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November 5, 2024

Consolidated Financial Results
for the Six Months Ended September 30, 2024
(Under Japanese GAAP)

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 Securities code: 8163 URL: <https://srs-holdings.co.jp/>
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 Scheduled date to file semi-annual securities report: November 12, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	31,481	7.8	1,597	64.7	1,512	56.3	944	32.2
September 30, 2023	29,203	12.7	969	-	967	-	714	-

Note: Comprehensive income For the six months ended September 30, 2024: 865 million yen [-4.9%]
 For the six months ended September 30, 2023: 910 million yen [-%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	22.83	21.44
September 30, 2023	17.28	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	41,914	16,717	38.8
March 31, 2024	35,733	16,159	44.0

Reference: Shareholders' equity As of September 30, 2024: 16,247 million yen
 As of March 31, 2024: 15,735 million yen

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen
	-	0.00	-	7.50	7.50
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (forecast)			-	7.50	7.50

Note: Revisions to the forecast of cash dividends most recently announced: None

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3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	64,000	6.3	2,400	11.3	2,300	6.4	1,500	(16.6)

Note: Revisions to the consolidated earnings forecasts most recently announced: None

Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Two companies AMINO CO., LTD.
SUSHIKAN FOODS CO., LTD.

Note: For details, please refer to “2. Semi-Annual Consolidated Financial Statements and Notes (4) Notes to Semi-Annual Consolidated Financial Statements (Changes in the Scope of Consolidation or Application of the Equity Method)” on page 12 of the Attachments.

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:

None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2024	41,470,184 shares
As of March 31, 2024	41,470,184 shares

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

As of September 30, 2024	119,043 shares
As of March 31, 2024	119,043 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	41,351,141 shares
Six months ended September 30, 2023	41,351,095 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

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1. Overview of Operating Results**(1) Semi-Annual Operating Results**

(Millions of yen)

	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)			First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)		
	Results	YoY change (Amount)	YoY change (%)	Results	YoY change (Amount)	YoY change (%)
Net sales	29,203	3,282	12.7	31,481	2,278	7.8
Operating profit	969	1,691	-	1,597	627	64.7
Ordinary profit	967	1,730	-	1,512	544	56.3
Profit attributable to owners of parent	714	1,579	-	944	229	32.2

During the first half of the fiscal year, changes in consumption behavior in some regions due to the Nankai Trough Earthquake Extra Information announced in August 2024 and Typhoon Shanshan that hit Western Japan across the end of August and the beginning of September 2024 and consumer's increased desire to save money as a result of continued price increases had a negative impact. However, net sales increased year on year due to steady consumer purchasing activities in the food service industry, as social and economic activities normalized and the flow of people increased, inbound demand increased, and a trend towards high wage increased. At the same time, the business environment remained challenging due to factors such as the prolonged Russia-Ukraine conflict, heightened geopolitical risks associated with the intensifying Middle Eastern situation, soaring cost of materials and energy caused by the continued depreciation of the yen, rising labor costs due to labor shortages, and rising distribution costs due to the "2024 problem." Despite these issues, operating profit, ordinary profit and profit attributable to owners of the parent increased significantly year on year due to improved profitability at existing stores as a result of various measures implemented in the previous fiscal year and strong sales.

Achieving a rapid recovery from the impact of the COVID-19 pandemic and making current business more profitable are major goals of the medium-term business plan. As part of initiatives to reach these goals, in order to address management issues recognized by the Group, such as the development of management personnel, M&A, accelerating overseas expansion, and strengthening current businesses, and to formulate a new medium-term business plan, we entered into a business alliance agreement with Advantage Advisors Co., Ltd., which has a track record of consulting for multiple food service industries. In addition, we acquired all outstanding shares of AMINO CO., LTD. and made it a subsidiary as it is expected that the acquisition will significantly contribute to the establishment of a business foundation in new regions that have not been developed before, synergies with current businesses such as cost reduction, and the achievement of the medium-term management plan. AMINO CO., LTD. operates 31 restaurants in Japan mainly in the Tohoku region and two restaurants abroad (as of June 30, 2024), including "Umai Sushikan," a sushi restaurant. Also to promote targeting demand for prepared meals that are consumed at home, one of the key themes of the medium-term business plan, the Board of Directors resolved to acquire all outstanding shares of SINGA,inc. making it a subsidiary as of October 1, 2024. SINGA,inc. operates nine restaurants in the Kansai region (as of September 30, 2024), including "Beefsteak Ushinofuku," a beef steak rice box restaurant. We have also formulated Customer Harassment Response Guidelines to respect the human rights and dignity of both customers and employees, create an environment in which employees can work with peace of mind, and maintain healthy relationships with customers. Specific initiatives and overviews of each major business category are as follows.

Washoku Sato restaurants

To further increase productivity, the use of cleaning robots was expanded to 73 locations. Large-scale renovations were conducted at seven stores with the aim of improving customer satisfaction and enhancing profitability. In addition, we revised our standard menu in April with the aim of responding to the continued rise in raw materials prices and improving product value. As a result, the average spending per customer and number of customers remained steady. Meanwhile, effective marketing measures were taken by combining sales of high-value-added products such as all-you-can-eat matsutake and all-you-can-eat Norwegian salmon in the lineup of all-you-can-eat courses such as Sato-shiki Yakiniku and Sato-shabu, and various media such as TV commercials and SNS ads featuring celebrity Nagisa Shibuya, online ads, and leaflets delivered with newspapers. During the first half of the fiscal year under review, one restaurant was opened and one was closed, resulting in 197 locations. As a result, net

sales rose 6.7% year on year, to 13,587 million yen.

“Nigiri Chojiro” restaurants

To further increase productivity, we began a trial introduction of table service robots at three locations and a trial introduction of a check-in function that allows customers to reserve seats and check in via an app at three locations to improve customer convenience. Also, to improve customer satisfaction and strengthen earning capacity, one store was renovated. Aiming to further increase net sales, a Sawayagi no Bimi Fair was held, and various menu measures were implemented, such as sea bass carpaccio using sea bass that is in season in summer and eel (hamo) tempura using rich, flavorful eel. During the first half of the fiscal year under review, two restaurants were opened, resulting in 70 locations. As a result, net sales rose 5.5% year on year, to 6,995 million yen.

Kazokutei restaurants

To bring in customers more frequently, the *Kazokutei* app was used to provide information about promotions and distribute discount coupons, and promotions were held on Instagram, X and TikTok. A Shinshu Fair was held from June to July, during which Shinshu Tenzaru Soba, using Shinshu Fukumi Chicken and vegetables grown in Nagano Prefecture, and Tsukesoba with Shinshu Pork and Three Types of Mushrooms, using Shinshu pork and mushrooms from Nagano Prefecture were sold with the goal of more sales growth. In August, a Summer Food Fair was held, that featured high-priced products such as a Kobe Beef Rice Box and Soba Set, using Kobe beef. As a result, net sales rose 4.6% year on year to 2,499 million yen.

Tendon Tempura Honpo Santen restaurants

To further improve productivity, the self-service restaurant format implemented since the previous fiscal year has been expanded and in June 2024, the Nagayoshinagahara store was renovated and reopened as the fourth self-service store. To increase value, we developed new products, such as limited-time tempura bowls and tempura using ma-anago (salt-water eels) and pacific saury, and we held a PayPay campaign and distributed coupons only for app members and information about special promotions, alongside promotions on YouTube, X and other SNS with the goal of more sales growth. As a result, net sales rose 4.1% year on year to 1,248 million yen.

Segment information is not provided because the SRS Group has only the food service business segment.

SRS Group: Opening and closure of restaurants

(Number of restaurants)

Name	FY3/24 (As of Mar. 31, 2024)	Increase or decrease due to M&A	Newly opened restaurants	Closed restaurants	First six months of FY3/25 (As of Sep. 30, 2024)	Restaurants planned to open during FY3/25
<i>Washoku Sato</i>	197 (-)	- (-)	1 (-)	1 (-)	197 (-)	5
<i>Nigiri Chojiro/CHOJIRO</i>	68 (-)	- (-)	2 (-)	- (-)	70 (-)	4
<i>Kazokutei*</i>	59 (7)	- (-)	- (-)	- (-)	59 (7)	-
<i>Tokutoku</i>	58 (47)	- (-)	1 (-)	2 (2)	57 (45)	2
<i>Katsuya</i>	48 (15)	- (-)	1 (-)	- (-)	49 (15)	6
<i>Tendon Tempura Honpo Santen</i>	34 (1)	- (-)	- (-)	- (-)	34 (1)	-
<i>Amino sushi business*</i>	- (-)	31 (-)	1 (-)	- (-)	32 (-)	-
<i>Miyamoto Munashi</i>	24 (1)	- (-)	- (-)	- (-)	24 (1)	-
<i>Sushi delivery business</i>	13 (3)	- (-)	- (-)	1 (-)	12 (3)	-
<i>Karayama</i>	11 (-)	- (-)	- (-)	- (-)	11 (-)	1
<i>Himawari</i>	8 (-)	- (-)	- (-)	- (-)	8 (-)	-
<i>M&S FC Business*</i>	28 (1)*	- (-)	1 (-)	- (-)	29 (1)	6
<i>Others</i>	14 (-)	- (-)	2 (-)	1 (-)	15 (-)	3
<i>Torisho</i>	180 (180)	- (-)	11 (11)	24 (24)	167 (167)	31
Domestic total	742 (255)	31 (-)	20 (11)	29 (26)	764 (240)	58

Overseas stores	24 (20)	2 (1)	2 (2)	2 (-)	26 (23)	7
Worldwide total	766 (275)	33 (1)	22 (13)	31 (26)	790 (263)	65

Note: Numbers in parentheses include franchised, leased-band and joint venture restaurants.

* *Kazokutei* includes *Kashunan*, *Sanpoan*, *Kazokuan*, *Kyoshun*, and *Kyosai* restaurants.

* Amino sushi business includes *Umai Sushikan*, *Umai Sushikan Yutorogi*, *Umai Sushikan Bekkan Sushimasa*, *Ginza Sushimasa*, *Kaiten Sushi Marukuni* and *Hokkai Sanriku Sumibiyaki Marukan* restaurants.

* M&S FC Business is the total number of stores operated by M&S FOODSERVICE CO., LTD. in the *Popolamama*, *Mister Donut*, *Doutor Coffee*, *Oogamaya* and *Shinpachi Shokudo* restaurants. The number of stores at the end of the previous fiscal year increased by one because we added one franchise store of *Popolamama* that we operate as a franchisor.

(2) Semi-Annual Financial Position

Total assets at the end of the first six months increased 6,181 million yen from the end of the previous fiscal year to 41,914 million yen.

Current assets decreased 2,524 million yen from the end of the previous fiscal year to 14,503 million yen. This was mainly due to a 2,760 million yen decrease in cash and deposits and a 216 million yen increase in other under current assets.

Non-current assets increased 8,691 million yen from the end of the previous fiscal year to 27,287 million yen. This was mainly due to increases of 6,745 million yen in goodwill, 950 million yen in buildings, net and 325 million yen in other, net under property, plant and equipment.

Current liabilities decreased 601 million yen from the end of the previous fiscal year to 9,318 million yen. This was mainly due to decreases of 248 million yen in other current liabilities, 203 million yen in accounts payable-other and 172 million yen in accounts payable-trade.

Non-current liabilities increased 6,223 million yen from the end of the previous fiscal year to 15,878 million yen. This was mainly due to increases of 5,862 million yen in bonds payable, 221 million yen in asset retirement obligations and 180 million yen in provision for retirement benefits for directors (and other officers).

Net assets increased 558 million yen from the end of the previous fiscal year to 16,717 million yen.

(3) Semi-Annual Cash Flows

At the end of the first six months, cash and cash equivalents (hereinafter, “net cash”) decreased 2,760 million yen from the end of the previous fiscal year to 9,610 million yen.

Cash flows and the factors contributing to them during the fiscal year under review were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 1,062 million yen, compared with 1,061 million yen provided in the same period of the previous fiscal year. This was mainly due to profit before income taxes of 1,496 million yen, depreciation of 841 million yen and income taxes paid of 456 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 9,312 million yen, compared with 912 million yen used in the same period of the previous fiscal year. This was mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation of 8,074 million yen and purchase of property, plant and equipment of 1,215 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities was 5,488 million yen, compared with 1,095 million yen used in the same period of the previous fiscal year. This was mainly due to proceeds from issuance of bonds of 6,453 million yen and repayments of long-term borrowings of 592 million yen.

(4) Consolidated Earnings Forecasts and Other Forward-looking Statements

There are no revisions to the full-year consolidated earnings forecast that was announced on May 15, 2024 in the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024.

2. Semi-Annual Consolidated Financial Statements and Notes**(1) Semi-Annual Consolidated Balance Sheet**

(Thousands of yen)

	FY3/24 (As of Mar. 31, 2024)	First six months of FY3/25 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	12,371,553	9,610,800
Accounts receivable - trade	2,721,397	2,650,678
Merchandise	58,151	62,170
Raw materials and supplies	1,124,433	1,203,494
Current portion of long-term loans receivable	65,787	69,312
Other	690,795	907,314
Allowance for doubtful accounts	(3,711)	(214)
Total current assets	17,028,407	14,503,555
Non-current assets		
Property, plant and equipment		
Buildings, net	3,599,471	4,549,958
Land	3,054,228	3,329,650
Other, net	2,641,418	2,966,802
Total property, plant and equipment	9,295,117	10,846,412
Intangible assets		
Goodwill	1,005,170	7,750,742
Other	763,237	688,734
Total intangible assets	1,768,407	8,439,476
Investments and other assets		
Investment securities	971,854	937,358
Long-term loans receivable	607,810	640,537
Guarantee deposits	3,947,385	4,227,266
Deferred tax assets	1,712,459	1,648,911
Other	296,088	551,072
Allowance for doubtful accounts	(3,253)	(3,447)
Total investments and other assets	7,532,345	8,001,700
Total non-current assets	18,595,870	27,287,589
Deferred assets	109,353	123,545
Total assets	35,733,631	41,914,690

	(Thousands of yen)	
	FY3/24 (As of Mar. 31, 2024)	First six months of FY3/25 (As of Sep. 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	1,858,935	1,686,403
Current portion of bonds payable	972,500	1,137,500
Current portion of long-term borrowings	1,164,678	1,208,538
Accounts payable - other	3,087,153	2,883,770
Income taxes payable	504,834	439,948
Provision for bonuses	606,149	482,991
Provision for loss on store closings	11,534	13,613
Other	1,714,156	1,465,942
Total current liabilities	9,919,941	9,318,707
Non-current liabilities		
Bonds payable	3,192,500	9,055,000
Long-term borrowings	3,740,382	3,604,118
Deferred tax liabilities for land revaluation	82,947	82,947
Provision for retirement benefits for directors (and other officers)	27,753	207,788
Provision for share awards for directors (and other officers)	39,920	48,540
Retirement benefit liability	21,210	129,185
Asset retirement obligations	1,204,349	1,426,046
Other	1,345,514	1,324,548
Total non-current liabilities	9,654,576	15,878,174
Total liabilities	19,574,518	25,196,881
Net assets		
Shareholders' equity		
Share capital	11,077,683	11,077,683
Capital surplus	4,481,953	4,481,953
Retained earnings	707,858	1,340,859
Treasury shares	(119,707)	(119,707)
Total shareholders' equity	16,147,788	16,780,788
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	494,735	466,298
Deferred gains or losses on hedges	8,008	(85,858)
Revaluation reserve for land	(923,897)	(923,897)
Foreign currency translation adjustment	9,359	10,034
Total accumulated other comprehensive income	(411,795)	(533,422)
Share acquisition rights	-	3,986
Non-controlling interests	423,120	466,457
Total net assets	16,159,113	16,717,809
Total liabilities and net assets	35,733,631	41,914,690

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income
(Semi-Annual Consolidated Statement of Income)

	(Thousands of yen)	
	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)
Net sales	29,203,137	31,481,223
Cost of sales	10,210,236	10,583,864
Gross profit	18,992,901	20,897,358
Selling, general and administrative expenses	18,023,465	19,300,290
Operating profit	969,435	1,597,068
Non-operating income		
Interest income	3,650	3,506
Dividend income	11,172	13,435
Rental income from buildings	31,842	23,438
Foreign exchange gains	37,505	-
Miscellaneous income	27,114	26,112
Total non-operating income	111,285	66,491
Non-operating expenses		
Interest expenses	54,080	55,856
Rental expenses on real estate	23,468	14,393
Foreign exchange losses	-	1,079
Miscellaneous losses	35,667	80,207
Total non-operating expenses	113,216	151,538
Ordinary profit	967,504	1,512,022
Extraordinary income		
Gain on sales of non-current assets	1,612	599
Gain on cancellation of leasehold contracts	1,151	-
Compensation income	66,066	-
Total extraordinary income	68,830	599
Extraordinary losses		
Loss on retirement of non-current assets	17,654	14,587
Loss on sale of non-current assets	194	-
Impairment losses	33,403	235
Loss on store closings	12,185	212
Provision for loss on store closings	-	1,227
Total extraordinary losses	63,437	16,262
Profit before income taxes	972,896	1,496,359
Income taxes - current	202,656	298,125
Income taxes - deferred	25,520	210,872
Total income taxes	228,177	508,997
Profit	744,719	987,361
Profit attributable to non-controlling interests	30,366	43,337
Profit attributable to owners of parent	714,352	944,024

(Semi-Annual Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)
Profit	744,719	987,361
Other comprehensive income		
Valuation difference on available-for-sale securities	138,088	(28,436)
Deferred gains or losses on hedges	29,319	(93,866)
Foreign currency translation adjustment	(1,556)	675
Total other comprehensive income	165,850	(121,627)
Comprehensive income	910,570	865,733
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	880,203	822,396
Comprehensive income attributable to non-controlling interests	30,366	43,337

(3) Semi-Annual Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)
Cash flows from operating activities		
Profit before income taxes	972,896	1,496,359
Depreciation	750,408	841,249
Amortization of goodwill	64,861	70,014
Impairment losses	33,403	235
Increase (decrease) in provision for bonuses	(70,408)	(185,558)
Increase (decrease) in allowance for doubtful accounts	(758)	(3,302)
Increase (decrease) in provision for loss on store closings	-	1,227
Increase (decrease) in retirement benefit liability	(1,638)	-
Interest and dividend income	(14,822)	(16,941)
Interest expenses	54,080	55,856
Compensation income	(66,066)	-
Gain on sale of non-current assets	(1,612)	(599)
Loss on retirement of non-current assets	17,654	14,587
Loss on sale of non-current assets	194	-
Gain on cancellation of leasehold contract	(1,151)	-
Decrease (increase) in trade receivables	(84,024)	233,084
Decrease (increase) in inventories	(31,791)	66,357
Decrease (increase) in accounts receivable - other	(2,961)	10,069
Increase (decrease) in trade payables	(196,751)	(309,689)
Increase (decrease) in accounts payable - other	(109,403)	(313,252)
Increase (decrease) in accrued consumption taxes	(502,976)	(197,383)
Decrease (increase) in consumption taxes refund receivable	-	(1,450)
Other, net	10,466	(207,019)
Subtotal	819,600	1,553,845
Interest and dividends received	11,124	13,506
Interest paid	(53,894)	(53,653)
Proceeds from compensation	66,066	-
Income taxes paid	(37,540)	(456,998)
Income taxes refund	255,793	6,244
Net cash provided by (used in) operating activities	1,061,149	1,062,943
Cash flows from investing activities		
Purchase of property, plant and equipment	(911,090)	(1,215,386)
Proceeds from sale of property, plant and equipment	41,446	599
Purchase of intangible assets	(53,674)	(39,428)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(8,074,842)
Payments for asset retirement obligations	(72,024)	(7,536)
Payments of guarantee deposits	(41,368)	(32,045)
Proceeds from refund of guarantee deposits	145,943	32,929
Payments of construction assistance fund receivables	(56,000)	-
Proceeds from collection of construction assistance fund receivables	38,651	35,712
Other, net	(4,262)	(12,623)
Net cash provided by (used in) investing activities	(912,378)	(9,312,620)

(Thousands of yen)

	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)	First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	500,000
Repayments of long-term borrowings	(527,797)	(592,609)
Repayments of finance lease liabilities	(99,903)	(92,332)
Issuance of bonds	-	6,453,321
Redemption of bonds	(467,500)	(472,500)
Proceeds from issuance of share acquisition rights	-	3,428
Dividends paid	-	(311,023)
Other, net	98	-
Net cash provided by (used in) financing activities	(1,095,103)	5,488,283
Effect of exchange rate change on cash and cash equivalents	9,573	640
Net increase (decrease) in cash and cash equivalents	(936,759)	(2,760,753)
Cash and cash equivalents at beginning of period	12,150,379	12,371,553
Cash and cash equivalents at end of period	11,213,620	9,610,800

(4) Notes to Semi-Annual Consolidated Financial Statements**Changes in the Scope of Consolidation or Application of the Equity Method**

Important changes in the scope of consolidation

During the current interim consolidated period, we acquired all shares of AMINO CO., LTD. and made it a subsidiary. As a result, AMINO CO., LTD. and its subsidiary SUSHIKAN FOODS CO., LTD. are included in the scope of consolidation.

The change in the scope of consolidation is expected to have a significant impact on the consolidated financial statements for the fiscal year to which the current interim consolidated accounting period belongs. The summary of the impact is expected to be an increase in total assets on the consolidated balance sheet and an increase in net sales on the consolidated statement of income.

Significant Changes in Shareholders' Equity

I. First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)

1. Dividend payment

Not applicable.

2. Significant changes in shareholders' equity

In accordance with a resolution approved by the Board of Directors of SRS Holdings on May 22, 2023, on the same day, the capital reserve was reduced by 414,875 thousand yen and the total amount was transferred to other capital surplus. Other capital surplus of 453,283 thousand yen was transferred to retained earnings to offset the retained loss. These changes had no effect on total shareholders' equity.

II. First six months of FY3/25 (Apr. 1, 2024 – Sep. 30, 2024)

1. Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date	Source of funds
Board of Directors Meeting on May 21, 2024	Common shares	311,023	7.50	March 31, 2024	June 28, 2024	Retained earnings

Note: Total dividends paid in accordance with a resolution approved by the SRS Holdings Board of Directors on May 21, 2024 includes a payment of 890 thousand yen for shares held by Custody Bank of Japan, Ltd. (trust account) as trust assets of the Officers' Share Benefit Trust.

2. Significant changes in shareholders' equity

Not applicable.

Going Concern Assumption

Not applicable.

This financial report is solely a translation of the Company's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.