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Consolidated Financial Results for the Year Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: PCI Holdings,INC.
Listing: Tokyo
Securities code: 3918
URL: https://www.pci-h.co.jp/
Representative: Kunio Yokoyama President
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Scheduled date of annual general meeting of shareholders: December 20, 2024
Scheduled date to commence dividend payments: December 23, 2024
Scheduled date to file annual securities report: December 23, 2024
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 Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	25,084	(12.0)	1,054	(38.3)	978	(44.9)	817	(18.9)
September 30, 2023	28,491	13.2	1,709	18.3	1,774	14.6	1,008	56.8

(Note) Comprehensive income: Fiscal year ended September 30, 2024: ¥ 719 million [(40.6)%]
Fiscal year ended September 30, 2023: ¥ 1,211 million [64.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2024	82.34	-	9.4	5.9	4.2
September 30, 2023	100.09	-	12.3	10.3	6.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended September 30, 2024: ¥ - million
Fiscal year ended September 30, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	15,503	9,251	56.6	885.60
September 30, 2023	17,627	9,098	48.7	852.10

(Reference) Equity: As of September 30, 2024: ¥ 8,771 million
As of September 30, 2023: ¥ 8,587 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2024	179	1,165	(1,428)	3,954
September 30, 2023	2,039	259	(884)	4,035

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2023	-	16.00	-	17.00	33.00	332	33.0	4.1
September 30, 2024	-	17.00	-	28.00	45.00	445	54.7	5.2
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	18.00	18.00		48.8	

(Note1) Breakdown of year-end dividends for the fiscal year ending September 30, 2024
Ordinary dividend: 18 yen
Commemorative dividend: 10 yen (for the 20th anniversary of the company's founding)

(Note2) The Company plans to change its fiscal year-end from September 30 to March 31 beginning with the next fiscal year, subject to approval of "Partial Amendments to the Articles of Incorporation" at the 20th Ordinary General Meeting of Shareholders to be held on December 20, 2024. The dividend forecast for the fiscal year ending March 31, 2025 is based on this six-month accounting period.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (October 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	12,700	0.7	590	1.1	590	(2.8)	365	10.5	36.85

(Note) The Company plans to change its fiscal year-end from September 30 to March 31 beginning with the next fiscal year, subject to approval of "Partial Amendments to the Articles of Incorporation" at the 20th Ordinary General Meeting of Shareholders to be held on December 20, 2024. Therefore, since the fiscal year ending March 31, 2025 will be a six-month period, the percentage change from the previous year for the full year is compared to the first half of the fiscal year ending September 30, 2024.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None
Newly included: - (Company name:)
Excluded: - (Company n(ame:)

(2) 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

(3) Number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2024: 10,122,400 shares
September 30, 2023: 10,322,400 shares

2) Number of treasury shares at the end of the period:
September 30, 2024: 218,320 shares
September 30, 2023: 244,785 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended September 30, 2024: 9,929,964 shares
Fiscal Year ended September 30, 2023: 10,072,843 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (October 1, 2023 to September 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	1,301	(18.0)	615	(30.4)	493	(45.2)	807	(7.5)
September 30, 2023	1,587	19.3	883	46.9	900	42.6	873	210.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2024	81.36	-
September 30, 2023	86.74	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	9,331	7,571	80.7	760.25
September 30, 2023	10,160	7,423	72.7	732.55

(Reference) Equity: As of September 30, 2024: ¥ 7,529 million
As of September 30, 2023: ¥ 7,382 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,108,259	3,966,467
Notes receivable - trade	41,119	3,728
Accounts receivable - trade	4,520,190	4,180,426
Electronically recorded monetary claims - operating	1,698,818	1,412,808
Contract assets	190,384	53,915
Inventories	1,347,537	1,179,326
Other	600,001	871,364
Allowance for doubtful accounts	(643)	(608)
Total current assets	12,505,669	11,667,429
Non-current assets		
Property, plant and equipment		
Buildings, net	341,884	348,656
Facilities attached to buildings, net	412,200	397,452
Other, net	100,611	107,018
Total property, plant and equipment	854,696	853,126
Intangible assets		
Goodwill	1,779,769	1,598,394
Other	67,652	91,544
Total intangible assets	1,847,422	1,689,939
Investments and other assets		
Investment securities	1,220,971	230,237
Deferred tax assets	297,708	246,576
Retirement benefit asset	204,967	272,647
Other	695,200	542,613
Allowance for doubtful accounts	(405)	(405)
Total investments and other assets	2,418,442	1,291,669
Total non-current assets	5,120,561	3,834,736
Deferred assets	1,322	904
Total assets	17,627,554	15,503,070

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,057,500	1,681,289
Electronically recorded obligations - operating	927,572	507,322
Current portion of bonds payable	30,000	30,000
Current portion of long-term borrowings	803,570	359,392
Accounts payable - other	513,206	407,702
Income taxes payable	284,256	259,523
Accrued consumption taxes	306,296	205,012
Contract liabilities	1,190,487	959,119
Provision for bonuses	546,178	410,065
Provision for bonuses for directors (and other officers)	15,030	4,650
Provision for loss on orders received	-	859
Asset retirement obligations	12,632	-
Other	311,562	270,835
Total current liabilities	6,998,293	5,095,772
Non-current liabilities		
Bonds payable	75,000	45,000
Long-term borrowings	680,892	321,500
Provision for retirement benefits for directors (and other officers)	47,410	37,000
Retirement benefit liability	155,844	157,677
Asset retirement obligations	467,411	495,235
Other	104,050	99,799
Total non-current liabilities	1,530,609	1,156,212
Total liabilities	8,528,903	6,251,984
Net assets		
Shareholders' equity		
Share capital	2,091,897	2,091,897
Capital surplus	3,667,601	3,516,644
Retained earnings	3,075,602	3,468,503
Treasury shares	(317,778)	(257,544)
Total shareholders' equity	8,517,322	8,819,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	139,846	8,290
Remeasurements of defined benefit plans	(70,060)	(56,727)
Total accumulated other comprehensive income	69,785	(48,437)
Share acquisition rights	40,677	41,939
Non-controlling interests	470,865	438,080
Total net assets	9,098,650	9,251,085
Total liabilities and net assets	17,627,554	15,503,070

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Net sales	28,491,409	25,084,943
Cost of sales	21,556,215	19,348,147
Gross profit	6,935,194	5,736,795
Selling, general and administrative expenses	5,225,396	4,681,884
Operating profit	1,709,797	1,054,911
Non-operating income		
Interest and dividend income	21,938	24,161
Gain on investments in investment partnerships	3,898	-
Foreign exchange gains	-	23,437
Subsidy income	6,901	12,131
Surrender value of insurance policies	43,744	7,235
Other	4,704	11,568
Total non-operating income	81,185	78,534
Non-operating expenses		
Interest expenses	8,169	5,810
Commission expenses	726	136,682
Loss on investments in investment partnerships	-	7,956
Foreign exchange losses	4,302	-
Other	3,024	4,527
Total non-operating expenses	16,222	154,978
Ordinary profit	1,774,760	978,468
Extraordinary income		
Gain on sale of investment securities	32,205	72,526
Gain on sale of shares of subsidiaries and associates	256,568	346,372
Other	14,138	-
Total extraordinary income	302,912	418,898
Extraordinary losses		
Loss on retirement of non-current assets	6,261	13,565
Loss on valuation of investment securities	138,980	38,569
Total extraordinary losses	145,241	52,135
Profit before income taxes	1,932,430	1,345,231
Income taxes - current	804,124	422,504
Income taxes - deferred	31,229	84,600
Total income taxes	835,353	507,105
Profit	1,097,077	838,125
Profit attributable to non-controlling interests	88,864	20,534
Profit attributable to owners of parent	1,008,213	817,590

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Profit	1,097,077	838,125
Other comprehensive income		
Valuation difference on available-for-sale securities	141,359	(131,556)
Remeasurements of defined benefit plans, net of tax	(26,746)	13,333
Total other comprehensive income	114,613	(118,222)
Comprehensive income	1,211,690	719,902
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,122,826	699,367
Comprehensive income attributable to non-controlling interests	88,864	20,534

Consolidated Statements of Changes in Equity

For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,091,897	3,670,161	2,388,876	(337,933)	7,813,002
Changes during period					
Dividends of surplus			(322,248)		(322,248)
Profit attributable to owners of parent			1,008,213		1,008,213
Restricted stock payment		(878)		20,154	19,276
Change in scope of consolidation		2,396	760		3,157
Change in ownership interest of parent due to transactions with non-controlling interests		(4,078)			(4,078)
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,560)	686,725	20,154	704,319
Balance at end of period	2,091,897	3,667,601	3,075,602	(317,778)	8,517,322

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(1,513)	(43,314)	(44,827)	47,790	558,461	8,374,426
Changes during period						
Dividends of surplus						(322,248)
Profit attributable to owners of parent						1,008,213
Restricted stock payment						19,276
Change in scope of consolidation						3,157
Change in ownership interest of parent due to transactions with non-controlling interests						(4,078)
Net changes in items other than shareholders' equity	141,359	(26,746)	114,613	(7,113)	(87,595)	19,904
Total changes during period	141,359	(26,746)	114,613	(7,113)	(87,595)	724,224
Balance at end of period	139,846	(70,060)	69,785	40,677	470,865	9,098,650

For the fiscal year ended September 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,091,897	3,667,601	3,075,602	(317,778)	8,517,322
Changes during period					
Dividends of surplus			(339,699)		(339,699)
Profit attributable to owners of parent			817,590		817,590
Purchase of treasury shares				(199,920)	(199,920)
Cancellation of treasury shares		(155,046)	(81,565)	236,612	-
Restricted stock payment		4,090	(3,423)	23,542	24,209
Net changes in items other than shareholders' equity					
Total changes during period	-	(150,956)	392,901	60,234	302,179
Balance at end of period	2,091,897	3,516,644	3,468,503	(257,544)	8,819,502

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	139,846	(70,060)	69,785	40,677	470,865	9,098,650
Changes during period						
Dividends of surplus						(339,699)
Profit attributable to owners of parent						817,590
Purchase of treasury shares						(199,920)
Cancellation of treasury shares						-
Restricted stock payment						24,209
Net changes in items other than shareholders' equity	(131,556)	13,333	(118,222)	1,262	(32,784)	(149,745)
Total changes during period	(131,556)	13,333	(118,222)	1,262	(32,784)	152,434
Balance at end of period	8,290	(56,727)	(48,437)	41,939	438,080	9,251,085

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,932,430	1,345,231
Depreciation	169,398	147,069
Amortization of goodwill	217,980	181,375
Share-based payment expenses	26,301	20,042
Increase (decrease) in provision for bonuses	185,651	(136,113)
Increase (decrease) in provision for bonuses for directors (and other officers)	2,523	(10,380)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(65,320)	(10,410)
Loss (gain) on sale of investment securities	(32,205)	(72,526)
Loss (gain) on valuation of investment securities	138,980	38,569
Loss (gain) on investments in investment partnerships	(3,898)	7,956
Loss (gain) on sale of shares of subsidiaries and associates	(256,568)	(346,372)
Loss on retirement of non-current assets	6,261	13,565
Interest and dividend income	(21,938)	(24,161)
Subsidy income	(6,901)	(12,131)
Interest expenses	8,169	5,810
Commission expenses	726	136,682
Decrease (increase) in accounts receivable - trade, and contract assets	(584,193)	794,734
Decrease (increase) in inventories	282,529	168,210
Decrease (increase) in advance payments to suppliers	(111,897)	(143,886)
Decrease (increase) in accounts receivable - other	77,436	(58,325)
Increase (decrease) in trade payables	(15,051)	(796,461)
Increase (decrease) in accounts payable - other	193,972	(100,095)
Increase (decrease) in accrued consumption taxes	143,993	(101,275)
Increase (decrease) in contract liabilities	235,365	(231,368)
Decrease (increase) in retirement benefit asset	(19,333)	(67,679)
Decrease (increase) in pension liability adjustment	(38,550)	19,217
Other, net	82,606	(63,691)
Subtotal	2,548,469	703,586
Interest and dividends received	21,937	24,155
Interest paid	(7,518)	(5,325)
Subsidies received	6,901	12,131
Commission paid	-	(126,590)
Income taxes paid	(572,808)	(473,512)
Income taxes refund	42,595	44,743
Net cash provided by (used in) operating activities	2,039,576	179,188

(Thousands of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Cash flows from investing activities		
Net decrease (increase) in time deposits	42,422	61,008
Purchase of property, plant and equipment	(128,488)	(104,879)
Purchase of intangible assets	(65,748)	(61,980)
Purchase of investment securities	(93,996)	-
Proceeds from sale of investment securities	83,195	170,900
Proceeds from sale of shares of subsidiaries and associates	-	974,750
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(679,643)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,435,319	-
Loan advances	(430,000)	-
Proceeds from collection of loans receivable	41,381	42,640
Payments of leasehold and guarantee deposits	(42,507)	(627)
Purchase of insurance funds	(41,831)	(5,224)
Proceeds from cancellation of insurance funds	101,331	14,848
Other, net	38,001	74,406
Net cash provided by (used in) investing activities	259,434	1,165,842
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(20,000)	-
Proceeds from long-term borrowings	527,000	-
Repayments of long-term borrowings	(932,775)	(803,570)
Redemption of bonds	(15,000)	(30,000)
Purchase of treasury shares	-	(199,920)
Dividends paid	(321,758)	(339,219)
Dividends paid to non-controlling interests	(116,234)	(53,319)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9,625)	-
Other, net	3,830	(2,208)
Net cash provided by (used in) financing activities	(884,562)	(1,428,238)
Effect of exchange rate change on cash and cash equivalents	2,835	2,423
Net increase (decrease) in cash and cash equivalents	1,417,284	(80,782)
Cash and cash equivalents at beginning of period	2,617,924	4,035,208
Cash and cash equivalents at end of period	4,035,208	3,954,425