

Translation

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

November 8, 2024

Company name: RESOL HOLDINGS CO., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5261 URL <https://www.resol.jp>
 Representative: Representative Director, President Masaru Osawa
 Inquiries: Manager of the Accounting Department Tatsuo Saito TEL 03-3344-8861
 Scheduled date to file Semi-annual Securities Report: November 14, 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	13,921	7.4	1,203	(9.7)	1,134	(8.4)	1,039	(10.7)
Six months ended September 30, 2023	12,967	2.2	1,332	40.9	1,239	41.4	1,163	108.8

Note: Comprehensive income Six months ended September 30, 2024 ¥1,041 million [(10.7)%]
 Six months ended September 30, 2023 ¥1,166 million [108.9%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	187.09		–	
Six months ended September 30, 2023	209.47		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of September 30, 2024	43,450		15,267		35.1		2,745.36	
As of March 31, 2024	43,003		14,666		34.0		2,634.33	

Reference: Equity As of September 30, 2024 ¥15,253 million
 As of March 31, 2024 ¥14,635 million

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	–	80.00	80.00
Year ending March 31, 2025	–	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	90.00	90.00

Note: Revisions to the cash dividend forecasts most recently announced: None

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	27,000	5.0	2,200	3.6	2,000	2.7	1,500	6.2	270.00	

Note: Revisions to the financial results forecasts most recently announced: None

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
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|--|-----|
| 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	5,564,200 shares	As of March 31, 2024	5,564,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	7,957 shares	As of March 31, 2024	8,695 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	5,555,822 shares	Six months ended September 30, 2023	5,555,498 shares
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* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

(Change in presentation of amounts)

The monetary amounts of accounting items or other information presented in the semi-annual consolidated financial statements of the Company up until now were presented in thousands of yen. However, commencing from the six months ended September 30, 2024, this unit has changed to millions of yen. To facilitate comparison with prior periods, the amounts for the fiscal year ended March 31, 2024 and the six months ended September 30, 2023 are presented in millions of yen.

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,590	3,507
Operating accounts receivable	1,824	1,750
Merchandise	121	135
Real estate for sale	1,914	2,014
Supplies	106	85
Other	1,182	1,056
Total current assets	8,740	8,550
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,038	7,161
Land	18,605	18,663
Other, net	2,558	3,061
Total property, plant and equipment	28,202	28,886
Intangible assets		
Goodwill	311	284
Other	625	625
Total intangible assets	936	910
Investments and other assets		
Total investments and other assets	5,124	5,102
Total non-current assets	34,263	34,899
Total assets	43,003	43,450

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade accounts payable	373	401
Short-term borrowings	2,000	1,200
Current portion of long-term borrowings	3,137	4,585
Income taxes payable	148	90
Provision for bonuses	262	302
Provision for bonuses for directors (and other officers)	20	—
Other	4,393	4,345
Total current liabilities	10,335	10,925
Non-current liabilities		
Long-term borrowings	8,718	8,590
Lease liabilities	1,159	1,046
Provision for employee special amends	103	115
Retirement benefit liability	389	397
Asset retirement obligations	194	195
Guarantee deposits received	7,311	6,792
Other	123	119
Total non-current liabilities	18,001	17,256
Total liabilities	28,336	28,182
Net assets		
Shareholders' equity		
Share capital	3,948	3,948
Capital surplus	2,244	2,267
Retained earnings	8,449	9,044
Treasury shares	(22)	(20)
Total shareholders' equity	14,619	15,239
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	15	13
Total accumulated other comprehensive income	15	13
Non-controlling interests	31	13
Total net assets	14,666	15,267
Total liabilities and net assets	43,003	43,450

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	12,967	13,921
Cost of sales	3,956	4,078
Gross profit	9,011	9,842
Selling, general and administrative expenses	7,679	8,639
Operating profit	1,332	1,203
Non-operating income		
Interest income	0	0
Rental income	4	4
Insurance claim income	0	25
Refund income	6	6
Other	29	26
Total non-operating income	40	63
Non-operating expenses		
Interest expenses	84	84
Commission expenses	34	41
Other	14	5
Total non-operating expenses	133	131
Ordinary profit	1,239	1,134
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on bargain purchase	148	—
Total extraordinary income	149	—
Extraordinary losses		
Loss on retirement of non-current assets	31	0
Provision for special compensations	94	25
Other	0	—
Total extraordinary losses	125	25
Profit before income taxes	1,263	1,109
Income taxes - current	104	72
Income taxes - deferred	(7)	(5)
Total income taxes	96	66
Profit	1,166	1,042
Profit attributable to non-controlling interests	2	3
Profit attributable to owners of parent	1,163	1,039

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,166	1,042
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Total other comprehensive income	(0)	(1)
Comprehensive income	1,166	1,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,163	1,038
Comprehensive income attributable to non-controlling interests	2	3

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,263	1,109
Depreciation	511	562
Amortization of goodwill	26	26
Increase (decrease) in allowance for doubtful accounts	(3)	—
Increase (decrease) in provision for bonuses	55	39
Increase (decrease) in retirement benefit liability	(17)	7
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	(20)
Interest and dividend income	(0)	(0)
Increase(decrease)in provision for special compensation	94	12
Interest expenses	84	84
Insurance claim income	(0)	(25)
Loss on retirement of non-current assets	31	0
Gain on sale of non-current assets	(0)	—
Commission expenses	34	41
Gain on bargain purchase	(148)	—
Decrease (increase) in trade receivables	(191)	73
Decrease (increase) in inventories	139	(93)
Decrease (increase) in other assets	730	112
Increase (decrease) in trade payables	42	27
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(110)	(192)
Increase (decrease) in other liabilities	236	153
Subtotal	2,769	1,921
Interest and dividends received	0	0
Interest paid	(80)	(82)
Proceeds from insurance income	0	25
Income taxes paid	(200)	(129)
Net cash provided by (used in) operating activities	2,488	1,734
Cash flows from investing activities		
Purchase of property, plant and equipment	(513)	(1,204)
Purchase of intangible assets	(92)	(39)
Proceeds from sale of property, plant and equipment	0	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(58)	—
Other, net	(0)	9
Net cash provided by (used in) investing activities	(663)	(1,234)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,889)	(852)
Proceeds from long-term borrowings	3,180	3,000
Repayments of long-term borrowings	(1,897)	(1,626)
Repayments of lease liabilities	(155)	(139)
Purchase of treasury shares	(0)	(0)
Dividends paid	(277)	(443)
Increase (decrease) in guarantee deposited	(470)	(521)
Net cash provided by (used in) financing activities	(1,511)	(584)
Net increase (decrease) in cash and cash equivalents	313	(83)
Cash and cash equivalents at beginning of period	5,224	3,590
Cash and cash equivalents at end of period	5,537	3,507