

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 7, 2024

Company name: ECONACH HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 3521 URL <https://www.econach.co.jp/>
 Representative: Representative Director and President Ryuta Suzuki
 Inquiries: Accounting Department Manager Yoshiyuki Nomura TEL 03-6418-4391
 Scheduled date to file Semi-annual Securities Report: November 7, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

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

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	960	6.3	134	274.0	132	297.9	81	–
Six months ended September 30, 2023	903	46.0	36	–	33	–	(8)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	3.09		–	
Six months ended September 30, 2023	(0.31)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	5,915	4,809	81.3
As of March 31, 2024	6,008	4,728	78.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	–	–	0.00	0.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,900	0.4	240	27.3	235	28.2	130	35.1	4.91

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	26,466,366 shares	As of March 31, 2024	26,466,366 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	12,833 shares	As of March 31, 2024	12,083 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	26,453,853 shares	Six months ended September 30, 2023	26,457,973 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,228,015	1,277,978
Accounts receivable - trade	94,063	87,761
Merchandise	1,758	1,947
Raw materials and supplies	1,349	1,132
Other	19,858	5,754
Allowance for doubtful accounts	(2,499)	(2,047)
Total current assets	1,342,547	1,372,527
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,447,027	2,329,997
Machinery, equipment and vehicles, net	41,204	36,836
Tools, furniture and fixtures, net	87,697	85,543
Land	1,834,794	1,834,794
Total property, plant and equipment	4,410,722	4,287,171
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	4,081	4,874
Telephone subscription right	1,528	1,528
Total intangible assets	89,056	89,849
Investments and other assets		
Investment securities	600	600
Other	168,139	166,114
Allowance for doubtful accounts	(2,197)	(688)
Total investments and other assets	166,541	166,025
Total non-current assets	4,666,320	4,543,046
Total assets	6,008,867	5,915,573

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	36,514	36,283
Current portion of long-term borrowings	193,622	178,728
Accounts payable - other	96,294	49,303
Income taxes payable	57,855	52,683
Contract liabilities	10,147	12,720
Advances received	6,207	7,405
Provision for bonuses	5,593	6,623
Provision for shareholder benefit program	1,948	1,308
Other	84,528	62,592
Total current liabilities	492,712	407,648
Non-current liabilities		
Long-term borrowings	600,670	511,306
Deferred tax liabilities	10,288	8,852
Deferred tax liabilities for land revaluation	10,052	10,052
Asset retirement obligations	162,530	163,424
Long-term deposits received	4,223	4,379
Total non-current liabilities	787,765	698,014
Total liabilities	1,280,478	1,105,663
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	376,820	458,438
Treasury shares	(2,750)	(2,847)
Total shareholders' equity	4,709,379	4,790,899
Accumulated other comprehensive income		
Revaluation reserve for land	19,010	19,010
Total accumulated other comprehensive income	19,010	19,010
Total net assets	4,728,389	4,809,909
Total liabilities and net assets	6,008,867	5,915,573

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	903,461	960,087
Cost of sales	795,009	743,192
Gross profit	108,451	216,894
Selling, general and administrative expenses	72,354	81,905
Operating profit	36,097	134,989
Non-operating income		
Interest income	5	95
Commission income	608	555
Rental income from non-current assets	384	420
Compensation income	85	393
Other	1,069	484
Total non-operating income	2,153	1,949
Non-operating expenses		
Interest expenses	4,773	4,034
Other	87	39
Total non-operating expenses	4,861	4,074
Ordinary profit	33,389	132,864
Profit before income taxes	33,389	132,864
Income taxes - current	43,049	52,683
Income taxes - deferred	(1,420)	(1,436)
Total income taxes	41,628	51,246
Profit (loss)	(8,239)	81,617
Profit (loss) attributable to owners of parent	(8,239)	81,617

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit (loss)	(8,239)	81,617
Comprehensive income	(8,239)	81,617
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,239)	81,617
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	33,389	132,864
Depreciation	152,377	151,158
Increase (decrease) in allowance for doubtful accounts	119	(1,960)
Increase (decrease) in provision for bonuses	(467)	1,029
Increase (decrease) in provision for shareholder benefit program	(672)	(640)
Interest and dividend income	(5)	(95)
Interest expenses	4,773	4,034
Decrease (increase) in trade receivables	(13,508)	6,301
Decrease (increase) in inventories	37,561	28
Increase (decrease) in trade payables	2,725	(230)
Increase (decrease) in accrued consumption taxes	(3,979)	(22,104)
Decrease (increase) in consumption taxes refund receivable	60,058	7,928
Increase (decrease) in long-term deposits received	780	156
Decrease (increase) in other assets	17,907	2,128
Increase (decrease) in other liabilities	24,469	1,384
Other, net	40	0
Subtotal	315,569	281,983
Interest and dividends received	5	95
Interest paid	(4,003)	(4,663)
Income taxes refund	–	6,698
Income taxes paid	(90,043)	(57,868)
Net cash provided by (used in) operating activities	221,527	226,244
Cash flows from investing activities		
Purchase of property, plant and equipment	(70,019)	(70,505)
Purchase of intangible assets	(5,072)	(1,420)
Other, net	138	–
Net cash provided by (used in) investing activities	(74,954)	(71,925)
Cash flows from financing activities		
Repayments of long-term borrowings	(56,140)	(104,258)
Purchase of treasury shares	–	(97)
Net cash provided by (used in) financing activities	(56,140)	(104,355)
Net increase (decrease) in cash and cash equivalents	90,432	49,962
Cash and cash equivalents at beginning of period	1,009,394	1,228,015
Cash and cash equivalents at end of period	1,099,826	1,277,978