock at the end of period

As of August 2021 2,661,050 shares

As of February 2021 2,662,150 shares

③ Average number of stock during period (quarterly cumulative period)

Six months ended August 2021 186,783,262 shares

Six months ended August 2020 186,781,037 shares

(Note) Treasury stock to be deducted for the calculation of the number of treasury stock at the end of the period and the average number of stock during period (quarterly cumulative period) include the Company's shares held by the Custody Bank of Japan, Ltd. (trust account) as a trust asset related to the Employee Incentive Plan "Trust-type ESOP for Employees."

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

*Explanation regarding appropriate use of business forecasts and other special instructions

(1) Our Group adopted International Financial Reporting Standards ("IFRS").

(2) Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. Please refer to page 3 of the attached document for the precautions for using the prerequisites for business forecasts.

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1. Qualitative Information on Results for the Current Quarter

(1) Qualitative information on the consolidated financial results

In the second quarter of the current fiscal year, the Japanese economy was affected by the outbreak of COVID-19, as same as the previous fiscal year. The State of Emergency was lifted on June 20, 2021 except for Okinawa Prefecture. However, on July 12 it was redeclared in Tokyo for the fourth time, and the target area was subsequently expanded to 21 prefectures, and the period was extended to September. In addition, the stricter COVID-19 measures have been applied intermittently in various regions, and economic activities have continued to be restrained as a result of these measures, and corporate activities and consumer spending have been weak. However, it is expected to show signs of recovery as vaccination rate is on the rise and the government has formulated a policy to normalize the socio-economy by easing restrictions.

In the restaurant industry, there is a need to respond to lifestyle changes, such as the increase in remote workers and the self-restraint of business dinners. In addition, the number of customers had been declining reflecting the suspend of operations and shortening of business hours, etc. due to the State of Emergency by governments and local governments and various requests related to stricter COVID-19 measures. However, these harsh business environment shows signs of recovery with the expansion of the subsidy system by each local government.

Under these circumstances, our group cooperated to prevent the spread of infections and to protect the health of customers and our employees. In response to the requests from governments and local governments for shorter operating hours and the ban on serving alcohol, we temporarily suspended many outlet operations, particularly in the izakaya format in downtown areas. Meanwhile, since the previous fiscal year, our group has continued to strengthen operations to reduce personnel expenses, rent, and other fixed costs. At the same time, the Group has promoted a shift to a lean cost structure by thoroughly closing outlets, mainly unprofitable outlets. At the same time, the Group has established a system that can respond to the decline in revenue due to the impact of COVID-19 by applying for employment adjustment subsidies and subsidy for shorten operating hours, etc. In addition, we prepared to establish a joint venture with consolidated subsidiary SFP Holdings Co., Ltd. to undertake purchasing planning functions with the aim of reducing costs and maximizing the value of foodstuffs. Under the leadership of the newly launched DX Promotion Office, we also focused on preparations for the introduction of mobile orders and the use of apps tailored to business formats as the Group's digital transformation (DX) efforts. As a result, during the second quarter of the current fiscal year, our performance has been severely affected by COVID-19 but was able to secure a profit in operating profit and other each profit. As a result of establishing a system that can respond to the decline in revenue through the aforementioned measures, we have determined that we could ensure profitability at each profit in and after the third quarter of the fiscal year under review.

The Company has secured sufficient working capital on hand through borrowings from financial institutions executed in the previous fiscal year, etc. until the expansion of infection is controlled. In addition, as a result of procuring funds through a perpetual subordinated loan in February 2021, financial stability has also been ensured.

As a result, in the second quarter of the current fiscal year, revenue was 34,493 million yen (up 7.7% year on year), operating profit was 7,314 million yen (9,760 million yen of loss in the same period of the previous fiscal year), profit before taxes was 7,170 million yen (10,198 million yen of loss in the same period of the previous fiscal year), profit for the period was 5,267 million yen (10,169 million yen of loss in the same period of the previous fiscal year), and profit attributable to owners of parent was 4,823 million yen (9,165 million yen of loss in the same period of the previous fiscal year). Adjusted EBITDA was 15,121 million yen (-1,006 million yen in the same period of the previous fiscal year) and Adjusted EBITDA margin was 43.8% (-3.1% in the same period of the previous fiscal year) (Note 1).

(Note 1) Adjusted EBITDA and Adjusted EBITDA margin are used as a useful indicator of our financial results.

The formula for Adjusted EBITDA and Adjusted EBITDA margin is as follows:

Adjusted EBITDA = Operating profit + Other operating expenses - Other operating revenues (excluding sponsorship income, employment adjustment subsidies, subsidy for cooperation of shorten operating hours, rent reductions and exemptions, etc.) + Depreciation and amortization + Non-recurring expense items (advisory expenses related to share acquisition, etc.)

• Adjusted EBITDA margin = Adjusted EBITDA/Revenue × 100

(2) Qualitative information on consolidated financial position

(1) Assets, liabilities and shareholders' equity

(Assets)

Current assets at the end of the second quarter of the current fiscal year were 47,465 million yen, increased by 1,715 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 5,430 million yen in cash and cash equivalents, and an increase of 7,857 million yen in trade and other receivables.

Non-current assets at the end of the second quarter of the current fiscal year were 110,734 million yen, decreased by 5,482 million yen from the end of the previous fiscal year. This was mainly due to decreases of 5,208 million yen in property, plant and equipment and 466 million yen in guarantee deposits included in other financial assets.

(Liabilities)

The balance of liabilities at the end of the second quarter of the current fiscal year was 129,883 million yen, decreased by 8,819 million yen from the end of the previous fiscal year. This was mainly due to decreases of 4,345 million yen in bonds and borrowings and 3,595 million yen in lease obligations.

(Assets)

The balance of shareholders' equity at the end of the second quarter of the current fiscal year was 28,316 million yen, increased by 5,052 million yen from the end of the previous fiscal year. This was mainly due to an increase of 4,326 million yen in retained earnings.

The ratio of equity attributable to owners of the parent (equity ratio) is 13.7%.

(2) Consolidated results of cash flows

Cash and cash equivalents (hereinafter "Net cash") at the end of the second quarter of the current fiscal year was 31,881 million yen, decreased by 5,430 million yen from the end of the previous fiscal year.

The status of each cash flow in the second quarter of the current consolidated fiscal year and its factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the second quarter was 6,846 million yen (4,105 million yen was used in the same period of the previous fiscal year). This was mainly due to the recording of 7,170 million yen in profit before taxes, 8,156 million yen in depreciation and amortization, and -8,028 million yen in change in trade and other receivables.

(Cash flow from investing activities)

Net cash used in investing activities in the second quarter was 824 million yen (down 65.9% year on year). This was mainly due to purchase of property, plant and equipment of 640 million yen.

(Cash flow from financing activities)

Net cash provided by financing activities in the second quarter was 11,464 million yen (27,576 million yen was provided in the same period of the previous fiscal year). This was mainly due to repayments of lease liabilities of 6,616 million yen, repayments of long-term loans payable of 3,589 million yen.

(3) Qualitative information on the consolidated business forecasts

As for the outlook for the current fiscal year, the timing of the containment of COVID-19 is not clearly foreseen, and we expect that the period of instability will continue, with revenues and profits depending on the infection situation. In addition, customers' lifestyles are changing due to the impact of COVID-19, and it is still difficult to predict what kind of lifestyles will take root in the future.

We will strengthen our business foundation by securing profits by focusing on reviewing outlet locations and developing new business formats in anticipation of post-COVID era, and maintaining and reinforcing the lean management structure realized through thorough cost reductions undertaken to combat COVID-19, on the assumption that customer needs will not completely reverse.

For the fiscal year ending February 2022, we have revised the revenue forecast downward as the recovery in business environment has been slowed down due to the effects of the repeated extension of the State of Emergency and other factors. However, each profit item has been revised upward from the consolidated business forecasts announced on July 14, 2021. This was attributable to the completion and establishment of the shift to more lean cost structure, as well as the underpinning of cooperation and employment adjustment subsidies that exceeded initial forecasts. For details, please refer to the "Notice of Revision to Business Forecasts and Dividend Forecast" announced on October 14, 2021.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	Previous Fiscal Year (February 28, 2021)	Current Second Quarter (August 31, 2021)
Assets		
Current assets		
Cash and cash equivalents	37,312	31,881
Trade and other receivables	5,287	13,145
Other financial assets	283	597
Inventories	659	677
Other current assets	2,207	1,162
Total current assets	45,750	47,465
Non-current assets		
Property, plant and equipment	71,692	66,484
Goodwill	23,060	23,157
Intangible assets	7,117	6,995
Other financial assets	10,147	9,536
Deferred tax assets	4,187	3,876
Other non-current assets	11	683
Total non-current assets	116,216	110,734
Total assets	161,966	158,200

(Million yen)

	Note	Previous Fiscal Year (February 28, 2021)	Current Second Quarter (August 31, 2021)
Liabilities and assets			
Liabilities			
Current liabilities			
Trade and other payables		2,449	1,952
Bonds and borrowings		40,298	39,025
Lease liabilities		11,360	10,868
Other financial liabilities		84	63
Income taxes payable		523	1,401
Provision		2,146	1,611
Other current liability		7,796	7,413
Total current liabilities		64,659	62,335
Non-current liability			
Bonds and borrowings		29,967	26,894
Lease liabilities		37,408	34,304
Obligations for retirement pay		774	728
Provision		3,343	3,296
Deferred tax liabilities		2,049	1,999
Other non-current liabilities		500	324
Total non-current liabilities		74,042	67,547
Total liabilities		138,702	129,883
Capital			
Capital stock		1,012	50
Capital surplus		3,267	4,299
Other equity instruments		14,832	14,832
Retained earnings		-618	3,708
Treasury stock		-1,250	-1,250
Other components of equity		-189	16
Equity attributable to the owners of parent		17,052	21,657
Non-controlling equity		6,211	6,659
Total capital		23,264	28,316
Total liabilities and shareholders' equity		161,966	158,200

(2) Condensed Quarterly Consolidated Statements of Income and Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Income

Cumulative Second Quarter

(Million yen)

	Previous Second Quarter (March 1, 2020 - August 31, 2020)	Current Second Quarter (March 1, 2021 - August 31, 2021)
Revenue	32,031	34,493
Cost of sales	-9,369	-9,721
Gross profit	22,662	24,772
Selling, general and administrative expenses	-38,405	-34,727
Other operating revenue	7,359	17,733
Other operating expenses	-1,377	-463
Operating profit (loss)	-9,760	7,314
Financial income	50	184
Financing cost	-487	-329
Profit (loss) for the period	-10,198	7,170
Corporate income tax expense	28	-1,903
Profit (loss) for the period	-10,169	5,267
Net profit attributable to		
Owners of parent	-9,165	4,823
Non-controlling equity	-1,004	443
Profit (loss) for the period	-10,169	5,267
Profit per share attributable to owners of parent (yen)		
Basic earnings (loss) per share	-49.07	25.83
Diluted earnings (loss) per share	-49.07	25.82

Second Quarter Alone

(Million yen)

	Previous Second Quarter (June 1, 2020 - August 31, 2020)	Current Second Quarter (June 1, 2021 - August 31, 2021)
Revenue	20,219	16,753
Cost of sales	-5,735	-4,693
Gross profit	14,483	12,059
Selling, general and administrative expenses	-19,270	-17,258
Other operating revenue	3,649	11,107
Other operating expenses	-835	-114
Operating profit (loss)	-1,973	5,794
Financial income	48	72
Financing cost	-265	-157
Profit (loss) for the period	-2,190	5,709
Corporate income tax expense	-	-1,510
Profit (loss) for the period	-2,190	4,199
Net profit attributable to		
Owners of parent	-1,802	3,755
Non-controlling equity	-387	443
Profit (loss) for the period	-2,190	4,199
Profit per share attributable to owners of parent (yen)		
Basic earnings (loss) per share	-9.65	20.11
Diluted earnings (loss) per share	-9.65	20.11

Consolidated Statements of Comprehensive Profit
Cumulative Second Quarter

(Million yen)

	Previous Second Quarter (March 1, 2020 - August 31, 2020)	Current Second Quarter (March 1, 2021 - August 31, 2021)
Profit (loss) for the period	-10,169	5,267
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-327	206
Total	-327	206
Total other comprehensive profit	-327	206
Comprehensive profit	-10,497	5,473
Comprehensive profit attributable to		
Owners of parent	-9,493	5,030
Non-controlling equity	-1,004	443
Comprehensive profit	-10,497	5,473

Second Quarter Alone

(Million yen)

	Previous Second Quarter (June 1, 2020 - August 31, 2020)	Current Second Quarter (June 1, 2021 - August 31, 2021)
Profit (loss) for the period	-2,190	4,199
Other comprehensive profit		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	-134	-14
Total	-134	-14
Total other comprehensive profit	-134	-14
Comprehensive profit	-2,325	4,184
Comprehensive profit attributable to		
Owners of parent	-1,937	3,741
Non-controlling equity	-387	443
Comprehensive profit	-2,325	4,184

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Previous Second Quarter (March 1, 2020 to August 31, 2020)

(Million yen)

	Equity attributable to owners of parent									
						Other components of equity		Total	Non-controlling equity	Total capital
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Foreign currency translation adjustments	Total				
Balance at March 1, 2020	1,012	3,153	13,244	-1,252	58	58	16,216	7,899	24,115	
Loss for the period	-	-	-9,165	-	-	-	-9,165	-1,004	-10,169	
Other comprehensive profit	-	-	-	-	-327	-327	-327	-	-327	
Comprehensive profit	-	-	-9,165	-	-327	-327	-9,493	-1,004	-10,497	
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-2	-	-	-	-	-2	2	0	
Share-based payment transactions	-	61	-	-	-	-	61	-	61	
Other	-	-0	-	0	-	-	0	-0	0	
Total transactions with owners	-	59	-	0	-	-	60	2	63	
Balance at August 31, 2020	1,012	3,213	4,078	-1,251	-269	-269	6,783	6,897	13,680	

Current Second Quarter (March 1, 2021 to August 31, 2021)

(Million yen)

	Equity attributable to owners of parent									
						Other components of equity		Total	Non-controlling equity	Total capital
	Capital stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Foreign currency translation adjustments	Total			
Balance at March 1, 2021	1,012	3,267	14,832	-618	-1,250	-189	-189	17,052	6,211	23,264
Profit for the period	-	-	-	4,823	-	-	-	4,823	443	5,267
Other comprehensive profit	-	-	-	-	-	206	206	206	-	206
Comprehensive profit	-	-	-	4,823	-	206	206	5,030	443	5,473
Capital reduction	-962	962	-	-	-	-	-	-	-	-
Increase (decrease) in other capital surplus due to change in equity in consolidated subsidiaries	-	-1	-	-	-	-	-	-1	4	2
Share-based payment transactions	-	72	-	-	-	-	-	72	-	72
Payments of distributions to owners of other equity instruments	-	-	-	-497	-	-	-	-497	-	-497
Other	-	-0	-	-	0	-	-	0	-0	0
Total transactions with owners	-962	1,032	-	-497	0	-	-	-425	4	-421
Balance at August 31, 2021	50	4,299	14,832	3,708	-1,250	16	16	21,657	6,659	28,316

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	(Million yen)	
	Previous Second Quarter (March 1, 2020 - August 31, 2020)	Current Second Quarter (March 1, 2021 - August 31, 2021)
Cash flows from operating activities		
Profit (loss) for the period	-10,198	7,170
Depreciation and amortization	8,693	8,156
Impairment loss	978	289
Interest income	-3	-3
Interest expense	282	329
Loss (gain) on sale of non-current assets	-0	-1
Loss on retirement of non-current assets	19	1
Decrease (increase) in inventories	228	-14
Decrease (increase) in trade and other receivables	64	-8,028
Increase (decrease) in trade and other payables	-1,212	-463
Increase (decrease) in net retirement benefit liability	21	9
Increase (decrease) in allowance	212	-175
Other changes	-2,047	-414
Sub-total	-2,959	6,855
Interest and dividend received	3	2
Interest expenses paid	-135	-177
Income taxes paid	-1,015	-795
Income taxes refunded	0	961
Cash flows from operating activities	-4,105	6,846
Cash flow from investing activities		
Payments into time deposits	-54	-318
Proceeds from withdrawal of time deposits	573	12
Purchase of property, plant and equipment	-2,629	-640
Proceeds from sales of property, plant and equipment	2	1
Payments for asset retirement obligations	-262	-276
Purchase of intangible assets	-41	-18
Payments of guarantee deposits	-95	-26
Proceeds from collection of guarantee deposits	153	461
Other	-67	-19
Cash flow from investing activities	-2,421	-824

(Million yen)

	Note	Previous Second Quarter (March 1, 2020 - August 31, 2020)	Current Second Quarter (March 1, 2021 - August 31, 2021)
Cash flow from financing activities			
Net increase (decrease) in short-term borrowings		40,910	-1,500
Proceeds from long-term debt		2,080	1,030
Repayment of long-term loans payable		-8,859	-3,589
Redemption of bonds		-268	-288
Repayments of lease liabilities		-6,285	-6,616
Cash dividends paid		-1	-0
Payments of distributions to owners of other equity instruments		-	-502
Other		0	2
Cash flow from financing activities		27,576	-11,464
Effect of exchange rate change on cash and cash equivalents		-29	11
Net increase (decrease) in cash and cash equivalents		21,019	-5,430
Balance of cash and cash equivalents at beginning of period		17,918	37,312
Balance of cash and cash equivalents at period-end		38,938	31,881

(5) Notes on the Condensed Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

None

(Changes in accounting policies)

The important accounting policies applied in the Group's condensed quarterly consolidated financial statements are identical to the accounting policies applied in the consolidated financial statements for the previous fiscal year.

The income tax expense for the second quarter of the current fiscal year is calculated based on the estimated annual effective tax rate.

From the first quarter of the current fiscal year, the Group has adopted the following standard.

IFRS	Outline of new standard and amendment
IFRS No. 16 Leases	The amended accounting treatment for rent reductions related to COVID-19 after June 30, 2021.

This revision allows lessees that have received rent reductions and exemptions as a direct consequence of the spread of a new coronavirus (COVID-19) infections to select a simplified accounting treatment. The period of application has been extended by the revision in March 2021.

Our Group has applied this method to the reduction of rent that meets the above requirements continued from the previous fiscal year.

Profit before taxes for the second quarter of the current fiscal year increased by 561 million yen due to the adoption of this new accounting standard.

(Segment Information)

Segment information is omitted because the Group's business is categorized as restaurant business and there are no segments to be categorized.

(Per-stock Information)

Basic profit (loss) per share and diluted profit (loss) per share and the basis for calculation are as follows.

(Million yen)

	Previous Second Quarter (March 1, 2020 - August 31, 2020)	Current Second Quarter (March 1, 2021 - August 31, 2021)
Profit (loss) attributable to owners of parent	-9,165	4,823
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-	-0
Profit (loss) for the period used to compute diluted profit per share	-9,165	4,823
Weighted average number of shares of common shares outstanding (shares)	186,781,037	186,783,262
Weighted average number of common diluted shares outstanding (shares)	186,781,037	186,783,262
Basic profit (loss) per share (yen)	-49.07	25.83
Diluted profit (loss) per share (yen)	-49.07	25.82
Summary of potentially dilutive shares not included in the calculation of diluted loss per share due to their anti-dilutive effect	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000)	-

(Note) 1. "Basic profit (loss) per share" and "Diluted profit (loss) per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares, from the calculation of the average number of shares during the period. (Previous second quarter: 1,997,696 shares, current second quarter: 1,995,471 shares)

2. In the diluted loss per share for the second quarter of the previous fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of "diluted loss per share" because they are anti-dilutive.

(Million yen)

	Previous Second Quarter (June 1, 2020 - August 31, 2020)	Current Second Quarter (June 1, 2021 - August 31, 2021)
Profit (loss) attributable to owners of parent	-1,802	3,755
Adjustments to profit for the period		
Adjustments for dilutive shares issued by subsidiaries	-	-0
Profit (loss) for the period used to compute diluted profit per share	-1,802	3,755
Weighted average number of shares of common shares outstanding (shares)	186,781,455	186,783,390
Weighted average number of common diluted shares outstanding (shares)	186,781,455	186,783,390
Basic profit (loss) per share (yen)	-9.65	20.11
Diluted profit (loss) per share (yen)	-9.65	20.11
Summary of potentially dilutive shares not included in the calculation of diluted loss per share due to their anti-dilutive effect	Stock options issued by consolidated subsidiaries (Number of shares subject to stock options: 12,000)	-

(Note) 1. "Basic earnings (loss) per share" and "Diluted earnings (loss) per share" are calculated by deducting our shares held by the "Trust-type ESOP for Employees," which are recorded as treasury shares, from the calculation of the average number of shares during the period. (Previous second quarter: 1,997,278 shares, current second quarter: 1,995,343 shares)

2. In the diluted loss per share for the second quarter of the current fiscal year, 12,000 stock options issued by a consolidated subsidiary are not included in the calculation of "diluted loss per share" because they are anti-dilutive.

(Significant subsequent events)

None