Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

October 31, 2024

Company name: Scroll Corporation
Stock exchange listing: Tokyo
Stock code: 8005 URL https://www.scroll.jp/
Representative: President Tomohisa Tsurumi
Inquiries: Director, General Manager of Corporate Management Dept. Yasunori Sugimoto TEL +81-53-464-1114

Scheduled date to file Semi-annual Securities Report: November 7, 2024
Scheduled date to commence dividend payments: November 29, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(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	40,914	2.2	3,841	13.8	4,075	18.5	2,764	17.8
Six months ended September 30, 2023	40,016	(2.3)	3,374	(3.5)	3,438	1.9	2,346	0.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	80.54	–
Six months ended September 30, 2023	67.15	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	52,693	35,342	67.1
As of March 31, 2024	53,258	33,383	62.7

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 March 31, 2024	–	24.00	–	18.00	42.00
Year ending March 31, 2025	–	24.00			
Year ending March 31, 2025 (Forecast)			–	24.00	48.00

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	80,000	0.2	6,000	12.9	6,200	12.5	4,200	15.1	122.19

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

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	35,098,550 shares	As of March 31, 2024	35,098,550 shares

Number of treasury shares at the end of the period

As of September 30, 2024	680,276 shares	As of March 31, 2024	848,498 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	34,327,740 shares	Six months ended September 30, 2023	34,943,441 shares

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	7,396	5,129
Accounts receivable - trade	11,787	10,973
Inventories	8,615	9,975
Accounts receivable - other	7,844	9,276
Other	1,202	1,176
Allowance for doubtful accounts	(634)	(952)
Total current assets	36,212	35,578
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,106	5,897
Land	5,489	5,489
Other, net	873	769
Total property, plant and equipment	12,469	12,155
Intangible assets		
Goodwill	–	567
Other	691	635
Total intangible assets	691	1,203
Investments and other assets		
Other	4,395	4,285
Allowance for doubtful accounts	(510)	(530)
Total investments and other assets	3,885	3,755
Total non-current assets	17,046	17,114
Total assets	53,258	52,693
Liabilities		
Current liabilities		
Accounts payable - trade	2,624	2,468
Short-term borrowings	3,000	–
Accounts payable - other	9,623	9,970
Income taxes payable	1,122	1,313
Provisions	580	433
Other	1,244	1,425
Total current liabilities	18,195	15,611
Non-current liabilities		
Provisions	52	117
Retirement benefit liability	1,459	1,458
Other	167	163
Total non-current liabilities	1,679	1,738
Total liabilities	19,874	17,350

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	6,116	6,116
Capital surplus	7,045	7,059
Retained earnings	19,829	21,980
Treasury shares	(815)	(650)
Total shareholders' equity	32,176	34,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,062	881
Deferred gains or losses on hedges	92	(118)
Foreign currency translation adjustment	52	72
Total accumulated other comprehensive income	1,207	835
Total net assets	33,383	35,342
Total liabilities and net assets	53,258	52,693

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	40,016	40,914
Cost of sales	23,675	23,487
Gross profit	16,341	17,427
Selling, general and administrative expenses	12,967	13,586
Operating profit	3,374	3,841
Non-operating income		
Interest income	7	11
Dividend income	28	47
Foreign exchange gains	–	54
Gain on adjustment of accounts payable	29	24
Recoveries of written off receivables	19	27
Other	30	87
Total non-operating income	115	253
Non-operating expenses		
Interest expenses	9	5
Foreign exchange losses	35	–
Expense related to restricted stock	3	5
Other	2	8
Total non-operating expenses	50	18
Ordinary profit	3,438	4,075
Extraordinary income		
Gain on sale of investment securities	15	–
Gain on sale of businesses	100	–
Total extraordinary income	115	–
Extraordinary losses		
Loss on retirement of non-current assets	12	0
Total extraordinary losses	12	0
Profit before income taxes	3,541	4,075
Income taxes - current	1,165	1,258
Income taxes - deferred	29	52
Total income taxes	1,194	1,310
Profit	2,346	2,764
Profit attributable to owners of parent	2,346	2,764

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,346	2,764
Other comprehensive income		
Valuation difference on available-for-sale securities	265	(181)
Deferred gains or losses on hedges	256	(210)
Foreign currency translation adjustment	7	20
Total other comprehensive income	529	(371)
Comprehensive income	2,876	2,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,876	2,393
Comprehensive income attributable to non-controlling interests	–	–

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	3,541	4,075
Depreciation	481	475
Amortization of goodwill	21	63
Share-based payment expenses	50	62
Increase (decrease) in allowance for doubtful accounts	123	337
Increase (decrease) in other provisions	(86)	(152)
Increase (decrease) in retirement benefit liability	30	(3)
Interest and dividend income	(36)	(59)
Interest expenses	9	5
Loss (gain) on sale of investment securities	(15)	–
Loss (gain) on sale and retirement of non-current assets	12	0
Loss (gain) on sale of businesses	(100)	–
Decrease (increase) in trade receivables	(996)	894
Decrease (increase) in inventories	(985)	(1,360)
Decrease (increase) in other current assets	(1,250)	(1,386)
Increase (decrease) in trade payables	9	(138)
Increase (decrease) in accrued liabilities	205	418
Increase (decrease) in other current liabilities	(154)	(7)
Other, net	1	(27)
Subtotal	863	3,196
Interest and dividends received	36	61
Interest paid	(11)	(5)
Income taxes paid	(1,381)	(1,083)
Income taxes refund	67	23
Net cash provided by (used in) operating activities	(425)	2,192
Cash flows from investing activities		
Decrease (increase) in time deposits	–	(1,000)
Purchase of property, plant and equipment	(47)	(117)
Purchase of intangible assets	(95)	(91)
Proceeds from sale of investment securities	30	26
Proceeds from cancellation of insurance funds	–	105
Proceeds from sale of businesses	100	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(672)
Other, net	(9)	57
Net cash provided by (used in) investing activities	(21)	(1,693)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,000	–
Repayments of short-term borrowings	(2,000)	(25)
Repayments of long-term borrowings	(3,000)	(3,165)
Purchase of treasury shares	(387)	(0)
Dividends paid	(1,325)	(615)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(4,713)	(3,806)
Effect of exchange rate change on cash and cash equivalents	8	20
Net increase (decrease) in cash and cash equivalents	(5,151)	(3,286)
Cash and cash equivalents at beginning of period	10,267	7,396
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	19
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(9)	–
Cash and cash equivalents at end of period	5,105	4,129