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Consolidated Financial Results for the Six Months Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: Japan Ecosystem Co., Ltd.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 9249

URL: <https://www.jp-eco.co.jp/>

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President

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Scheduled date to file semi-annual securities report: May 15, 2025

Scheduled date to commence dividend payments: May 30, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Six Months Ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(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 March 31, 2025	5,634	33.0	423	15.0	434	16.4	523	153.2
March 31, 2024	4,236	15.9	368	(20.4)	373	(21.3)	206	(66.9)

(Note) Comprehensive income: Six months ended March 31, 2025: ¥ 533 million [147.2%]
Six months ended March 31, 2024: ¥ 215 million [(66.8) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2025	60.25	59.46
March 31, 2024	25.15	24.65

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	14,916	5,940	39.3
September 30, 2024	9,259	5,473	58.3

(Reference) Equity: As of March 31, 2025: ¥ 5,856 million
As of September 30, 2024: ¥ 5,394 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	-	26.00	-	26.00	52.00
Fiscal year ending September 30, 2025	-	26.00			
Fiscal year ending September 30, 2025 (Forecast)			-	9.00	-

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2025(October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	11,723	26.0	812	6.9	857	6.8	700	12.8	80.35

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

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

Newly included: 1 (Company name:)
Excluded: - (Company name:)

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

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

March 31, 2025: 8,712,300 shares
September 30, 2024: 8,685,600 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 363 shares
September 30, 2024: 228 shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2025: 8,686,938 shares
Six months ended March 31, 2024: 8,218,354 shares

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

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	966,179	2,335,547
Electronically recorded monetary claims - operating	115,851	122,223
Notes and accounts receivable - trade, and contract assets	1,677,269	1,648,145
Inventories	337,119	742,007
Other	159,254	634,012
Total current assets	3,255,675	5,481,936
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,169,861	6,480,174
Machinery, equipment and vehicles	1,860,481	2,079,706
Tools, furniture and fixtures	802,530	856,964
Land	1,653,269	2,483,406
Other	1,479,813	87,281
Accumulated depreciation	(2,844,229)	(3,535,811)
Total property, plant and equipment	5,121,725	8,451,721
Intangible assets	183,886	182,826
Investments and other assets	696,903	799,841
Total non-current assets	6,002,516	9,434,389
Deferred assets	980	-
Total assets	9,259,172	14,916,325

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	539,119	594,876
Electronically recorded obligations - operating	30,603	34,087
Short-term borrowings	400,000	870,000
Current portion of bonds payable	57,000	57,000
Current portion of long-term borrowings	484,791	615,891
Provision for bonuses	29,761	141,067
Income taxes payable	99,946	302,695
Other	654,093	582,943
Total current liabilities	2,295,313	3,198,560
Non-current liabilities		
Bonds payable	58,000	29,500
Long-term borrowings	911,671	5,082,703
Retirement benefit liability	51,232	74,763
Asset retirement obligations	98,810	99,049
Other	370,606	491,613
Total non-current liabilities	1,490,320	5,777,629
Total liabilities	3,785,634	8,976,190
Net assets		
Shareholders' equity		
Share capital	1,000,497	1,004,947
Capital surplus	911,608	916,058
Retained earnings	3,477,839	3,925,927
Treasury shares	(331)	(530)
Total shareholders' equity	5,389,613	5,846,402
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,451	9,848
Total accumulated other comprehensive income	4,451	9,848
Non-controlling interests	79,473	83,884
Total net assets	5,473,537	5,940,135
Total liabilities and net assets	9,259,172	14,916,325

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Net sales	4,236,528	5,634,665
Cost of sales	2,981,290	4,050,796
Gross profit	1,255,238	1,583,868
Selling, general and administrative expenses	887,034	1,160,578
Operating profit	368,203	423,289
Non-operating income		
Gain on sale of non-current assets	7,414	7,225
Subsidy income	4,194	4,028
Gain on adjustment of accounts payable	8,563	-
Surrender value of insurance policies	-	5,012
Other	8,135	8,795
Total non-operating income	28,308	25,061
Non-operating expenses		
Interest expenses	5,333	11,703
Loss on investments in silent partnerships	176	-
Share issuance costs	12,825	-
Other	4,500	1,748
Total non-operating expenses	22,835	13,451
Ordinary profit	373,676	434,900
Extraordinary income		
Gain on sale of non-current assets	-	189,855
Gain on bargain purchase	-	133,270
Total extraordinary income	-	323,126
Extraordinary losses		
Loss on retirement of non-current assets	-	1,372
Loss on sale of investment securities	-	2,375
Total extraordinary losses	-	3,747
Profit before income taxes	373,676	754,278
Income taxes	160,478	226,506
Profit	213,198	527,772
Profit attributable to non-controlling interests	6,531	4,410
Profit attributable to owners of parent	206,666	523,361

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Profit	213,198	527,772
Other comprehensive income		
Valuation difference on available-for-sale securities	2,444	5,396
Total other comprehensive income	2,444	5,396
Comprehensive income	215,643	533,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	209,111	528,758
Comprehensive income attributable to non-controlling interests	6,531	4,410

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	373,676	754,278
Depreciation	153,538	256,375
Gain on bargain purchase	-	(133,270)
Loss (gain) on sale of non-current assets	(7,414)	(197,080)
Interest and dividend income	(273)	(816)
Interest expenses	5,333	11,703
Share issuance costs	12,825	-
Decrease (increase) in trade receivables	(356,699)	318,626
Decrease (increase) in inventories	163	1,067
Decrease (increase) in investments in leases	(454)	(7,745)
Increase (decrease) in trade payables	110,237	(92,339)
Increase (decrease) in advances received on uncompleted construction	36,558	9,049
Increase (decrease) in provision for bonuses	109,147	105,172
Increase (decrease) in accounts payable - other	(119,708)	64,669
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(33,594)	(360,225)
Other, net	125,586	(83,888)
Subtotal	408,922	645,577
Interest and dividends received	273	816
Interest paid	(5,215)	(11,534)
Income taxes refund (paid)	(243,689)	(73,555)
Net cash provided by (used in) operating activities	160,290	561,303
Cash flows from investing activities		
Payments into time deposits	(29,601)	(29,608)
Proceeds from withdrawal of time deposits	59,101	113,604
Purchase of property, plant and equipment	(366,183)	(3,115,638)
Proceeds from sale of property, plant and equipment	15,922	496,405
Purchase of intangible assets	(24,985)	(16,709)
Purchase of shares of subsidiaries and associates	-	(27,750)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(71,767)	(1,001,023)
Other, net	841	(53,503)
Net cash provided by (used in) investing activities	(416,673)	(3,634,222)

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	405,000	420,000
Proceeds from long-term borrowings	420,016	4,950,000
Repayments of long-term borrowings	(372,982)	(761,169)
Redemption of bonds	(33,500)	(28,500)
Proceeds from issuance of shares	430,475	8,900
Dividends paid	(70,165)	(75,262)
Purchase of treasury shares	-	(198)
Dividends paid to non-controlling interests	(20,000)	-
Repayments of lease liabilities	(1,234)	(2,196)
Net cash provided by (used in) financing activities	757,609	4,511,572
Effect of exchange rate change on cash and cash equivalents	4	(294)
Net increase (decrease) in cash and cash equivalents	501,231	1,438,359
Cash and cash equivalents at beginning of period	1,854,553	802,343
Cash and cash equivalents at end of period	2,355,784	2,240,702