

Translation

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

January 10, 2025

Company name: E·J Holdings Inc.
 Stock exchange listing: Tokyo
 Stock code: 2153 URL <https://www.ej-hds.co.jp>
 Representative: President Yuji Kotani
 Inquiries: Director Masanori Hamano TEL 086(252)7520
 Scheduled date to file Semi-annual Securities Report: January 14, 2025
 Scheduled date to commence dividend payments: February 6, 2025
 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 November 30, 2024 (from June 1, 2024 to November 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 November 30, 2024	7,593	(3.6)	(1,799)	–	(1,703)	–	(1,455)	–
Six months ended November 30, 2023	7,879	(7.0)	(1,426)	–	(1,296)	–	(986)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2024	(92.75)	–
Six months ended November 30, 2023	(63.07)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	48,718	30,185	61.9
As of May 31, 2024	41,423	32,592	78.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 31, 2024	–	0.00	–	55.00	55.00
Year ending May 31, 2025	–	25.00	–	–	–
Year ending May 31, 2025 (Forecast)	–	–	–	40.00	65.00

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 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	38,500	3.5	4,850	11.5	4,950	7.7	3,350	10.5	213.90

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended November 30, 2024: Yes

(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 November 30, 2024	16,078,920 shares	As of May 31, 2024	16,078,920 shares
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Number of treasury shares at the end of the period

As of November 30, 2024	372,892 shares	As of May 31, 2024	398,869 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 30, 2024	15,688,587 shares	Six months ended November 30, 2023	15,646,100 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	19,186	13,201
Accounts receivable - trade, and contract assets	4,847	5,182
Inventories	2,924	9,028
Other	1,202	1,985
Allowance for doubtful accounts	(8)	(18)
Total current assets	28,151	29,379
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,668	3,053
Land	2,333	3,546
Other, net	770	801
Total property, plant and equipment	5,772	7,401
Intangible assets		
Goodwill	621	3,419
Other	1,510	1,378
Total intangible assets	2,131	4,797
Investments and other assets		
Investment securities	3,161	3,899
Investment property, net	424	420
Deferred tax assets	226	776
Retirement benefit asset	143	709
Other	1,500	1,414
Allowance for doubtful accounts	(88)	(80)
Total investments and other assets	5,368	7,140
Total non-current assets	13,271	19,339
Total assets	41,423	48,718

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - operating	891	802
Short-term borrowings	–	2,200
Current portion of long-term borrowings	111	518
Income taxes payable	992	241
Contract liabilities	2,282	3,194
Provision for bonuses for directors (and other officers)	28	–
Provision for loss on orders received	265	288
Provision for loss on guarantees	–	2
Other	3,514	3,128
Total current liabilities	8,084	10,375
Non-current liabilities		
Long-term borrowings	17	7,092
Deferred tax liabilities	238	413
Retirement benefit liability	62	157
Provision for share awards for directors (and other officers)	119	122
Provision for Employee Stock Ownership Plan Trust	39	36
Long-term accounts payable - other	176	176
Provision for loss on guarantees	3	15
Other	89	144
Total non-current liabilities	746	8,158
Total liabilities	8,831	18,533
Net assets		
Shareholders' equity		
Share capital	2,803	2,803
Capital surplus	4,379	4,379
Retained earnings	24,600	22,260
Treasury shares	(403)	(377)
Total shareholders' equity	31,379	29,066
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	932	855
Foreign currency translation adjustment	(7)	(1)
Remeasurements of defined benefit plans	279	257
Total accumulated other comprehensive income	1,204	1,111
Non-controlling interests	8	7
Total net assets	32,592	30,185
Total liabilities and net assets	41,423	48,718

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Net sales	7,879	7,593
Cost of sales	5,362	5,251
Gross profit	2,517	2,341
Selling, general and administrative expenses	3,944	4,140
Operating loss	(1,426)	(1,799)
Non-operating income		
Interest income	7	2
Dividend income	29	28
Share of profit of entities accounted for using equity method	60	51
Rental income from real estate	21	23
Other	36	44
Total non-operating income	155	150
Non-operating expenses		
Interest expenses	1	10
Rental expenses on real estate	12	14
Provision for loss on guarantees	–	15
Guarantee commission	6	5
Other	4	9
Total non-operating expenses	25	55
Ordinary loss	(1,296)	(1,703)
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	2	12
Office relocation expenses	–	180
Impairment losses	–	74
Total extraordinary losses	2	267
Loss before income taxes	(1,299)	(1,971)
Income taxes - current	211	134
Income taxes - deferred	(523)	(650)
Total income taxes	(312)	(516)
Loss	(986)	(1,455)
Loss attributable to owners of parent	(986)	(1,455)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Loss	(986)	(1,455)
Other comprehensive income		
Valuation difference on available-for-sale securities	203	(76)
Foreign currency translation adjustment	(1)	4
Remeasurements of defined benefit plans, net of tax	(11)	(21)
Total other comprehensive income	190	(93)
Comprehensive income	(796)	(1,548)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(796)	(1,547)
Comprehensive income attributable to non-controlling interests	0	(1)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Cash flows from operating activities		
Loss before income taxes	(1,299)	(1,971)
Depreciation	301	378
Amortization of goodwill	60	60
Increase (decrease) in provision for bonuses for directors (and other officers)	(22)	(28)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for loss on orders received	11	23
Increase (decrease) in provision for loss on guarantees	(1)	13
Increase (decrease) in retirement benefit liability	(56)	61
Increase (decrease) in provision for share awards for directors (and other officers)	26	19
Increase (decrease) in Provision for Management Board Incentive Plan Trust-NCL	8	7
Interest and dividend income	(36)	(31)
Interest expenses	1	10
Share of loss (profit) of entities accounted for using equity method	(60)	(51)
Decrease (increase) in accounts receivable - trade, and contract assets	1,622	1,466
Decrease (increase) in inventories	(4,954)	(5,651)
Increase (decrease) in contract liabilities	841	825
Increase (decrease) in trade payables	(654)	(456)
Increase (decrease) in accrued consumption taxes	(339)	(272)
Other, net	(1,469)	(938)
Subtotal	(6,021)	(6,534)
Interest and dividends received	29	34
Interest paid	(2)	(10)
Income taxes paid	(424)	(550)
Net cash provided by (used in) operating activities	(6,419)	(7,060)
Cash flows from investing activities		
Payments into time deposits	(20)	(0)
Proceeds from withdrawal of time deposits	100	160
Proceeds from redemption of securities	100	–
Purchase of property, plant and equipment	(317)	(494)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(530)	(103)
Purchase of investment securities	(150)	(645)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,623)
Other, net	0	(6)
Net cash provided by (used in) investing activities	(818)	(7,714)

(Millions of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,600	2,200
Proceeds from long-term borrowings	–	7,630
Repayments of long-term borrowings	(124)	(148)
Dividends paid	(802)	(883)
Other, net	(12)	(15)
Net cash provided by (used in) financing activities	1,660	8,782
Effect of exchange rate change on cash and cash equivalents	1	0
Net increase (decrease) in cash and cash equivalents	(5,575)	(5,991)
Cash and cash equivalents at beginning of period	15,994	17,935
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	135
Cash and cash equivalents at end of period	10,418	12,079