



Sustainability Report 2026

QB Net Holdings Co.,Ltd.

Why

A business that is built at the expense of something else cannot be sustained.

Leaving out unnecessary steps generates reserve strength and creates balance. And it eliminates sacrifices.

By creating a sustainable balance, true abundance can be achieved.

Going from a place where wasted efforts arise to a place where everything is just right.

We want to remain committed to the way we are in order to continue contributing to a sustainable and prosperous society.

Table of contents

The idea behind the cover of this report: With our aspirations

Techniques, philosophies, unique character and other elements at the core of what we do, the cover of this report depicts an image of our company spreading from Japan to the rest of the world in the form of water ripples, using five brand colors that each represent the concepts of conscientiousness, sincerity, cleanliness, skill, and teamwork.

1 Discover Our Story How QB's Unique Character Was Created

- 5 **The birth of QB**
- 7 Instead of adding things, omit things
- 8 Outlet design that thoroughly eliminates waste and emphasizes efficiency
- 9 Tangibles can be imitated, but intangibles cannot be imitated
- 10 **Organizational revitalization**
- 12 Becoming able to communicate our techniques in words has made us unique
- 14 By taking a serious approach, barbers, hairdressers, and the company experience a win-win situation
- 15 We are trusted, admired, and respected by peers for the very reason that we take our work seriously
- 16 **Reform Promotion**
- 18 Sustainable brand development that benefits all three parties
- 19 Interesting facts we've achieved together in numbers
- 20 Our promise to customers and colleagues
- 21 Building Our Overseas Business into a Second Core Pillar Alongside Japan

2 Future Value Creation Stories

- 23 **PURPOSE**
- Our purpose
- 24 **MATERIALITY**
- Important issues which should be resolved
- 25 **VALUE CREATION PROCESS**
- Challenges in the barbering and hairdressing industry and the goals of QB
- 26 **HISTORY**
- QB Group Trajectory
- 27 **Message From Our Representative**
- The starting point of sustainable management is a cycle involving the kindness of people.
- 32 **Enhancement Measures**
- Possibilities of the visit-based barbering and hairdressing business

3 Sustainability Management for Co-Creation

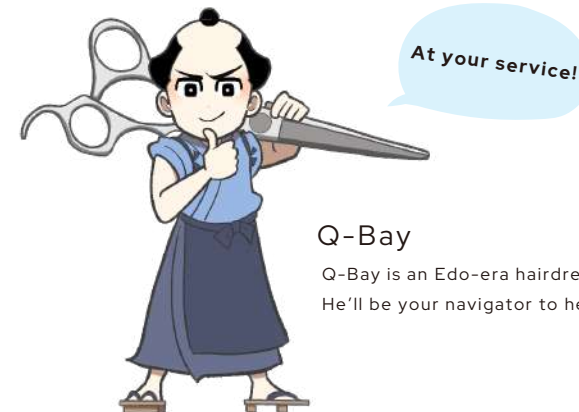
- 34 Basic Sustainability Policy
- 35 People
- 39 Environment
- 40 Society
- 41 Governance
- 42 Awards and recognition
- 43 Director skills matrix

DATA

- 44 Company Profile・Stock Information
- 45 Financial Statements

If you tap a cropped head, you'll hear the sound of Japan's civilization and enlightenment –

This is a line from a song that was sung around 1870 to men who did not cut off their chonmage (traditional Japanese topknot) after the restoration of imperial rule and Japan's entrance into the Meiji era (1867), with the idea being that cutting off one's topknot was what people who were at the cutting edge of the times did. However, many men still did not cut off their topknot, and in 1871, the new Meiji government, wishing to quickly establish a new era and show its eagerness to do so to the rest of the world, finally issued a decree that all men were to cut off their topknots, which practically forced men to do so. One hairdresser who would have been active during such a transition of the times was Q-Bay. We created him as a navigator to help readers of this report better understand what the QB Group is all about.





Discover Our Story:
How QB's Unique Character Was Created

**Can a hairdressing salon be this particular
about the haircuts it provides?**

1995-2005

The birth of QB

Breaking away from the norm in the barbering and hairdressing industry, QB created a new genre of haircut specialty shops.

No hair dyeing, no shaving, no shampooing.



1995

Historical tale 1

An outside-in approach and the Creation of Shared Value (CSV)

I just want a haircut that I can't do myself!

Welcome to an upscale barbershop in the early 1990s.

"I'm in a hurry today, so please get it done in thirty minutes."

Half an hour later, the customer suddenly wonder why the result was the same as always.

"Why does it always take over an hour to get the job done even though the finished product looks the same in either case?"

"Why do haircuts come with a shave, a shampoo, and a massage?"

There is a sense of dissatisfaction that comes with not even needing some of the services that are provided and, of course, the fact that the fees for such services are tacked on to the overall price of a haircut.

This is all wrong.

All I am looking for is a haircut that I can't do myself.

I wish I could just get a haircut, but there are no places which offer such a service.

"Then why not create a shop that is dedicated to haircuts by myself?"

Our founder's frustration as a user led to the creation of Japan's first haircut specialty shop providing 10-minute haircuts for 1000 yen in 1996.

First, let's unpack details on what constitutes QB's unique character by look at the characteristics of its outlets.



2005

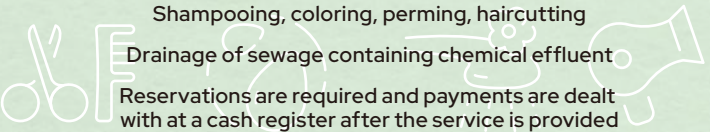
Historical tale 1 Bringing innovation to the barbering and hairdressing industry with the Blue Ocean Strategy

Instead of adding things, omit things

While most hairdressing salon at the time offered a full list of services, such as shampooing, coloring, perming, cutting, shaving, and even tea services, and massages, QB HOUSE was created to provide a single service: haircuts. In addition, while many general salons have ornate decorations and unique fixtures, QB HOUSE uses common unit furniture, emphasizing the work efficiency of our stylists, and is characterized by lean and compact shop design. In addition, QB HOUSE does not use a lot of either hot or cold water because we do not provide services such as shampooing, coloring, and perming. Since hair is not wetted during the

process, hair dryers, which consume a lot of electricity, are also not used. As a result, electricity consumption and CO2 emissions are extremely low when compared to general hairdressing salons, meaning that the burden we place on the environment is low. In addition, chemicals used for shampooing, coloring, and perms can have adverse effects on the body, causing conditions such as rough hands. However, since we only provide haircuts, we are able to reduce the burdens placed on the bodies of our staff and provide an environment where they can work into the long term with peace of mind. In Japan, the old custom of

learning techniques by watching one's master still remains. There are also not enough opportunities for training available, which is one of the reasons why people give up on working in the industry. We, however, have a wider variety of training curriculums ready for all kinds of individuals, from those with no haircutting experience before to people with career break and need to retrain themselves. We have established a system to fully support both those who want to return to the barbering and hairdressing industry and those who want to acquire skills.

General hairdressing salons		QB HOUSE
 Shampooing, coloring, perming, haircutting Drainage of sewage containing chemical effluent Reservations are required and payments are dealt with at a cash register after the service is provided	 Outlets	 Haircuts only Minimum use of water No reservations are required and payments are made in advance using a ticket machine 
Large amounts of cold and hot water are used to rinse off shampoo Hair dryers are used Ornate decorations and fixtures	 Environment	Non-woven towels are used with no need to wash them No hair dryers used Recyclable unit furniture
There are concerns about the hands of staff becoming rough due to chemicals Independent practice & advice from senior associates Unpaid overtime	 Working style	No concerns about hands becoming rough Six months of full-time training Overtime paid on a per-minute basis

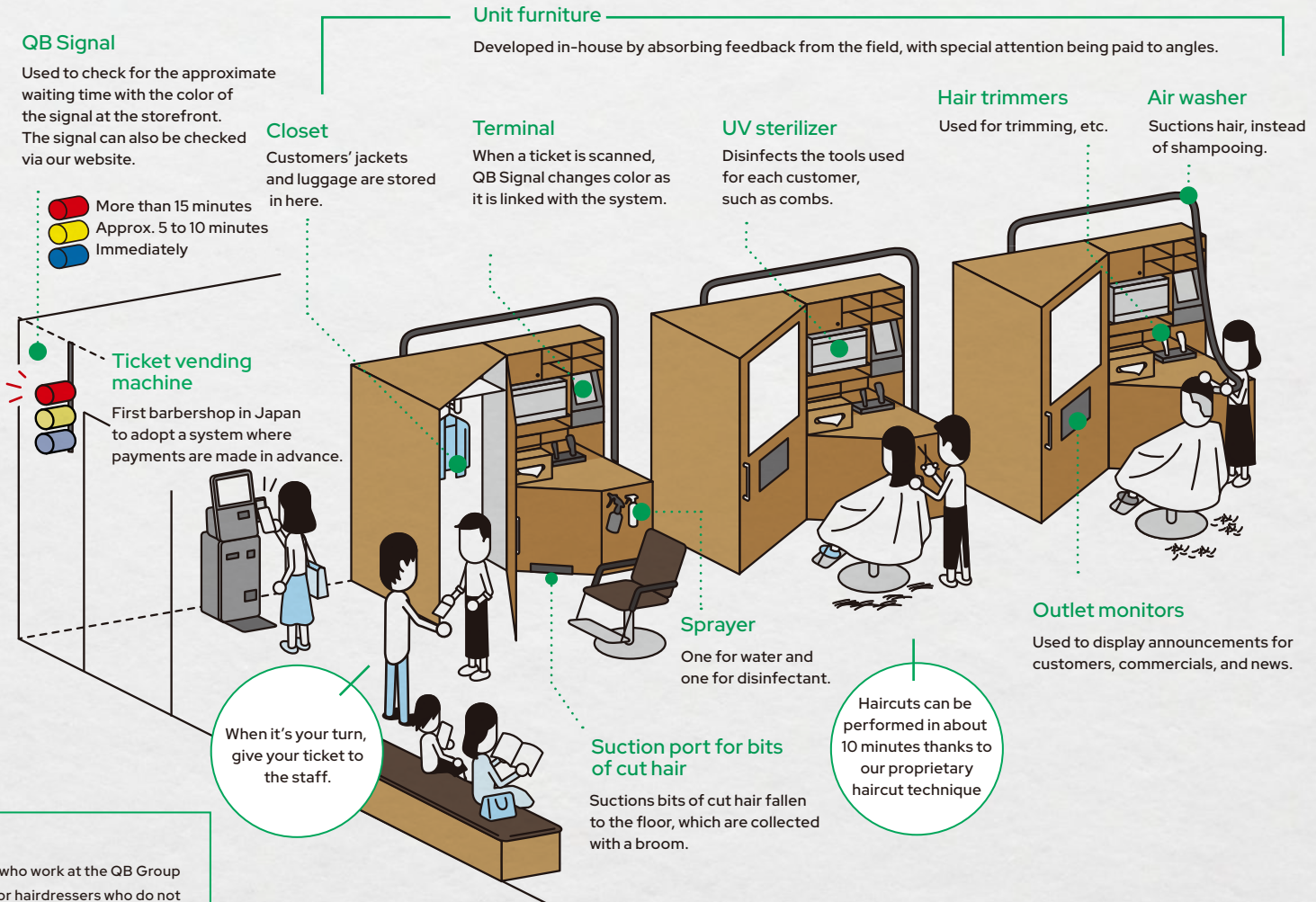
Historical tale 1 Digital transform taking place since inception

Outlet design that thoroughly eliminates waste and emphasizes efficiency

QB HOUSE outlets are designed to thoroughly eliminate unnecessary items and to be thoroughly concerned with what is necessary. Unit furniture, in particular, has been uniquely developed to allow stylists to reach all of the equipment that they need to provide their services with one single step, improving time efficiency and reducing the workloads dealt with by stylists. We have developed an air washer that sucks bits of cut hair, rather than washes them away, ensuring a quick and comfortable process. We have linked it to the QB Signal, which uses a ticket vending machine and a machine called Terminal to provide QB Signal with information on the crowd level at the outlet. Unique outlet locations not found with other companies in the industry, such as inside train stations (including on platforms and near restrooms), have also become synonymous with QB HOUSE, which is well versed when it comes to locations where people gather.

Definition of terms found in this document

Stylists: Individuals certified as barbers or hairdressers who work at the QB Group
Barbers / Hairdressers: Individuals certified as barbers or hairdressers who do not work at the QB Group



Historical tale 1 Going from a shrinking Japan to the world

Tangibles can be imitated, but intangibles cannot be imitated

"This business has no borders and no end." These are the words of our founder. Based on this idea, we expanded overseas in 2002 six years after the opening of our first outlet in Japan. By learning through trial and error, we have steadily expanded our international presence. Today, we

operate more than 150 stores across seven countries and regions. In fact, in the whole wide world, only a few countries, including Japan, have a certification system for barbers and hairdressers. Asian hair in particular is considered stiff and difficult to cut. Japan's hair cutting techniques are among the

best in the world, even when including Europe, the birthplace of cosmetic techniques. That's where we have added customer service that is clad in the spirit of hospitality, and are expanding and developing QB HOUSE, a Japanese-style haircut service, mainly in cities where time is highly valued.

2025
Malaysia



2002
Singapore



2012
Taiwan



2005
HongKong



2025
Vietnam



2024 Canada



2017 United states of america



A realization from our overseas expansion

On the other hand, we came to realize that we did not have enough expertise when it came to providing logical teaching. When we started overseas expansion, Japanese trainers visited sites many times and repeatedly tried to instill the Japanese way of doing things among local staff. For even things that were accepted to a certain extent in Japan, local staff overseas would ask questions about why each individual

movement was being performed. It was through the answering of those questions that tacit knowledge was increasingly converted into explicit knowledge and put into words. Even local staff working abroad who were not positive about the training at first, were among the many requesting to take the courses we offer when they noticed that the haircutting skills of their colleagues who had undergone the training had improved. Gradually, the overall level of service

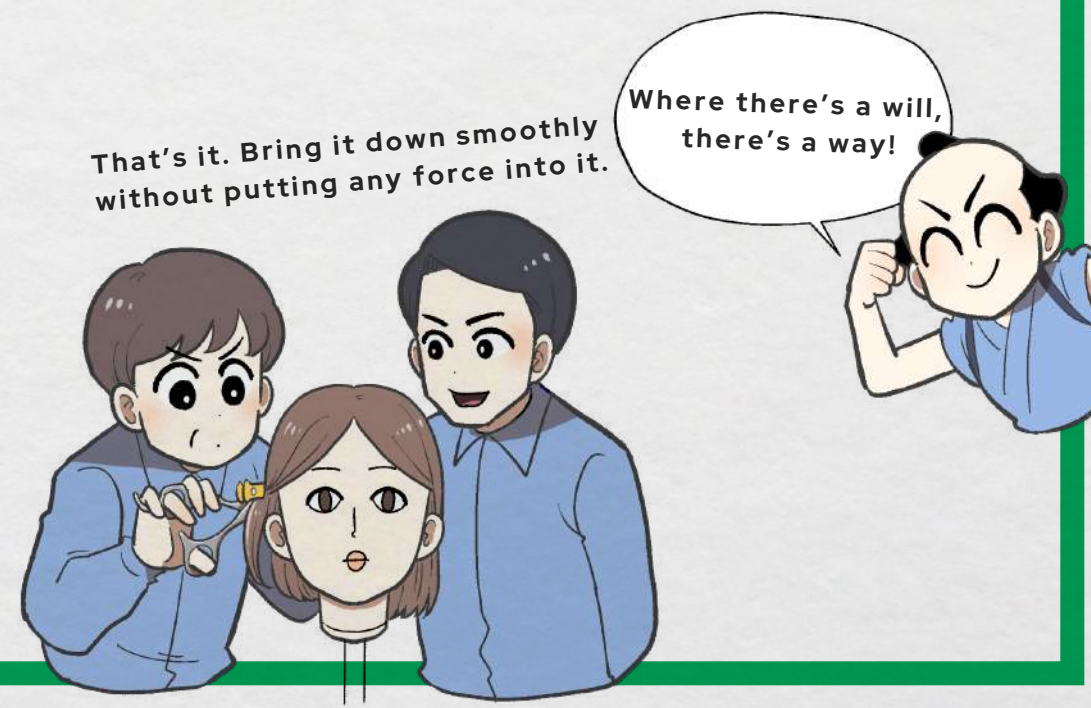
became less uneven, and the number of outlets with customers lining up to get their hair cut had dramatically increased. Tangibles can be imitated, but intangibles cannot be imitated. Armed with that expertise, we have been expanding our genuine Japanese-style haircut services throughout the rest of the world. This hard-won overseas experience has strongly contributed to the training of those in Japan who have no experience cutting hair.

2006-2015

Organizational revitalization

With our unique haircut theory and expertise in teaching,
we actively recruit talent who have been away from the industry for some time.

Opportunities for all! Turn challenges into fuel!



2006

Historical tale 2

Diversity & Inclusion (DE&I)

We are selected even more by our customers and colleagues!

In 2009, after accumulating expertise in teaching our techniques to people in overseas countries where we operate directly, our current president, Mr. Kitano, assumed the position of president. In preparation for the future where Japan will have a smaller population, we envision a concept wherein we actively hire and train not only those with experience in cutting hair, but also those without experience in cutting hair. However, the majority of people within the company were opposed to the idea, saying that people would learn our haircutting techniques and then end up quitting right away. After three years of face-to-face discussions and seeking the understanding of those working in the field, in 2012, LogiTh was launched, which was a long-held dream of ours. Since that time, we have promoted various reforms to enhance customer satisfaction, established a management philosophy that incorporates the ideas we all cherish, and have worked to instill our philosophy. Certificates of appreciation are presented on a large stage in honor of longtime employees. The managers of domestic and international outlets are brought together to award outlets that have produced achievements. We hold haircut contests for all stylists to learn about the techniques deployed by their colleagues and inspire each other to improve their respective skills. And for managers and employees working at our head office, we have provided managerial training to not only increase their individual abilities by one rank, but also to accelerate the growth of our organization for the future when labor will be in short supply. There are many challenges that we have all taken on together to ensure the survival of the organization. Our corporate culture of mutual recognition, respect, and appreciation among employees was born out of these activities. Gradually, the results began to appear, attracting motivated younger employees, especially women, who wanted to join the company. As a byproduct of that, the company became highly regarded by female customers, laying the foundation for later brand development.



2015

Historical tale 2 Training system born out of a backcasting process—1

Becoming able to communicate our techniques in words has made us unique

Hiring

LogiThcut School(6 months)

Graduation
exams

Outlet
debut!

Work at outlet



LogiThcut TOKYO School

2-year training condensed into a 6-month period *Calculated from 24 days of work per month

Hairdressing salons of the past	2 hours per day x 24 days x 24 months = 1,152 hours
QB HOUSE	8 hours per day x 24 days x 6 months = 1,152 hours



E-learning for review and preparation available at any time



Original training materials full of expertise

There are barbering and hairdressing schools around the country for people of 18 years old who aim to become barbers or hairdressers after graduating from high school. Surprisingly, such schools have few classes on haircutting techniques. The industry is one in which 80% of young people with a bright future leave the industry three years after starting work, with the reason being because the workplaces where they find jobs at the age of 20 are not thorough about teaching skills and do not provide comfortable working environments. That is really a shame. Believing that the barbering and hairdressing industry

would not develop unless the gap between this ideal and reality were to be bridged, we opened the LogiTh PROFESSIONAL STYLIST SCHOOL (hereinafter referred to as "LogiTh") in Shibuya, Tokyo, in September 2012, drawing on expertise accumulated through our overseas expansion. Today, we have expanded our school locations to SAPPORO, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka, Hong Kong, and Taiwan. It has become a sustainable educational model that also allows those who teach to grow through the gaining of an increased awareness of what they are teaching. With more than 850 graduates at all schools,

this school has, since its opening, become unique and a source of business continuity, with no other school in the industry following in a similar style. After graduation, students are assigned to an outlet and begin 3 years of follow-up training. Once a month, they return to LogiTh to reunite with old classmates, but also to learn about things such as issues which they come to notice in the field and styles they have difficulty with. Feedback from the field is also shared with trainers during the training, with training sites and operation sites working together to support the growth of talent.

Trainee testimonials



You only live once. Age is no barrier to starting something new.

LogiThCut Fukuoka School Trainee
Joined mid-career in July 2019
Hair Stylist

https://qb-recruit.com/staff/qb/qb_interview-6029/



Seeing my older brother enjoy his work every day sparked my interest in QB House.

LogiThCut Nagoya School Trainee
Joined mid-career in August 2021
Hair Stylist

https://qb-recruit.com/staff/qb/qb_interview-6130/



Overcoming a 20-year gap: finding progress and new goals

LogiThCut Tokyo School Trainee
Joined mid-career in May 2024
Hair Stylist

https://qb-recruit.com/staff/qb/qb_interview-9699/

Follow-up training (1 year)

Work at outlet



Toward building a scalable and repeatable talent development system

Our proprietary LogiThCut training program provides trainees with eight hours of hands-on instruction each day over a six-month period, allowing them to fully master our unique haircutting techniques. Many trainees are surprised by the depth of the program, often saying, "I can't believe they teach us this thoroughly!" Even if trainees are unable to complete the program within six months, we continue to support them for as long as they remain committed. From technical guidance to ongoing emotional encouragement, we stay by their side until they graduate. After completing the program, we also provide follow-up training for three years to support their continued professional growth. This comprehensive training environment enables us to welcome a diverse range of people—from those with no prior haircutting experience to individuals pursuing a new career as hairstylists or barbers, as well as people of all ages. As a result, we have broadened the range of talent joining our company. These initiatives have also attracted strong interest from beauty and barber schools, leading to invitations to deliver off-campus haircutting classes.

Our talent development framework is also expanding beyond Japan, and we are steadily building a system that enables us to consistently develop and cultivate skilled professionals both domestically and internationally. At the same time, our instructors continue to accumulate valuable teaching expertise, allowing us to further enhance the quality of our training curriculum. We have created an environment where people who aspire to build a career in the barbering and beauty industry can pursue their dreams with confidence. As we often say, "Once you find your way to QB, you're in good hands."

Takayoshi Eto, Director and General Manager, Quality Management Division



Career development to enhance the career satisfaction of stylists

We believe that nurturing the next generation is essential for a sustainable company.

Outlet operation track

Outlet manager development training

Those who pass the test after 64 hours of training (2 days of 8-hour-long training twice a month for 4 months) are certified as suitable for the position of outlet manager.

Area manager training

Those who pass the test after 64 hours of training (2 days of 8-hour-long training twice a month for 4 months) are certified as suitable for the position of area manager.



Joined QB after working as a freelancer and encountered techniques and colleagues that I had never encountered before

Staff at a QB HOUSE outlet in Tokyo
Joined as a mid-career hire in October 2016
Hairdresser

https://qb-recruit.com/staff/qb/qb_interview-1428/

Talent development track

Training for LogiTh trainers (instructors only for individuals with no experience cutting hair)

After one year of practical instruction (on-the-job training) which encompasses everything from classroom lectures to technical curriculums, those who have completed two weeks of practical training at another LogiThcut school are certified as suitable for the position of trainer.

Training for trainers (including instructors for those with experience cutting hair)

Implemented as needed



Even if you have no experience cutting hair, LogiTh provides all you need

Trainer at LogiTh Osaka School
Joined as a mid-career hire in August 2011
Hairdresser

https://qb-recruit.com/staff/qb/qb_interview-4040/

Overseas work track

Interviews to determine the degree to which one desires to work overseas

After a thorough interview with the supervisor to determine how much overseas work is necessary for the individual's life plan, a decision is made based on mutual consultation while making adjustments which take into account the company's structures.



Don't be afraid to take on challenges; the doors of the world will open for you as a result

Staff at QB HOUSE USA
Joined as a mid-career hire in 2007
and moved to the U.S. in 2017
Hairdresser

<https://qb-recruit.com/column/post-8246/>

Historical tale 2 Training system born out of a backcasting process—2

By taking a serious approach, barbers, hairdressers, and the company experience a win-win situation

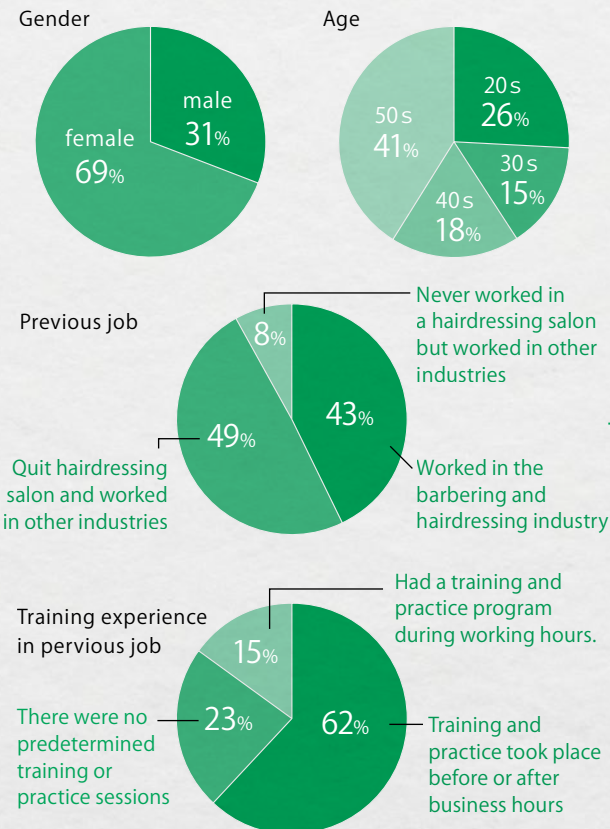
Interviews with LogiTh trainees reveal the realities of the industry.

The greatness of LogiTh consists of the crossing of desires: “wanting to grow” and “wanting to provide support.”

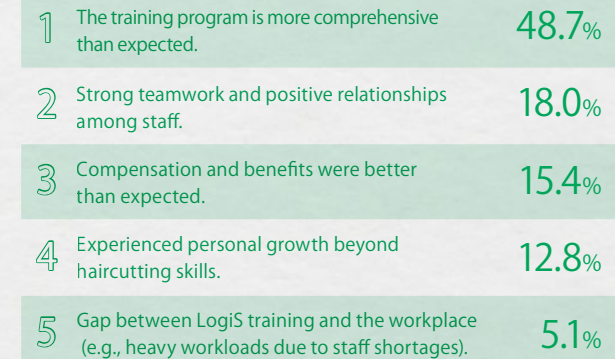
The people who gather at LogiTh range in age from those under 20 to those in their 60s, with a roughly 50/50 split between men and women. People there have had a wide variety of previous job experiences. Some trainees have worked actively at barbershops or hairdressing salons until shortly prior, while others have obtained national certification as a barber or hairdresser but have never worked in a shop or salon. The only thing they have in common is that they did not have the opportunity to learn in an environment which provided peace of mind. 56% of the trainees responded that there were no training or practice sessions, or that they practiced before or after the opening or closing of the salon with no overtime pay, which is something that would be unthinkable at a general corporation.

When we ask them about the gaps between what they imagined things were like before joining the company and the reality they discovered after joining the company, they felt that the gaps were better than expected in many ways, and that they have grown in terms of a wide range of aspects through training and experienced the sparking of a desire to contribute to the company. This has in turn also led to people staying at the company for many years. The growth of the trainees is remarkable. A trainee who could not cut hair at all becomes able to cut the hair of twelve people in a day by the third month, which is in line with the number of haircuts performed by a typical barber or hairdresser in a day. By the sixth month after graduation from LogiTh, he or she is able to do 25 haircuts.

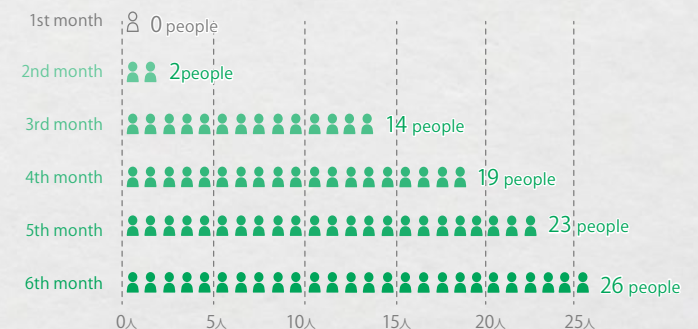
Trainee Attributes (Monthly)



Top 5 gaps between what one expected before joining the company and what was learned after joining



Change in the average number of haircuts per day during training



Historical tale 2 In order to increase engagement

We are trusted, admired, and respected by peers for the very reason that we take out work seriously

We use every possible means to produce visualizations of and celebrate the efforts of individuals and outlets. This serves as an opportunity for further awareness not only for the individuals and outlets that receive high evaluations, but also as an opportunity for each individual employee to become more aware of what kind of employee they want to become and become more aware of their desire to do their best for the sake of the outlet which they work at. It's because we all take work seriously and work very hard that we also end up being able to truly trust, admire, and respect the great achievements of highly rated individuals and outlets. The haircut contest, in which contestants compete

in the areas of reproducibility and creativity as an opportunity to express the philosophy they aspire toward, has become a serious competition and the most exciting event held at the company. These days, it is difficult to even make it through the domestic and international qualifying rounds.

Interpersonal relationships constitute one of the top 3 reasons people leaving the barbering and hairdressing industry in Japan. We believe that if we can build good relationships, we can reduce staff turnover. Furthermore, the reality is that the evaluation of general barbers and hairdressers is often influenced by the likes and dislikes of

establishment owners or shop managers. At the QB Group, we have established a fair evaluation system with elements such as clear numerical standards and evaluations conducted by multiple people.

By doing what other companies in the industry are not doing, we have reduced our turnover rate from over 50% in 2008 to 10.6% by the end of June 2023. Over the past 15 years, we have had a culture of mutual recognition, trust, admiration, and respect take root, resulting in an organization with great interpersonal relationships.



Launched in 2008 as the "National Store Managers' Meeting," the QB Festival has grown into our largest internal event, celebrating mutual recognition, appreciation, and teamwork across the company. In addition to recognizing outstanding store performance, the event features the Best Support Award, presented to employees who receive the greatest appreciation from their colleagues, as well as Long-Service Awards honoring employees for 10 and 20 years of dedicated service. Since 2012, the event has also included a haircutting competition, providing stylists with an opportunity to showcase their skills while continuously raising the overall standard of technical excellence across the company. These initiatives have fostered a corporate culture built on mutual respect, recognition, and appreciation, serving as a strong foundation for employee engagement and long-term retention.

2016-

Reform Promotion

The catalysts for the development of each brand were the career paths of our stylists.

Customers come first, and our employees also come first.



Feedback from the frontlines leveraged for business growth

In the course of promoting various reforms, new brands were also created.

While business expansion is generally driven by the goal of company growth, they were born from an entirely different perspective: to increase opportunities for stylists.

The various businesses that we are currently developing embody feedback we've received from the field such as feedback from individuals who want to cut women's hair, individuals who want to do styling, and individuals who want to cut the hair of bedridden individuals. In fact, these brands were beneficial not only to the stylists but also to shareholders and customers.

And while the trajectory we have taken thus far has evolved into our management philosophy, the universal themes that have emerged from it have become our *raison d'être*.



Historical tale 3 Brand expansion

Sustainable brand development that benefits all three parties

					 QB Visit-based hairdressing services
					
Features		We provide affordable and reliable haircut services in Japan and overseas, focusing only on the quality of the time which customers have available. This is something truly needed by people around the world and something that we ensure by eliminating unnecessary hassle and waste.	An evolutionary haircut specialty shop which looks ahead to the QB HOUSE of the future and creates individuality together with customers using greater forms of ingenuity and digital technology while leveraging the experience of QB HOUSE.	A salon specializing in haircuts and styling with simple, open, and comfortable spaces that pursue quality hairstyle suggestion serves to help discover the individuality of customer receiving service, as well as quality services that are waste-free.	A hospitality-driven salon where employees visit nursing care facilities in a salon car equipped with all the tools of a real outlet and offers haircuts, shampoos, face shaves, coloring, perms, and other services to enhance healthy minds and smiles.
Rates (including tax)		Cut ¥1,400	Cut&Styling ¥2,000	Cut&Styling ¥2,600 *Menu items such as cutting only one's bangs and hair curling are available	Cut ¥2,200~ *Depends on the facility and number of people
Scope of benefits	Share-holders	- Increased profitability with quicker speed of service - Increased profitability through the deployment of many outlets - High expectations for the future, including overseas expansion	Increased profitability by securing a customer base that QB HOUSE cannot capture	Increased profitability by securing customer segments consisting of women and children	Increased profitability in response to an aging society
	Cus-tomers	- Reasonably priced haircuts - Can visit on their way to somewhere else due to good outlet locations - Can ensure more time to spare	- Can make the most of their time by making reservations - Hair styling service available that allows customers to experience a higher quality feel than that provided by QB HOUSE	- Can make the most of their time by making reservations - Comfortable and accessible for women - Hair styling is also available	- Coloring and perms are available - Can feel refreshed - Can feel a real sense of connection with the general public - Finish within a time frame that is not too taxing on the body
	Stylists	Increased experience levels when it comes to cutting hair and improved technical skills	- Can expand the scope of operations, such as styling - Improved quality of haircuts	- Increased experience levels when it comes to women's hairstyles - Become able to make proposals in a short amount of time	Gain bed-based haircut techniques to cut the hair of someone while they are lying in bed
		Career advancement and motivation can be kept high because there are opportunities available within the company, including overseas assignments, so that employees do not need to change jobs to seek such opportunities elsewhere The peace of mind that comes with full benefits (even if staff gets sick, they can rest assured that various systems and insurance are available to help) Increased social credibility (enabling staff to obtain mortgages and their own homes)			

Historical tale 3 QB in Numbers

Interesting facts we've achieved together in numbers

How many haircuts has QB provided since its foundation?

368.42 million

How many haircuts does QB provide in a year?

20.15 million

Since the opening of our first outlet in 1996, the number of customers we have served reached a level equivalent to the population of the United States in FYE June 30, 2023.

In FYE June 30, 2023, we had serviced 17 million customers in Japan and 3.11 million customers overseas.

Is QB HOUSE a barbershop? Or a hairdressing salon?

Most people think of QB HOUSE as a barbershop. However, 64% of our outlets are registered as hairdressing salons with the health department.



The people working there are barbers, right?

Most people think that is the case, but more than 70% are hairdressers. Some that work for us are pros among pros and are certified as both barbers and hairdressers.



Wig

How many wigs are used during the training period for individuals without experience cutting hair?

360 units

A human-headed mannequin wig costs 6,000 yen each. With some donations being provided by vocational schools, 346 units per student will be used over a six-month period.

How much training time is provided to individuals with no previous experience cutting hair?

1152 hours

8 hours per day over a period of 6 months for a total of 1,152 hours of training provided free of charge. Of course, a salary is also paid during the training period.

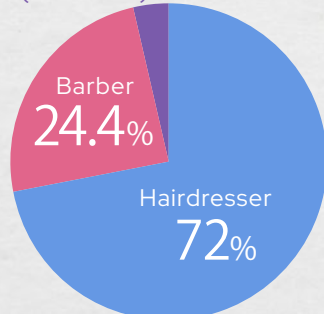


How old is the oldest stylist working at your outlets?

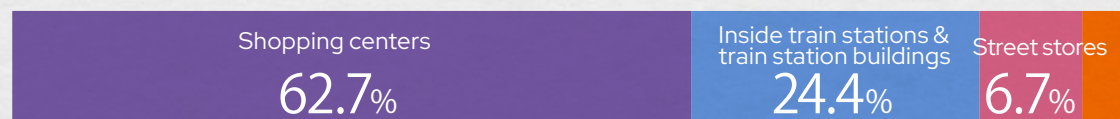
78 years old

Without mandatory retirement age and thanks to shampooing not performed in a semi-crouching position, which is a cause of back pain, the oldest person at a directly-managed salon is currently 76 years old. In the past, there have been individuals who've been active up to the age of 80.

Double license (both held) 3.6%



Where can we find QB HOUSE outlets other than at the train station?



Although there is a strong image of QB HOUSE outlets being located in train stations, they are most often found in large shopping centers. Aeon Group facilities have the highest number of outlets.

Historical tale 3 Our management philosophy is comprised of the very trajectory we have taken

Our promise to customers and colleagues

The most gratifying thing for a stylist is when a customer thanks them or expresses how grateful they were that the stylist was the one who provided them with service. It is very rewarding to be appreciated and needed by others, and we intend to make our outlets places where that happens.

The premise of that promise consists of the colleagues one works together with. If you don't have a good relationship with your colleagues, you won't be able to put smiles on the faces of your customers, and working will become painful. Therefore, in order to make our customers around the world smile and feel at home, we would like to constantly evolve our customer service and techniques and sometimes simultaneously incorporate new mechanisms. To that end, we ourselves all share a philosophy which entails always making better choices when it comes to our daily words and actions, our facial expressions, and mindsets.

Through these steps and based on our own efforts, we have built a strong haircut team that can keep moving forward towards the same vector. In the next chapter, we'll tell you about what we are working on as a team in order to facilitate our further growth.

Management Philosophy

Our goal is to become the most sought-after haircut chain in the world by providing uniform, reliable, and simple services that make our customers say "thank you."

The people we work with are the ones who enhance the value of time.

We want to grow into human beings who are trusted and respected customers and colleagues, and evolve day by day into an organization that can befriend the world with a wonderful smile (of gratitude).

To choose together, and to be strongly chosen by customers and colleagues
[Words, attitude, expression, and thoughts]

Building Our Overseas Business into a Second Core Pillar Alongside Japan

Our overseas expansion began in 2005. In its early years, with limited in-house expertise, our overseas operations were largely driven by local management in each market. However, as our business expanded and our international footprint grew, a key priority became how to leverage our overseas operations to drive the sustainable growth of the Group as a whole. Against this backdrop, in November 2023, we transitioned to a headquarters-led management structure and established the Overseas Business Division. This organizational change has enabled us to consolidate the expertise and functions that had previously been dispersed, creating a more strategic framework for accelerating the growth of our overseas business.

The Overseas Business Division serves as a trusted partner to the presidents of our overseas operations. Beyond providing information and management resources, the Division supports decision-making by assisting with strategy development and serving as a sounding board for resolving operational challenges in each market. The Division also takes the lead in providing cross-functional support in areas such as business development, talent management, and brand strategy, while placing a strong emphasis on developing future leaders in each country. Looking ahead, rather than viewing our domestic and overseas businesses as separate entities, we aim to realize an integrated global management structure. Under this vision, our headquarters will serve as the central management hub, providing continuous support to the management teams in each country. Ultimately, once our headquarters has fully evolved into a true global headquarters—with each corporate function working seamlessly to support the management of every overseas operation—the dedicated Overseas Business Division may no longer be necessary.

Hong Kong currently serves as the core of our overseas

business. Going forward, we will accelerate our growth by capturing the expanding opportunities across Asia, with a particular focus on the ASEAN region. In our existing markets, we will maintain the competitiveness and appeal of our business by introducing initiatives such as QB PREMIUM and other new service offerings. In new markets, we will refine our services by addressing the unmet needs and challenges of local customers, ensuring that our business is tailored to each market. At the same time, we will invest in developing locally hired talent, with the goal of nurturing future business leaders in each country. By empowering local management, we aim to establish a sustainable growth model rooted in each community. Today, approximately 80% of our revenue is generated in Japan. Looking ahead, we will develop our overseas business into a second core pillar alongside our business in Japan. By increasing the value of our services as an essential part of everyday life in each market, we aim to achieve sustainable, long-term growth for the Group.



Yuki Yamamoto, Director and Head of the Overseas Business Division

Relaunching Our Global Career Program with Enhanced Capabilities

The Global Career Program was launched to provide stylists with the opportunity to work overseas for three months, broadening their experience and developing their professional capabilities. In the past, however, some participants felt that the program lacked sufficient support before and after their assignments, and that its objectives were not always clearly defined. As a result, some commented that they “were unable to make a meaningful contribution” or that they had “simply completed the assignment without achieving much.” At the same time, many participants described the experience as highly valuable, reaffirming the program’s potential and the significance of international career development opportunities.

Following its suspension during the COVID-19 pandemic, we have relaunched the Global Career Program as an integral part of our talent development and career development framework. The program has been redesigned to target employees with a certain level of experience, matching individual career aspirations with the needs of each overseas market. It has also evolved into a year-round, development-oriented program that provides participants with meaningful opportunities for professional growth. This initiative encourages employees to view overseas assignments not simply through the lens of cultural differences, but as opportunities to better understand and respond to diverse customer needs. The experience gained through the program contributes not only to participants’ professional development after returning to Japan, but also to stronger team building within our domestic operations. At the same time, it provides employees with an opportunity to reflect on and shape their long-term careers, helping us build a foundation that supports the sustainable growth of each individual.

2

Future Value Creation Stories

**Don't you think that the growth of
each individual leads to the growth of the company?**

PURPOSE

LESS IS MORE

This is a sense of values that if we take away things that lead to excess and waste and concentrate on truly necessary quality, that effort will connect us to richness.

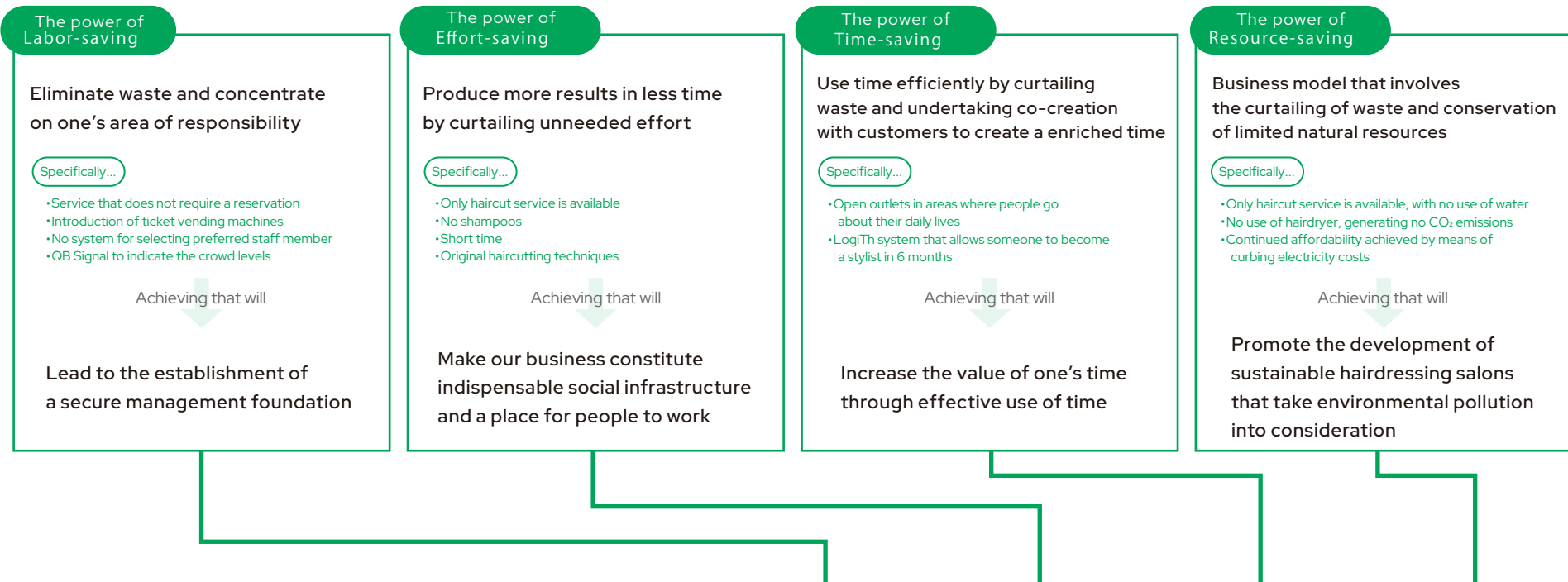
The space and freedom are created by the powers of labor-saving, effort-saving, time-saving and resource-saving, which are based on this sense of values.

This brings people and Earth genuine richness. We believe that it is our raison d'être to pursue that richness and keep on with the pursuit.

4 kinds of power of saving we have defined for ourselves

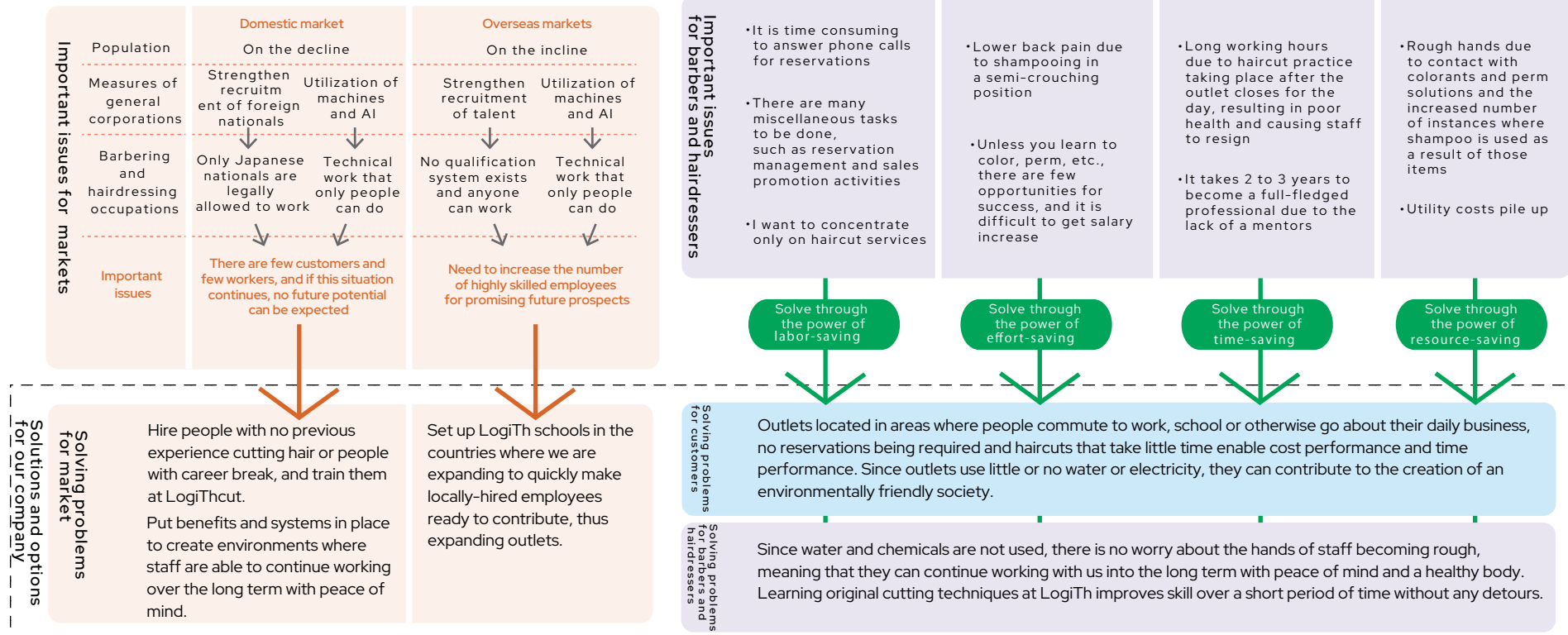
$$\underbrace{(\text{Labor-saving} + \text{Effort-saving})}_{\text{Resource-saving}} \times \text{Time-saving} = \text{Power of QB}$$

We believe that the powers of labor-saving and effort-saving will inevitably lead to the power of resource-saving, and that combining these with the power of time-saving, which further increases the value of time, will serve as the power of QB. With this in mind, we are committed to solving further problems, continuing our business, and growing into a sustainable company.



MATERIALITY

When workers have to learn their skills by watching the work of their senior associates, they end up doing independent practice late into the night to hone their skills, meaning they end up working long hours and doing unpaid overtime. In addition, the barbering and hairdressing industry, which does not have an established evaluation system and where raises and promotions are determined by the likes and dislikes of the owner or manager, cannot be said to provide a secure working environment. In fact, barbershops are in decline due to a lack of successors and are, as the situation stands right now, hardly sustainable. There are many other important issues that need to be resolved, and our company promotes taking on challenges for resolving them.



Generate prosperity for customers, workers, and the Earth ► Become a sustainable company which can expect to see stable growth

VALUE CREATION PROCESS

PURPOSE
Our raison d'être

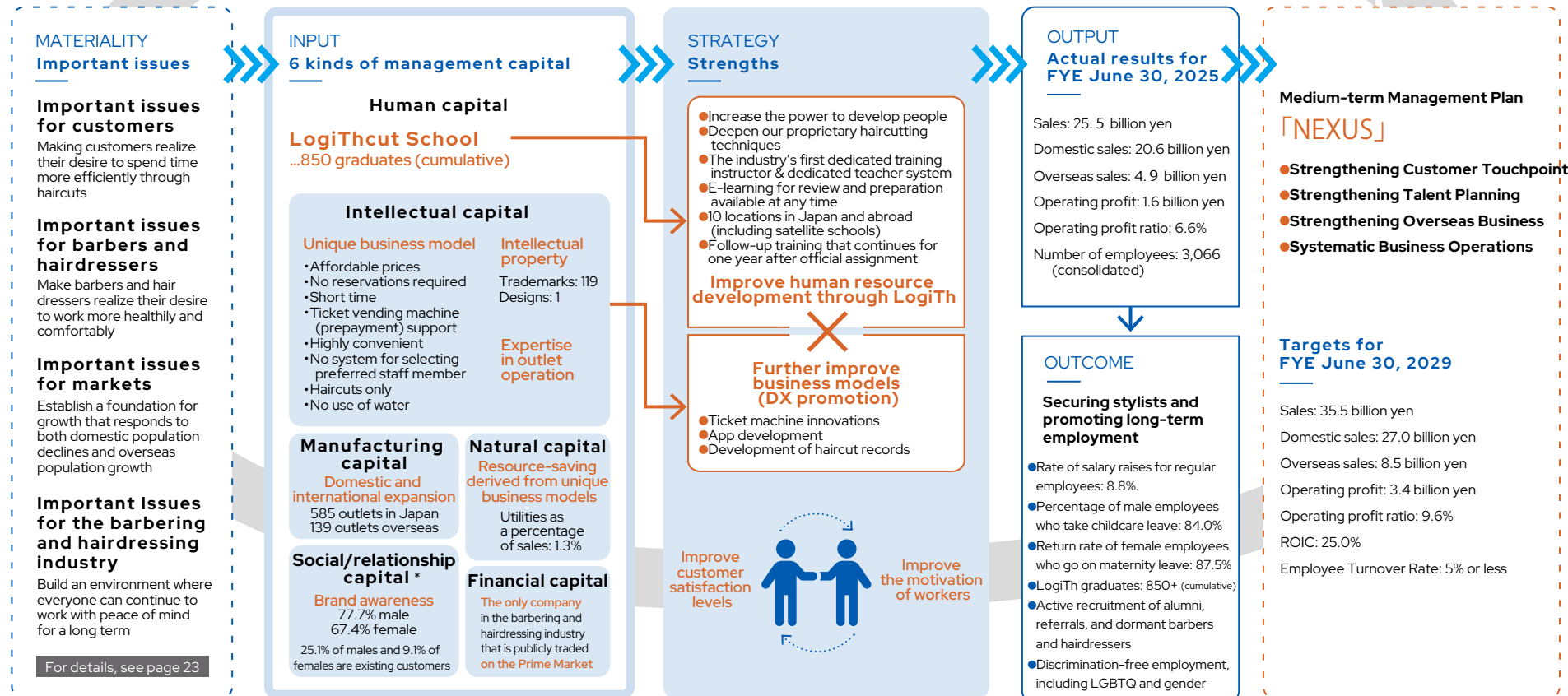
LESS IS MORE

Philosophy which derives abundance from the elimination of unneeded elements

For details, see page 23

IDEAL

A haircut chain shop that people need

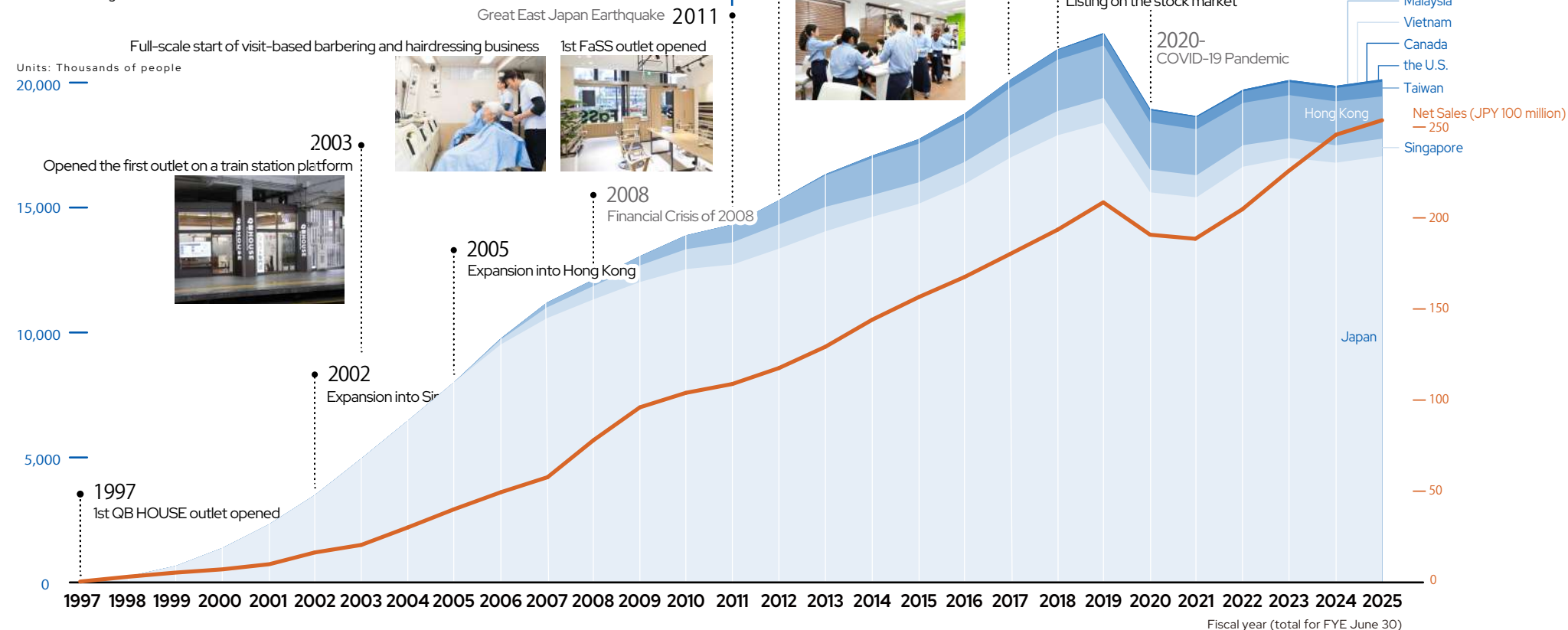


*The results of an Internet survey conducted by Macromill, Inc. with 20,000 men and women aged 15-79 living in the Kanto and Kansai regions

*Figures are current as of June 2025 unless otherwise noted.

HISTORY

QB HOUSE was established in November 1996 as Japan's first haircut specialty shop. The co-creation business, in which customers shampoo their own hair, has gained the sympathy and support of many people, including those overseas. We will continue to evolve to provide our customers with a more fulfilling experience by ensuring comfortable visits while maintaining our focus on one thing: haircuts.



What QB stands for	Quick Barber	Quick Beauty	Quick Business	Quality Business
Haircut fee	¥1,000	¥1,080	¥1,200	¥1,350
Value Creation Story	The birth of QB → Organizational revitalization → Reform Promotion →			

*The total number of customers includes customers in overseas outlets.

Message From Our Representative

**The starting point of sustainable management is
a cycle involving the kindness of people.**



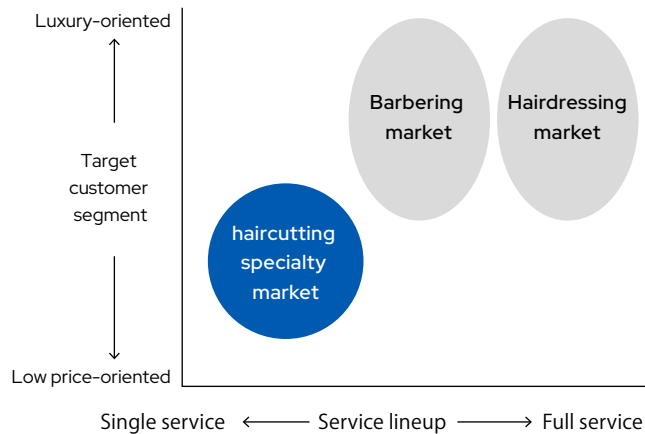
QB Net Holdings Co., Ltd.
Yasuo Kitano, President CEO

Message From Our Representative

Rapid expansion based on the business model of moving from “being wasteful” to “being just enough”

At the time of our establishment, the Japanese barbering and hairdressing industry was where everyone had been doing what everyone else was doing when it came to business hours, holidays, and prices. Shops only had full-service set menus which they would pack with this service and that service, with no freedom for the consumer to choose this or that. Our business model was born out of the frustration of our founder, who was not a barber or hairdresser. He was frustrated as a consumer who felt that general barbershops and hairdressing salons offered too many unnecessary services, which he felt was waste of time.

Strategic Group Map for QB HOUSE



As a result of our pursuit of what services consumers really need and what values consumers seek regardless of the changing times, we arrived at the idea of offering consumers the simple value of a 10-minute personal grooming service. Initially, the fee of 1,000 yen attracted a lot of attention, with some people saying that the service was so cheap that they were worried about the quality of it. However, those who supported the service increased, especially busy businessmen, who said that it was just the right service to use while traveling. Thus we have brought to the market new value in the form of a haircut specialty shop together with our trusted stylists, who are particular about their haircutting techniques.

From “business model” to “people-oriented”

My own first encounter with QB HOUSE goes back my previous place of employment. There happened to be a QB House near the office I worked, where I was in charge of sales. I had a little time to spare before my next appointment, so I got a haircut there. In just 10 minutes, I had my hair done the way I wanted it, in a way which was completely comparable to haircuts I’ve had done for several thousand yen in the past which took at least an hour each time. I was deeply impressed. For businesspeople who find it a hassle to make an appointment and take time to get a haircut, it’s a wonderful service that one can easily use when they have a bit of time to spare before their next engagement. I still remember deciding in my own heart that I would continue to visit QB HOUSE from then on.

As luck would have it, I ended up being invited by the founder to join the company and did so in 2005. After the bursting of the bubble economy, the number of outlets grew rapidly with our 10-minute personal grooming business model, partly due to the tailwind of increasing frugality in the market. While that was the case, my feeling was that the organization-building and talent development which served to support that expansion had not kept pace. Each individual was pushing forward with his or her own individual power to deal with the difficulties that stood before them, and the accumulation of partial optimizations had manifested as a distortion of the entirety. In particular, the overall optimization of haircutting techniques and service quality improvement was not going very well. The barbering and hairdressing industry comes with what one would call the artisan spirit. It’s a common sense in this industry that one should learn techniques by watching their senior associates and that one’s competence should be enhanced through independent practice. Even after paying high tuition fees to attend a vocational school, passing a national exam, and finding a job, the road to mastering skills and debuting as a stylist ends up being long and arduous due to the inadequate educational system and environment of a company that one has joined. When I joined QB HOUSE, we were in a similar situation, and the disparities seen in terms of approaches to outlet operations, talent development, and service quality was beginning to grow. We felt a sense of crisis in that if this situation were to continue, consumers would soon give up on us and our business would come to a standstill.

Message From Our Representative

Upon my assuming the position of president in 2009, we increased opportunities to listen to the opinions and concerns of our stylists working in the field. At the same time, we increased opportunities to listen to the opinions and impressions of users through questionnaires and other means, starting from a reassessment of the facts. I then was committed to working sincerely through each contradiction and gap which became clear, and became convinced that we could evolve into a stronger brand that is needed by society if we could connect together the kindness which is found in the hearts of all people. In addition, I decided that we would shift from management approach that was business model-oriented to a new approach with additional principle of being people-oriented.

Our in-house LogiTh school opened to bring back to Japan the successful experiences of those overseas

The first efforts of management based on the principle of being people-oriented were made overseas. Although QB HOUSE was already operating in Asia, it was all franchise-based management, so we did not have a good grasp of the truth of what was happening in the field, the issues being dealt with, and stylists' concerns. Then, after some contract-related troubles at our overseas outlets, we opened our first directly-managed salon overseas in Singapore, directly employing the stylists working onsite. Since Asian countries do not have technical schools or national examinations as is the case in Japan, it became necessary to convert tacit knowledge into more detailed explicit knowledge in order to pass on Japanese haircutting

techniques and sensibilities to local stylists, from knowledge on how to hold scissors and combs to knowledge on customer service and other relevant areas. Training managers which were sent abroad from Japan had great difficulty explaining their own sensitivities in an understandable manner through interpreters who were not technical experts in the field. The local stylists also worked hard to understand the intentions of the training managers and worked together to facilitate understanding of what training managers were trying to convey. This led to an effort to translate the haircutting process into words, the establishment of an unprecedented talent development curriculum, and the overall optimization of the improvement of our service as stylists who took this curriculum began to gain confidence in their skills. This collection of experiences in training stylists overseas who did not have national certifications became prototype for the LogiTh school which was later launched in Japan.

LogiTh, an in-house training institute, was established in Tokyo in 2012 after we brought the training curriculum established overseas back to Japan. We hire LogiTh trainees as regular employees. Among them are people who have no experience cutting hair but who have acquired the national qualification after graduating from vocational school, as well as individuals who need to retrain themselves after having been away from the barbering and hairdressing industry for an extended period of time due to raising children or other circumstances. We have established a curriculum that allows these trainees to make their debuts as a stylists in as little as six months, instead of the two years or more it is said to take in the industry. The environment is designed so that trainees can devote the whole day to training, allowing them to acquire skills in a short

period of time. On the other hand, even during training, without comfortable lifestyle, trainees will not be able to concentrate. Therefore, I suggested that we also provide them with salary and overtime pay. At first, there were objections within the company. Some thought that trainees would end up quitting as soon as they learned the techniques, or that there would be no way that a trainee could grow into full-fledged professionals in such a short period of time. However, we persistently explained that this was an upfront investment into the future of QB HOUSE and eventually gained their understanding. In fact, in the beginning, the curriculum and the training system were not sufficient, and many trainees quit in the middle of the curriculum.

Each time a trainee would quit, there was a growing sense of unease about this approach, but we continued to discuss the issue at length with those involved in accepting trainees and put in place measures to improve the situation. In the beginning, the majority of trainees were in their late 20s and early 30s, but as we continued, the age range expanded to include trainees in their 50s and 60s. As the trainers who were training them experienced rapid growth of their own skills while dealing daily with trainees of different generations and trainees with different values, the number of trainees who would quit the curriculum midway through the program decreased dramatically. Experienced stylists in the field were amazed at how much the skills of trainees had improved over the 6-month period. Some even said that they would like to have a go at learning some techniques through the curriculum. Today, LogiThCut School operates at 10 locations in Japan and overseas, and the total number of graduates has exceeded 850.

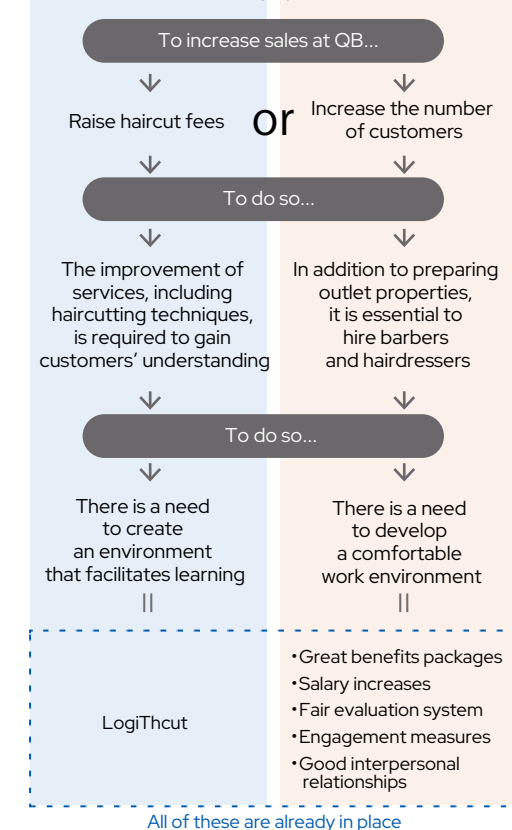




Message From Our Representative

Sustainable QB HOUSE business model

$$\text{Spending per customer} \times \text{Number of customers} = \text{Sales}$$



Go through PDCA cycles

Of course, learning is not the end of the story; the hairstyles that customers seek change with the times. With the time constraint of having to cut a customer's hair in 10 minutes, it is also necessary to incorporate new haircut techniques. Hairstyles which are highly versatile and frequently requested at our outlets are incorporated into the LogiTh curriculum. This approach is also used to improve the overall skills of existing employees by allowing them to relearn those styles.

Developing environments that sustain the company's growth ambitions, such as the deployment of new brands

For people-oriented management, it is important to support employees in improving their abilities, but it is equally important to create an environment in which they can easily demonstrate their abilities and maintain their desire to grow while engaging in friendly competition with their peers. Therefore, we hold a big, company-wide haircut contest once a year to provide stylists with an opportunity to demonstrate their technical skills each other and to experience the tremendous potential of fellow colleagues working at QB HOUSE. This is an event where stylists who have won the regional qualifying competitions, including those from overseas, gather for a national competition, where they compete in three

the high-level skills of colleagues whom we normally have much chance to contact with. It also serves an opportunity to inspire and motivate each other.

In addition, in order to meet the diverse needs of our customers and provide new career paths for stylists at the same time, we have launched the FaSS brand, which is dedicated to haircuts and styling for both men and women, as well as QB PREMIUM, a brand that allows customers to make reservations via a smartphone app and provides styling services. We are steadily increasing the number of outlets for those brands. Furthermore, in 2020, the 25th anniversary of the opening of our first outlet, we rebranded ourselves with a new raison d'être : LESS IS MORE. This expresses the idea that people and their lives will be richer if they eliminate unnecessary things and waste and focus only on what is truly important. Our strength, to use one expression, consists of our foundational strength. We believe that if the groundwork consisting of this foundational strength can be thoroughly built up, people can grow regardless of age and make up for their declines in physical strength to some extent. Provide support to our stylists to help them master the craft; this embodies the basic stance for QB Group's people-oriented management, which is builds on techniques. In a service industry where people are everything, the growth of each and every employee is directly linked to the growth of the company. We will never forget this thought and will continue to do our best to support the growth of our stylists as professionals and as people.

Message From Our Representative

Promoting sustainable management as we transform into an organization where people can play an active role over the long term

I think that the starting point of sustainable management is a cycle of human kindness, and that those who work and live in the same organization or community should become connected with one another through the form of compassion known as kindness, and sincerely face the question of what is better for the organization or community. I believe that career satisfaction and one's purpose in life are born from such connections. There is no great difference in human ability, and we must recognize our individual strengths and mutually leverage them. In doing so, we need to continue creating opportunities for growth by deepening our self-understanding in the midst of opportunities to take on challenges. I also believe that it is the role and responsibility of the president to circulate the kindness that has grown within such people forward to society and to the Earth through the activities of the company.

Furthermore, becoming a stylist and working toward becoming an outlet manager is a great challenge. If you can support someone grow, you can grow a lot yourself. After that, one can become a leader of an area or block, train new employees as a trainer, test their own abilities overseas, or work on visit-based barbering and hairdressing. As team members change, the way that people interact with others changes as well. The QB Group has a diverse group of people working for it, ranging from those in their 20s to

their 80s. Everyone works together and cooperates with each other, which I believe allows them to experience a refinement in terms of the diversity of their values and in terms of social sensitivity. It also allows them to grow as people.

We are entering an era where it is said that people will be living to the age of one hundred. As such, we will continue to focus on creating an environment in which people can become masters of their craft and remain active members of the team over the long term. Every month, people join the QB Group with diverse aspirations: some wish to fulfill a dream they have had since childhood, some wish to return to the industry for a second life after raising their children, some wish to remain in service to society until the age of 70, and so on. Moreover, some stylists at the QB Group were still active even after having reached the age of 80. How long a person continues to work depends largely on his or her own values in terms of how they want to live their lives. We would like to continue to provide a place where people who can work hard with a smile and with a strong desire to live independently for the rest of their lives can demonstrate their abilities. However, this also depends on the ability of those gathered within the QB Group when it comes to circulating feelings of kindness involving deep feelings of empathy towards the wishes of their fellow colleagues.

We contribute to the development of a more affluent and comfortable society through kindness which takes the form of labor-saving, effort-saving, time-saving and resource-saving

Energy prices are currently rising on a global scale, but the QB Group, which uses very little water and electricity, has a group-wide utility bill of 300 million yen in contrast with its 25.5 billion yen sales, only 1.3% of sales. This shows how kind we are to the Earth. In addition, not using colorants and perm solutions and not washing hair with shampoo leads to kindness in the sense that we are reducing the physical burden placed on stylists, such as skin irritation and back pain. This kindness gives us the leeway to focus solely on the haircut services that our customers expect. We will continue to further improve the quality of our actions based on the four values of labor-saving, effort-saving, time-saving and resource-saving, and contribute to the development of a more affluent and comfortable society, thereby achieving sustainable growth and increasing our corporate value over the medium to long term.

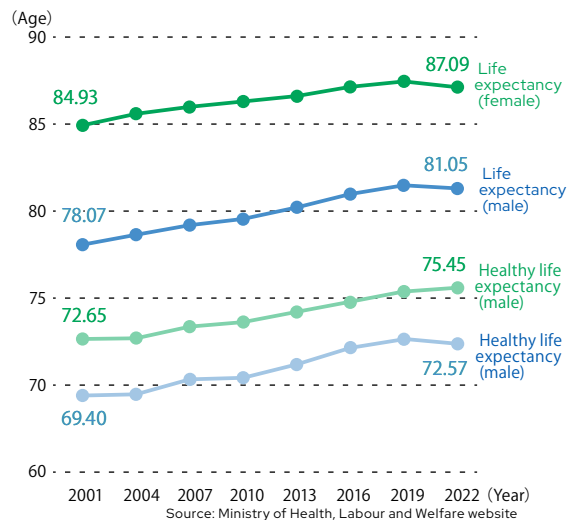


Enhancement Measures

Possibilities of the visit-based barbering and hairdressing business: Toward the future

QB's visit-based barbering and hairdressing business began in 2012. With general visit-based barbering and hairdressing services provided at homes and facilities, customers are often asked to get up and sit down on their own during the haircut. However, getting up and sitting down on a chair when getting your hair cut, moving by means of one's own feet right then and there, and sitting in the same position for a certain period of time can be very physically demanding. In addition, haircuts performed while the customer is lying in bed and essentially maintaining the same posture, which are performed in cases where someone has difficulty maintaining the same posture, require skill in terms of cutting hair quickly while maintaining a position that does not place a burden on the body. QB's visit-based barbering and hairdressing services make use of the short-time cutting techniques we have been pursuing. Our experienced staff conduct in-house training for bed-based haircuts, creating an environment in which facility residents and residents' families can feel comfortable entrusting us with the provision of services. Japan is an aging society. Although healthy life expectancy is increasing along with the rise in average life expectancy, the gap between the two has remained almost unchanged, and the number of people who need visit-based barbering and hairdressing services is expected to increase in the future. We believe that there will be even more opportunities in the future to put the techniques we have developed to good use.

Future market based on average life expectancy and healthy life expectancy



Three characteristics of QB's visit-based barbering and hairdressing services

- 1 All staff members receive training at the head office to gain knowledge about nursing care and related skills. We are also flexible for providing a picking up and dropping off service using wheelchairs, which is a request we often receive from facilities.
- 2 In addition to national licenses for barbers and hairdressers, on-site managers have basic caregiver certifications and can respond to unforeseen circumstances
- 3 Bed-based haircuts are available for bedridden residents, which allows a customer to receive a haircut while lying in bed

Providing a safe and secure environment
for facility residents and residents' families

The raison d'être of barbers and hairdressers which is reaffirmed through real-life experience

One day, I received a phone call from my father, a nursing home resident. He told me that he couldn't walk by himself anymore, so he needed me to take him to a barbershop. Although the facility had planned fun events and opportunities for socializing, my father, who loved to go out with his friends to the mountains, rivers, and the sea, had a hard time getting along in the community, and going to a barbershop near the facility to get his hair cut was the only thing he looked forward to doing. The week after I received the call, I loaded a wheelchair with an oxygen cylinder and headed to the barbershop, which was very crowded because it was Sunday. I waited for about an hour. Just as a young barber was about to take care of us, an experienced-looking barber who was cutting someone's hair in front of me said to the younger barber that he (the experienced-looking barber) would take care of us. He told us to wait just a little longer. My father did not have a lot of hair on his head, but the experienced barber cut my father's hair with great care. For the first time in a really long time, my father broke into a smile. I am sure that the experienced barber thought to himself that this might be the last time this customer visits and thus took more care than usual in cutting my father's hair. At that moment I felt very deeply that the work of barbers and hairdressers was truly amazing. That work can brighten the inner life of someone who is debilitated, even if only for a moment. It was an event that convinced me firsthand that the work of a barber or hairdresser is an eternal job.

Yasuo Kitano, President CEO

3

Sustainability Management for Co-Creation

**Is it true that QB is not only friendly to people,
but also to our Earth?**

Basic Sustainability Policy

The axis of management has shifted from being focused on business models to being focused on people. As well as toward co-creation with the rest of society.

A service dedicated to haircuts, which was born out of the founder's solution to a problem, also constituted the birth of services friendly for both people and the environment. A service dedicated only to haircuts, something which customers cannot do by themselves, doesn't just come with the benefits of bringing comfort to customers by allowing them to make the most of their free time and bringing to workers freedom from having their hands become rough due to the use of chemicals; it also helps preserve the global environment since the service uses little water, and brings us a huge richness of realizing a sustainable society. Since our founding, we have been sincerely committed to solving environmental and social issues with a focus on people. We will continue to pursue true abundance by increasing the number of people who share and are involved in the co-creation of our friendly services.

The Big Picture of Sustainability

People ▶For details, see page 35

We respect not only each and every employee of the QB Group, but also all of our stakeholders, and are committed to building a society in which everyone can find peace of mind and a sense of fulfillment, thereby leading to comfortable lives.

Environment ▶For details, see page 39

In order to go about passing on this bountiful Earth we live on to future generations, we are working together with other members of society to promote activities that serve to foster the value of barbering and hairdressing which lead to resource-saving that is centered on water conservation.

Society ▶For details, see page 40

Through our network cultivated through the opening and operation of outlets in Japan and overseas, we will contribute to the development of local communities by revitalizing them and facilitating the circulation of their economies by having our business serve as social infrastructure.

Governance ▶For details, see page 41

In order to continue to be a company that is trusted by society, we are committed to compliance with laws, regulations, and other requirements, and to implementing ethical and highly transparent management practices.



Basic knowledge of the barbering and hairdressing industry

The Japanese barbering and hairdressing industry offers more various choices to consumers, going from the previously predominant option of general salons to the emergence of service-specific specialty businesses, such as haircut specialty shops and hair coloring specialty shops. On the other hand, an increasing number of privately-run outlets has been closing down, particularly in rural areas where the declining birthrate and aging population make it difficult to secure the next generation of professionals. In addition, approximately 60% of nationally certified barbers and hairdressers have left the industry for some reasons. And under the current Barbers Act and Cosmetologists Act, foreign stylists with haircutting experience must graduate from a Japanese barbering and hairdressing school (minimum 2 years) and pass a national certification exam in Japanese before they can obtain a work visa and move to Japan to work at an outlet. Against this backdrop, the barbering and hairdressing industry is currently experiencing a chronic shortage of talent.

People

To ensure that people are healthy and prosperous in mind and body

Freedom from health risks



The business model of offering services that are dedicated to haircuts, which has remained unchanged since our inception, uses no chemicals and provides no shampooing service, thus having a benefit of eliminating the use of excess water and electricity. For customers, it is beneficial as they can spend their days without damaging their hair. For workers, it relieves them from worrying about rough hands caused by chemicals and from back pain caused by shampooing and performing other tasks in a semi-crouching position. As a result, it creates a workplace where people can work into the long term with peace of mind. We have also developed a unique haircut technique that incorporates trimmer techniques which minimizes the burden on the hands and arms, such as tendonitis, to the greatest extent possible, and we actively pass this expertise on, making it a shared asset for all of our stylists.

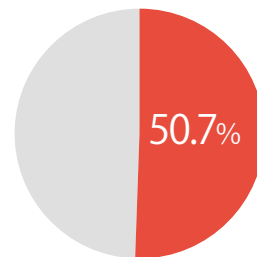


Established the industry's one and only in-house haircut school



Launched in Tokyo in September 2012, our in-house haircutting school, LogiS Cut, has since expanded to Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, and Fukuoka in Japan, as well as Hong Kong and Taiwan. The program provides approximately eight hours of intensive training each day in an environment where trainees receive close guidance from experienced trainers and learn haircutting techniques through a logical, structured curriculum. This combination of hands-on support and systematic instruction has made LogiS Cut highly attractive to aspiring stylists. As a result, in the fiscal year ended June 2025, more than half of all newly hired domestic stylists joined the Company through the LogiS Cut program. To date, the program has graduated more than 850 trainees. By actively recruiting individuals with no prior haircutting experience, we continue to accumulate expertise in talent development while further refining our training methods. Today, LogiS Cut has become a truly distinctive in-house haircutting school within the industry.

New Hire Breakdown (FY2025)



Approximately 50% of new hires joined through LogiS Cut
||
entering the company with no prior haircutting experience.

Strengths of outlet deployment



We rank first in the number of outlets in Japan among haircut specialty shops, with 534 stores. This is twice the market share of the second largest brand, which has 261 outlets. In contrast to other companies in the same industry, which have many franchised outlets, QB Group operates mainly through directly-managed salons in order to facilitate the thorough training of talent and ensure uniformity of the services we provide. In addition to new graduates with no haircutting experience at all, LogiTh also supports professional independence for qualified barbers and hairdressers who have been out of the industry due to childbirth or childcare for a while, who are called "dormant barbers and hairdressers," and people who join us after having worked in other industries. Another advantage of operating many directly-managed salons is that we are able to differentiate ourselves from competitors.

QB Group outlet types

	Japan	Overseas
Company-operated stores	549	139
Franchise stores	36	0
Company-operated Store Ratio(%)	93.8	100

(FYE June 2025)

People

A company culture of mutual recognition



Interpersonal relationships are one of the top three reasons why barbers and hairdressers end up leaving their jobs. To maintain good interpersonal relationships, the QB Group has a company culture characterized by mutual recognition. For example, there is no age-based discrimination. There are people from 20 years to nearly 80 years of age who are actively working. The younger employees learn skills from the veterans, and the veterans realize the beginner's spirit and gain sources of vitality from the younger employees. Thus, we have established a group where everyone involved are treated to win-win relationships.

Career support for self-driven success



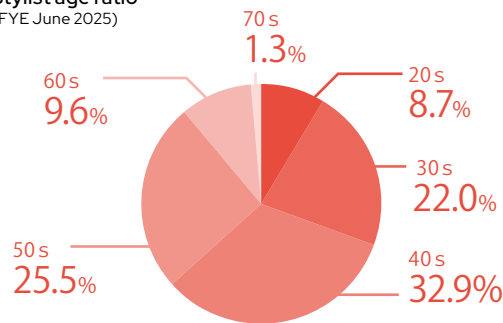
For existing stylists, we provide hairstyle-based technical training as well as training specific to job functions, such as manager training, area manager training, training for trainers, and so on. Thus, all employees are fairly and equally given the right to take on challenges. In addition, we have a system in place where raises and promotions are achieved by passing examinations held on the final date of a training program. In our culture, hard workers are rewarded, and raises and promotions are achieved in a self-directed manner. By building such career paths, we have created an environment in which everyone can perform their duties with a high level of awareness, regardless of their position. We also offer the Global Career Program, designed to support employees' long-term career development through overseas work experience. (For details, see page 21.)

Creating a comfortable work environment



The QB Group does not have a system where customers can select preferred staff member. This enables staff to take Saturdays and Sundays off, which is rare in the barbering and hairdressing industry. Also staff can choose the number of days off per month according to their age and physical condition. Including these benefits, we offer a comfortable working environment. As for maternity or childcare leave, some employees return to work after taking these leaves. However, the childcare leave utilization rate for men and women is 84.0% and 87.5% respectively (both for FYE June 30, 2023). We will continue to improve this situation by increasing the number of staff. In addition, with regard to evaluation systems, we are seriously working on a fair and equal evaluation system for stylists by means such as standardizing the viewpoints of technicians and managers and setting measurable evaluation points.

Stylist age ratio
(FYE June 2025)



Percentage of male employees who take childcare leave

FYE June 2025	84.0%
FYE June 2024	60.0%
FYE June 2023	60.7%

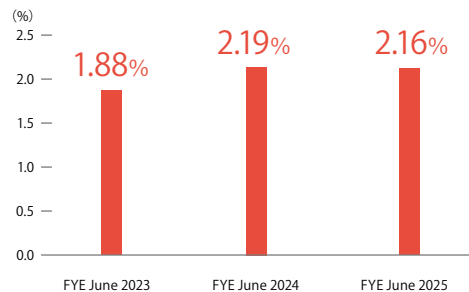
People

Initiatives in terms of employment of persons with disabilities



Since June 2022, the QB Group has partnered with a farm which supports the independence of people with disabilities who wish to work, while encouraging them to find joy and satisfaction in their work. The partnership involves initiatives wherein people with disabilities who are employed by us hydroponically grow vegetables, such as mesclun greens and mini tomatoes, without using agricultural chemicals. Furthermore, harvested vegetables are wholesaled as pesticide-free vegetables to restaurants near the farm. The vegetables are appreciated for their quality, cleanliness, and beauty. We would like to continue to employ those who wish to work and provide them with a place where they can lead stable, independent, vibrant and shining lives.

Employment Rate of Persons with Disabilities

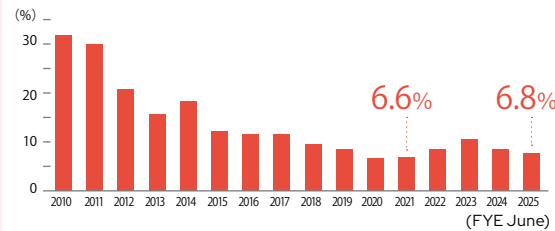


Service improvement and improvement of working conditions



We believe that reducing employee turnover is essential to maintaining and continuously improving the quality of our services. With this in mind, we transitioned from an independent contractor model to a direct employment model while steadily enhancing our working environment. As a result, our employee turnover rate declined from 30.0% in the fiscal year ended June 2010 to 6.6% in the fiscal year ended June 2020. Although the turnover rate temporarily increased in the fiscal year ended June 2023 due to the suspension of base salary increases and year-end bonuses amid a decline in customer demand during the COVID-19 pandemic, we continued to improve employee compensation and review our personnel systems. Between August and October 2023, we implemented salary increases averaging 9.8%. As a result of these ongoing efforts, our employee turnover rate improved to 6.8% in the fiscal year ended June 2025.

Change in turnover rate of regular employees in Japan (yearly results)



Promoting employment in overseas countries where we operate



Most overseas QB outlets are in countries that do not have a national certification system like in Japan. In such countries, Japanese trainers are stationed to provide an environment where employees can thoroughly learn about techniques of the same quality as in Japan and fully support the acquisition of skills by local talent. In Asian countries, we particularly want to contribute to the improvement of the social status and independence of young people and women.

Percentage of local talent employed in overseas countries where we operate

	Number of locally hired employees	Number of Japanese employees including representatives	Local employment rate
Singapore	129	1	99.2 %
Hong Kong	242	2	99.2 %
Taiwan	179	2	98.9 %
the U.S.	37	3	92.5 %
Canada	17	3	85.0 %

(FYE June 2025)

People

Increase the number of job application channels to lower the hurdles

[mobilization of human resources (1)]

For the barbering and hairdressing industry, which cannot rely on machines for haircuts, securing talent is a top priority. In addition to general applications, QB Group has a dedicated contact point on its recruiting page to lower the hurdles for applicants, such as those with no haircutting experience, former QB Group employees (alumni hiring), and those who apply through employee referrals (referral hiring). The website won the Grand Prix at the Owned Media Recruiting Award 2021 hosted by IndeedJapan. In addition, we are taking every possible measure to secure talent, such as by providing classes at barbering and hairdressing schools and making contacts through various social networking services.

『Strengthen the recruitment of dormant barbers and hairdressers』

[mobilization of human resources (2)]



People called dormant barbers and hairdressers who have finished raising their children or who have moved to other industries, would give up applying for jobs in the barbering and hairdressing industry because of their thinking that it will take too much time to regain the feeling of holding scissors or that there is no chance at getting hired as someone who cannot perform a haircut. We see LogiTh as an advantage in recruiting as it caters to such people. On the other hand, there are those who readily apply because they believe the hurdles to hiring are low due to service fees. The overall average hiring rate, including for part-time employees, is about 30%. People are everything in the barbering and hairdressing industry. We hire people with a strong focus on their character and consider people with a strong sense of humanity who also have strong technical and customer service skills to be excellent human resources.

Stylists who meet legal standards

Japan is one of only a few countries in the world that require national certification to work in the barbering and hairdressing industry. Only those who have graduated from a high school with a specialized course in barbering and hairdressing or from a two-year vocational school for barbering and hairdressing after graduating from high school, and who have passed the national examination, are allowed to work in a barbering and hairdressing establishment. In addition, the QB Group does not employ any child labor and hire talent only after confirming the original certificate of qualification of a barber or hairdresser with their date of birth. Furthermore, we do not have a mandatory retirement age because we would like to see our employees to be active for as long as they have the physical strength to do so. In the fiscal year ended June 2025, we hired a record-high 140 trainees through our talent development recruitment program, leveraging the strengths of LogiThCut.

Changes in alumni and referral hiring

	alumni			referral		
	Applied	Hired	Hiring rate	Applied	Hired	Hiring rate
FYE June 2025	13	9	69.2%	41	37	90.2%
FYE June 2024	26	17	65.4%	44	35	79.5%
FYE June 2023	24	14	58.3%	25	19	76.0%

Application and hiring situation

	Regular employees	LogiThcut	Part-time employees	Total
Applied	470	435	245	1,150
Hired	153	162	31	346
Hiring rate	32.6%	37.2%	12.7%	30.1%

(FYE June 2025)

The paths to becoming a general barber or hairdresser



Environment

No wasting of limited resources

Our business model itself is Earth-friendly



Water is a precious resource. It is said that by 2050, 40% of the world's population will face serious water shortages. A 5-minute shampoo at a typical hairdressing salon requires the use of about 60 liters of water. In addition, if a professional hair dryer is used for 10 minutes each time, it would generate 40.56 kg of CO2 per year. Our company's business model, which has brought innovation to the industry, allows us to curb water and electricity use as much as possible, with utilities accounting for only 1.3% of our 25.5 billion yen sales for FYE June 30, 2023. It can be said that our service has been environmentally friendly since our inception. We will continue to work on in accordance with the TCFD framework.

Increasing the number of RE100 actions



For the electricity required for outlet operations, we choose environmentally-friendly electricity with zero CO2 emissions. At 22 street-facing outlets in Japan where the electricity provider can be selected freely, QB Group uses electricity produced through the "RE100 Plan (100% renewable energy plan)" of UPDATER Inc. (Minna Denryoku). The annual electricity consumption of the 22 outlets under contract amounts to about 280,000 kWh, which is equivalent to the CO2 absorption of about 10,150 cedar trees. In addition, outlets in AEON Group facilities, which account for half of our outlet locations, are gradually switching to electricity of "100% Locally Produced Renewable Energy for Local Consumption," which the AEON Group has been promoting.

*RE100 Plan: A plan in which electricity sourced from renewable energy sources is combined with the environmental value of non-fossil certificates with renewable energy designations to provide electricity that is 100% renewable energy.



Biomass Power Station Daito, Tatsuma Station (biomass power generation)



Namie Power Station (solar power generation)

Thoroughly effective use of resources



For our self-developed unit furniture, we simplify the structures of furniture as much as possible and remake the unit furniture found at closed outlets by polishing or replacing surface veneers. Thus we seek to reuse the furniture. In addition, wigs (human-head mannequins) used for haircut practice are provided free of charge after they have been used in classes at barbering and hairdressing schools. They are used for practice to improve techniques and are utilized effectively by repeatedly reusing them until they get completely shaven. In addition, we have switched to a practice of cleaning and disinfecting combs, which we had previously been giving to our customers, and reusing them starting in May 2021, thereby reducing annual CO2 emissions by 690 tons*.

*The average number of combs used for the three fiscal years from FYE June 30, 2018 to FYE June 30, 2020, was calculated based on the Ministry of the Environment's "Annual Report on the Environment, the Sound Material-Cycle Society and Biodiversity in Japan 2011" (CO2 emissions generated during the production and incineration of polypropylene)



720 liters of water is saved per year just by getting a haircut at QB HOUSE once a month

Water savings (per person/year)

720 liters

Equivalent to approximately 7.2 baths (bathtub in a one-person apartment)

Water savings (annual)

Approx. **1.3 billion** liters

Approximate annual required water intake for 1.42 million people*

The cooperation of all our customers results in the saving of more than 1.3 billion liters of water per year.

*Estimated at 2.5 L per day and 912.5 L per year. Prepared by QB Net Co., Ltd. based on "Let's Drink Water for Good Health" (Ministry of Health, Labour and Welfare).

Society

Enriching society with our techniques

Raising awareness of childhood cancer through haircutting techniques

Around 2006, several QB stylists in Singapore began volunteering to go to senior citizen facilities on their days off to cut hair. With these activities serving as the catalyst, the content and quality of our efforts have been highly evaluated by organizations such as local health, labor and welfare ministries. Since 2015, we have also been the official stylist sponsor of Hair for Hope*1, one of the largest charity events in Japan to support children with cancer. For about four months starting in April each year, about five QB stylists cut the hair of 20 to 300 participants at more than a dozen locations in Singapore, including schools, hospitals, and community centers. At the main event taking place at the end of July, about 40 QB stylists cut the hair of around 1,700 participants*2 over two days with trimmers. The more than 4.8 million Singapore dollars raised during this period are used to pay for the treatment of children fighting cancer and to operate educational facilities for children who are unable to attend school due to the disease. This leads to the promotion of understanding of childhood cancer and to fostering of the hope and courage of children who are devoting themselves to their treatment.



One of the largest charity events in Singapore

▶ <https://www.youtube.com/watch?v=nCkVCdTmagA>

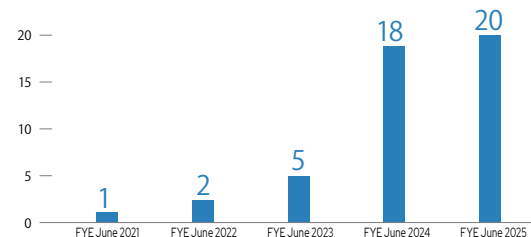
*1 Sponsored by Children's Cancer Foundation
*2 Hair for Hope 2023 results

Bringing the joy and depth of haircutting to future barbers and hairdressers

We regularly provide haircut specialty shop's trimmer training sessions as on-site classes to barbering and hairdressing schools. Many of the students at the vocational schools had never even touched a trimmer before they graduated. We have received great feedback, with some saying that it was refreshing and fun, some saying that cutting with trimmers was fun, and so on.



Number of Guest Lectures at Vocational Beauty Schools (Times)



	FYE June 2021	FYE June 2022	FYE June 2023	FYE June 2024	FYE June 2025
Hokkaido	-	-	-	-	2
Miyagi	-	-	1	3	1
Tokyo	1	1	2	3	4
Aichi	-	-	1	2	1
Osaka	-	-	-	2	3
Hiroshima	-	-	-	2	2
Fukuoka	-	1	1	6	7
Total	1	2	5	18	20



One of the options for the future through a hands-on haircut experience

A volunteer haircut program, which began with us inviting children from children's homes to an outlet in Tokyo, provides an opportunity not only for children to receive haircuts but also to get hands-on experience with the appeal of haircutting through work experience (trimmer experience), and to encourage them to consider, as one of their career options, becoming a barber or a hairdresser.

Events held in the past

	Number of events held	Number of participants	Number of stylists participating
2025	5	27	29
2024	3	15	10
2023	2	11	7



Career Experience Program

To spark interest in the barbering and beauty industry, we provide junior high school students with opportunities to learn about the industry and experience day-to-day salon operations.



▶ <https://sites.google.com/view/qbsyokuba>

	学生受入人数
2025年6月期	8人
2024年6月期	17人
2023年6月期	4人

Governance

Always fair and impartial

Since the opening of our first outlet in 1996, we have successfully celebrated a quarter of a century thanks to your warm support. In the post-bubble period, also known as the “lost 20 years” or the “lost 30 years,” the working environment and the global environment have changed dramatically. The way society thinks and perceives itself has been transformed, resulting in the development and revision of numerous laws. As we have done in the past, we will continue to respond swiftly to changes in society and laws, and promote compliance management that is always in step with the times.

Corporate Governance

Our company is committed to sound management that can respond quickly to changes in society. For more information, see the Corporate Governance page.

(<http://www.qbnet.jp/ir/management/governance/>).

Disclosure Policy

We have established a Disclosure Policy to ensure appropriate disclosure in accordance with laws and regulations and timely disclosure rules.

(<http://www.qbnet.jp/ir/policy/index.php>)

Board of Directors

The Board of Directors meets once a month in principle to make decisions on important business matters and to supervise the directors’ execution of their duties, with extraordinary meetings also being held as necessary. The state of attendance of individual Directors during FYE June 30, 2023 was as follows.

Position	Name	Attendance at Board of Directors meetings (attendance rate)	
Chairperson and President CEO	Yasuo Kitano	15/15	(100%)
Executive Managing Director	Yusuke Iriyama	15/15	(100%)
Director	Masayoshi Kabeya	15/15	(100%)
Director	Osamu Matsumoto	15/15	(100%)
Outside Director (Audit and Supervisory Committee Member)	Tatsushi Omiya	15/15	(100%)
Outside Director (Audit and Supervisory Committee Member)	Tadao Kikuchi	15/15	(100%)
Outside Director (Audit and Supervisory Committee Member)	Keiko Toda	15/15	(100%)
Outside Director (Audit and Supervisory Committee Member)	Harima Naoko	15/15	(100%)

Establishment of a workplace hotline

Two workplace environment hotlines or response manuals will be in place for direct consultation, one internal and one external, to allow anyone at any time to consult on the following matters that are difficult to discuss or resolve within the workplace. In addition, we also make it known on our portal site, which employees can access at any time, as well as in the offices and backrooms of our outlets.

Sexual harassment / Power harassment / Customer harassment / Non-compliance / Emergency responses and other such responses in relation to incidents, accidents, crimes, and other such occurrences.

Responses to natural disasters

In the event of natural disasters such as torrential downpours, typhoons, heavy snowfall, and earthquakes, which are believed to be caused by global warming, advance measures and quick, flexible decision-making are essential. We are working to ensure the safety of our employees and customers by posting information on our reporting, communication, and consultation flow, the sharing of emergency contact information in advance, and how to deal with work shifts in the event of a disaster in the offices and backrooms of our outlets to ensure that all employees and customers are fully aware of these procedures.

Intellectual property management

As part of our risk management, we have 101 registered trademarks and 5 registered designs in Japan and abroad.

Awards and recognition

February 1999

Received:

- 1998 New Business Best Performance Award
- Minister of International Trade and Industry Award
- New Business Conference Chairman's Award

We received three awards in an awards program called the New Business Awards in recognition of our creation of a new genre of haircut specialty shops offering 10-minute haircuts for 1,000 yen and our launch of a franchise chain.

October 2006

QB Shell, a capsule-type outlet for overseas markets, won the 2006 Good Design Award

Like our business model, the QB Shell, a capsule-type outlet for overseas markets that pursues maximum cost-effectiveness to reduce the costs of opening and closing outlets and time for construction, was awarded the Good Design Award.

►<https://www.g-mark.org/gallery/winners/9d53eaa5-803d-11ed-862b-0242ac130002>

September 2015

Ranked first in the life-related services sector of 2015 JCSI (Japanese Customer Satisfaction Index)

In the results of the Service Productivity & Innovation for Growth's third JCSI (Japanese Customer Satisfaction Index) survey conducted in 2015, we ranked first in three of the six criteria in the life related services sector: customer satisfaction, perceived value, and loyalty.

►https://www.service-js.jp/modules/contents/?ACTION=content&content_id=783



April 2016

Received the Encouragement Award at the 5th Japan HR Challenge Grand Prize



The award was given in recognition of the company's efforts to improve the working environment and enhance customer service, such as eliminating the custom of not providing technical guidance for junior staff, strengthening training, and introducing an attendance management system using vein authentication to improve poor working conditions that included unpaid overtime work.

►https://hr-souken.jp/challenge_award2016/

October 2017

Received the 17th Porter Prize in 2017



Named after the American business academic Michael Porter, the award is presented to companies that have achieved high profitability through innovation. This time it was given in recognition of the fact that his theory of competitive strategy is the very business model of QB House.

►<https://www.porterprize.org/pastwinner/2017/12/05170653.html>

June 2018

Received the JETRO Chairman's Award at the 2nd Nihon Service Award



The award came with high praise from JETRO (Japan External Trade Organization), because although there are numerous examples of Japanese manufacturers and food and beverage companies thriving overseas, hardly any Japanese service companies have successfully opened multiple stores overseas before.

►https://service-award.jp/result_case02/jetro.html#ttllink

February 2019

Awarded the KAIKA Grand Prize at the KAIKA Awards 2018



This award aims to increase attractive management and organizations and revitalize the industrial world. QB House received the top award for our management that continually tries to connect with society and create value, and for our organizational and human resource development.

►<https://www.youtube.com/watch?v=dczM2b6iv4Y>

December 2021

Received the Grand Prix at the Owned Media Recruiting AWARD 2021

As the shortage of human resources becomes an issue, companies pay more attention to the importance and effectiveness of communicating their message through recruitment websites and various SNS. We received the top Grand Prix award sponsored by Indeed. for being the company implementing the most advanced initiatives.

►<https://jp.indeed.com/press/releases/20211201>

October 2025

Recognized by the Singapore Government

Our participation in Hair for Hope—Singapore's only head-shaving charity event—was recognized at the President's Volunteerism & Philanthropy Awards 2025 Ceremony for its outstanding contribution to the local community by raising awareness of childhood cancer and supporting fundraising efforts.

►<https://prtimes.jp/main/html/rd/p/000000059.000061391.html>

Director skills matrix

The Company's executive structure and the knowledge and experience possessed by its Directors are as follows.

Name	Brief profile	Position	Corporate management	Human resource development and ESG	Sales and marketing	Global	Finance and accounting	Legal and Legal & Risk Management	IT・DX
 Yasuo Kitano	Joined QB Net Co., Ltd. in 2005. President CEO of the Company since 2016.	Chairperson and President CEO							
 Masayoshi Kabeya	Joined QB Net Co., Ltd. in 2009. Director and General Manager of Administration Department of the Company since 2023.	Director							
 Yuki Yamamoto	Joined QB Net Co., Ltd. in 2023. Has served as Director and Head of the Overseas Business Division since 2025.	Director							
 Takayoshi Etou	Joined QB Net Co., Ltd. in 2006. Has served as Director and Head of the Quality Management Division since 2025.	Director							
 Tadao Kikuchi	Chairman of Royal Holdings, Co. Ltd. Professor, Graduate School of Management, Kyoto University	Outside Director (Audit and Supervisory Committee Member)							
 Keiko Toda	Full-time Professor, Graduate School of Global Business, Meiji University Professional Graduate School Visiting Fellow, European Institute of Japanese Studies, Stockholm School of Economics	Outside Director (Audit and Supervisory Committee Member)							
 Naoko Harima	Representative, Harima Naoko Certified Public Accountant Office Outside Director and Member of the Audit and Supervisory Committee, Visional, Inc.	Outside Director (Audit and Supervisory Committee Member)							
 Tomonori Okada	Auditor, ILC General Incorporated Association Partner, TXL Law Office	Outside Director (Audit and Supervisory Committee Member)							

*The above list does not represent all of the knowledge and experience possessed by each Director.
The areas marked with symbols denote areas where the individual in question possesses skills which are particularly expected to benefit the Company.

(As of March 2026)

DATA

Company Profile

QB Net Holdings Co., Ltd.

Capital	1,326 million yen
Founded	December 1995
Established	October 2014
Number of employees	2,700 [consolidated] (as of June 30, 2023)
Location: Head Office	Head Office: 4F, Shibuya First Place, 8-16 Shinsen-cho, Shibuya-ku, Tokyo
Business	As a holding company, formulate, promote, and manage management strategies for the entire Group



Stock Information

Total number of authorized shares	48,000,000
Total number of shares issued	13,182,000
Number of shareholders as of the end of the current fiscal year	22,753

Top 10 Shareholders (as of June 30, 2025)

Shareholder Name 株主名	Number of shares held (shares) 株数	Shareholding ratio (%) 持比率
TVC MATSU FUND	1,498,700	11.37
Japan Master Trust Bank of Japan, Ltd. (Trust Account)	1,354,300	10.27
The Custody Bank of Japan, Ltd. (Trust Account)	1,296,600	9.84
ITRIVISTA MASTER FUND	896,200	6.80
Integral Corporation	592,200	4.49
Kz Group Co., Ltd.	573,700	4.35
Yasuo Kitano	392,000	2.97
Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	207,700	1.58
GOVERMENT OF NORWAY	140,600	1.07
BNP PARIBAS NEW YORK BRANCH PRIME BROKERAGE CLEARANCE ACCOUNT	125,198	0.95

(Note: Shareholding ratios are rounded up or down to the third decimal place, excluding 123 shares of treasury stock.

Financial Statements

Consolidated Statement of Profit or Loss
(Unit: million yen)

	FYE June 2025			
	Results	Sales ratio	Change	Year on year
Revenue	25,543	100.0%	785	103.1%
Cost of sales	△ 19,823		△ 897	104.7%
Gross profit	5,719	22.3%	△ 111	98.0%
Other operating income	25		△ 52	
Selling, general and administrative expenses	△ 4,051		390	110.6%
Other operating expenses	△ 8		123	
Operating profit	1,685	6.5%	△ 430	79.6%
Financial income	21		△ 1	91.3%
Financial costs	△ 228		△ 54	131.0%
Profit before tax	1,478	5.7%	△ 486	75.2%
Income tax expense	△ 455		207	68.7%
Registered profits	1,022	4.0%	△ 278	78.5%

Consolidated Statement of Financial Position
(Unit: million yen)

	FYE June 2025	Change
Total current assets	6,884	401
Cash and cash equivalents	5,271	569
Trade and other receivables	1,292	△ 105
Inventories	121	△ 111
Other	198	49
Total non-current assets	27,327	1,512
Property, plant and equipment	1,578	189
Right-of-use assets	7,138	1,204
Goodwill	15,430	-
Other financial assets	2,017	24
Deferred tax assets	827	27
Other	335	66
Total assets	34,211	1,914
Total liabilities	19,528	1,401
Trade and other payables	437	157
Interest-bearing debt	8,822	607
Lease obligations	6,931	1,014
Other	3,336	△ 337
Total equity	14,683	512
Total liabilities and equity	34,211	1,914

Cash flows from operating activities
(Unit: million yen)

	FYE June 2025	Change
Cash flows from operating activities	4,299	△ 759
Profit before tax	1,478	△ 486
Depreciation and amortization	3,570	104
Decrease (increase) in trade and other receivables	86	453
Interest paid	△ 217	△ 51
Income taxes refund	-	△ 20
Income taxes paid	△ 706	△ 42
Other	88	△ 716
Cash flows from investing activities	1,306	△ 459
Purchase of property, plant and equipment	△ 1,049	△ 226
Purchase of intangible assets	△ 135	△ 66
Other	△ 121	△ 167
Free cash flows	2,993	△ 1,217
Cash flows from financing activities	△ 2,263	1,853
Net increase (decrease) in short-term borrowings	△ 600	△ 200
Proceeds from long-term borrowings	2,000	2,000
Repayments of long-term borrowings	△ 800	0
Dividends paid	△ 354	△ 94
Repayments of lease obligations	△ 3,067	△ 153
Other	558	298
Exchange differences of cash and cash equivalents	△ 159	△ 332
Net increase (decrease) in cash and cash equivalents	569	301
Cash and cash equivalents at end of period	2,271	570

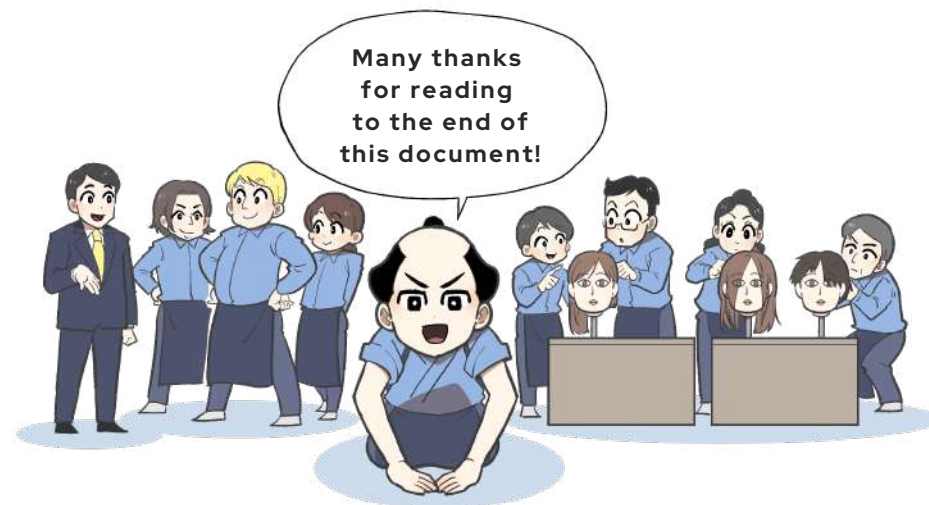
Toward the development of a sustainable and better society

Our job is to turn the discomfort customer experience into comfort through our haircut services
and to give workers the peace of mind that comes with being able to remain healthy by specializing in haircut services
that address worry of rough hands caused by shampoos and chemicals.

And we will reduce environmental impacts by curbing wasteful consumption of natural resources without using water or hair dryers,
thus bringing about contributions aimed at a sustainable society that is friendly toward the global environment.

Three kinds of abundance (MORE) created by saving (LESS)

- ① To contribute to a diverse society in which all people can exercise their abilities, we respect human rights and provide a safe working environment and a place for growth in which each individual can shine in his or her own way.
- ② To contribute to the Earth on which we live, we will realize sustainable business by reducing our environmental impact and protect the wealth and comfort of the people who live there.
- ③ We will realize harmonious development by connecting the power of haircuts to the joy of living and be connecting the joy of fixing one's hair to the enrichment of daily life.



Editorial Policy

This report has been prepared to provide readers with a deeper understanding of the QB Group's journey to date and its future direction, while also offering insights into the broader barber and hair salon industry. We regard fiscal 2024 as the inaugural year of our sustainability initiatives and have been actively advancing our efforts on this basis.