

LEIFRAS CO., LTD. AND SUBSIDIARIES UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the three months ended March 31,	For the three months ended March 31,	For the three months ended March 31,
	2025	2026	2026
	JPY	JPY	US\$
Cash flows from operating activities			
Net income	122,540,262	124,328,004	781,544
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization expense	33,078,421	29,860,560	187,708
Provision for expected credit loss	2,231,985	2,098,333	13,190
Loss on disposal of property and equipment	168,969	4	-
Provision for inventory impairment	58,982	538,926	3,388
Unrealized loss on short-term investment	161,000	-	-
Unrealized gain on long-term investment	-	-2,735,074	-17,193
Unrealized foreign currency exchange loss	1,325,417	-	-
Other non-cash expenses (income)	-830,871	685,062	4,307
Deferred tax expense	29,056,916	16,515,696	103,820
Changes in operating assets and liabilities			
Accounts receivable, net	-34,680,981	-57,791,711	-363,287
Inventories	792,788	7,303,723	45,912
Prepaid expenses	-114,612,715	-95,467,062	-600,120
Long-term deposits	-2,019,600	-5,598,350	-35,192
Other current assets	-17,654,864	-6,799,647	-42,744
Other non-current assets	271,028	-560,317	-3,522
Accounts payable	218,656	18,477,608	116,153
Accrued liabilities	-99,770,693	-91,996,939	-578,306
Contract liabilities	-85,961,299	-78,855,123	-495,695
Operating lease liabilities	-416,121	-2,642,777	-16,613
Income tax payable	-72,177,900	-15,305,523	-96,213
Amount due to a director	-1,000,000	-	-
Other current liabilities	-264,810	17,090,112	107,431
Net cash used in operating activities	-239,485,430	-140,854,495	-885,432
Cash flows from investing activities			
Purchase of investment securities	-	-16,584,426	-104,252
Purchase of property and equipment	-1,795,476	-5,821,892	-36,597
Purchase of intangible assets	-3,085,000	-132,800	-835
Net cash used in investing activities	-4,880,476	-22,539,118	-141,684
Cash flows from financing activities			
Payment of finance lease liabilities	-20,256,439	(23,698,391)	-148,972
Repayment of bank loans	-103,388,000	(52,256,000)	-328,489
Proceeds from bond payable	-	192,832,900	1,212,176
Payment of deferred IPO costs	-58,000,138	-	-
Net cash (used in) provided by financing activities	-181,644,577	116,878,509	734,715
Effect of exchange rate	-1,325,417	-	-
Net decrease in cash	-427,335,900	(46,515,104)	-292,401
Cash at the beginning of period	2,538,554,638	2,524,082,266	15,866,748
Cash at the end of period	2,111,218,738	2,477,567,162	15,574,347
Supplementary cash flow information			
Cash paid for income taxes	75,804,735	43,799,745	275,332
Cash paid for interest expenses	4,345,433	1,930,021	12,132