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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

January 24, 2025

Company name: HIGASHI TWENTY ONE CO.,LTD.

Listing: Tokyo

Securities code: 9029

URL: <https://www.e-higashi.co.jp/>

Representative: Kazuhiro Kojima

Director, Representative Executive Officer, President & CEO

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Director, Managing Executive Officer

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for individual investors)

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(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	%
Nine months ended December 31, 2024	34,687	17.4	1,957	16.1	2,063	15.6	1,296	15.0
December 31, 2023	29,537	17.6	1,685	15.8	1,785	14.9	1,127	13.7

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 1,345 million [6.4%]
Nine months ended December 31, 2023: ¥ 1,264 million [26.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	98.13	-
December 31, 2023	85.69	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	29,572	13,245	44.8
March 31, 2024	25,535	12,311	48.2

(Reference) Equity: As of December 31, 2024: ¥ 13,245 million
As of March 31, 2024: ¥ 12,311 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 March 31, 2024	-	0.00	-	36.00	36.00
Fiscal year ending March 31, 2025	-	0.00	-		
Fiscal year ending March 31, 2025 (Forecast)				38.00	38.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,500	4.6	2,450	11.9	2,600	12.6	1,640	8.8	124.05

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 (Company name: NEOCOMPETENCE CO.,LTD.)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: None

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):

December 31, 2024: 13,264,000 shares

March 31, 2024: 13,264,000 shares

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

December 31, 2024: 38,025 shares

March 31, 2024: 89,525 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 13,207,622 shares

Nine months ended December 31, 2023: 13,155,057 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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. Any statements herein do not constitute assurances regarding actual results by the Company.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	4,062,459	4,338,570
Notes receivable - trade	410,609	445,022
Trade accounts receivable and contract assets	6,316,940	5,767,315
Merchandise	388,027	329,022
Other	567,302	734,867
Allowance for doubtful accounts	(7,754)	(10,236)
Total current assets	11,737,584	11,604,562
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,144,322	2,683,802
Machinery, equipment and vehicles, net	1,528,732	1,578,000
Land	3,944,721	3,944,721
Other, net	1,514,417	3,866,951
Total property, plant and equipment	9,132,194	12,073,476
Intangible assets		
Goodwill	421,341	1,039,234
Other	182,128	154,941
Total intangible assets	603,470	1,194,175
Investments and other assets		
Investment securities	1,211,873	1,305,845
Guarantee deposits	2,307,494	2,658,085
Other	586,159	781,689
Allowance for doubtful accounts	(43,463)	(45,397)
Total investments and other assets	4,062,063	4,700,222
Total non-current assets	13,797,728	17,967,874
Total assets	25,535,312	29,572,436

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Trade accounts payable	3,251,747	2,663,496
Short-term borrowings	2,030,000	3,130,000
Current portion of long-term borrowings	499,052	793,144
Income taxes payable	533,103	332,141
Provision for bonuses	359,297	289,275
Other	1,843,850	3,340,278
Total current liabilities	8,517,050	10,548,335
Non-current liabilities		
Long-term borrowings	2,663,817	3,461,514
Retirement benefit liability	152,731	152,509
Asset retirement obligations	330,343	416,682
Other	1,559,481	1,747,742
Total non-current liabilities	4,706,374	5,778,448
Total liabilities	13,223,425	16,326,784
Net assets		
Shareholders' equity		
Share capital	1,001,996	1,001,996
Capital surplus	140,422	177,259
Retained earnings	10,850,916	11,672,667
Treasury shares	(43,931)	(18,659)
Total shareholders' equity	11,949,403	12,833,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	390,403	434,402
Remeasurements of defined benefit plans	(27,919)	(22,013)
Total accumulated other comprehensive income	362,484	412,388
Total net assets	12,311,887	13,245,652
Total liabilities and net assets	25,535,312	29,572,436

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	29,537,180	34,687,461
Cost of sales	23,752,228	28,219,553
Gross profit	5,784,952	6,467,907
Selling, general and administrative expenses	4,099,515	4,510,446
Operating profit	1,685,436	1,957,461
Non-operating income		
Interest income	55	80
Dividend income	24,419	26,766
Rental income	36,793	35,254
Subsidy income	12,693	28,491
Surrender value of insurance policies	15,571	1,600
Other	32,281	49,388
Total non-operating income	121,816	141,582
Non-operating expenses		
Interest expenses	9,122	20,413
Rental expenses	9,331	9,168
Other	2,912	5,675
Total non-operating expenses	21,367	35,257
Ordinary profit	1,785,885	2,063,785
Extraordinary losses		
Loss on retirement of non-current assets	15	19,221
Total extraordinary losses	15	19,221
Profit before income taxes	1,785,870	2,044,564
Income taxes	658,610	748,531
Profit	1,127,259	1,296,032
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,127,259	1,296,032

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,127,259	1,296,032
Other comprehensive income		
Valuation difference on available-for-sale securities	131,888	43,998
Remeasurements of defined benefit plans, net of tax	5,314	5,905
Total other comprehensive income	137,202	49,904
Comprehensive income	1,264,462	1,345,937
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,264,462	1,345,937
Comprehensive income attributable to non-controlling interests	-	-