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

November 14, 2024

Company name: Japan Ecosystem Co., Ltd.
Listing: Tokyo, Nagoya
Securities code: 9249
URL: https://www.jp-eco.co.jp/
Representative: Minoru Matsushima President
Inquiries: Atsuhiko Ino Director in charge of the Management Division
Telephone: +81-586 - 64 - 9249
Scheduled date of annual general meeting of shareholders: December 25, 2024
Scheduled date to commence dividend payments: December 26, 2024
Scheduled date to file annual securities report: December 26, 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	9,301	22.8	764	20.2	806	17.8	622	(28.8)
September 30, 2023	7,577	4.9	635	(20.4)	685	(20.0)	874	114.3

(Note) Comprehensive income: Fiscal year ended September 30, 2024: ¥ 627 million [(31.4)%]
Fiscal year ended September 30, 2023: ¥ 914 million [122.2%]

	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	222.29	217.50	12.6	9.2	8.2
September 30, 2023	324.40	319.56	21.3	9.2	8.4

(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	9,252	5,476	58.3	1,864.04
September 30, 2023	8,382	4,538	53.2	1,652.17

(Reference) Equity: As of September 30, 2024: ¥ 5,396 million
As of September 30, 2023: ¥ 4,456 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	488	(1,642)	101	802
September 30, 2023	766	418	(425)	1,854

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	-	25.00	-	26.00	51.00	137	15.7	3.4
September 30, 2024	-	26.00	-	26.00	52.00	149	23.4	3.0
Fiscal year ending September 30, 2025 (Forecast)	-	26.00	-	27.00	53.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended September 30, 2024 :

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	6.3	857	6.2	535	(14.1)	184.91

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(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: 2,895,200 shares

September 30, 2023: 2,697,600 shares

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

September 30, 2024: 76 shares

September 30, 2023: - shares

3) Average number of shares outstanding during the period:

Fiscal Year ended September 30, 2024: 2,802,371 shares

Fiscal Year ended September 30, 2023: 2,696,071 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	4,856	15.2	267	(11.6)	302	4.3	219	(52.3)
September 30, 2023	4,214	(6.7)	302	(32.6)	290	(40.8)	459	76.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2024	78.18	76.50
September 30, 2023	170.45	167.91

(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	7,572	4,189	55.3	1,446.96
September 30, 2023	5,150	3,654	70.9	1,354.25

(Reference) Equity: As of September 30, 2024: ¥ 4,189 million
As of September 30, 2023: ¥ 3,653 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	2,070,500	966,179
Electronically recorded monetary claims - operating	101,395	115,851
Notes and accounts receivable - trade, and contract assets	1,054,946	1,677,269
Inventories	389,526	337,119
Other	208,089	159,254
Total current assets	3,824,457	3,255,675
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,065,180	2,169,861
Machinery, equipment and vehicles	1,790,986	1,851,281
Tools, furniture and fixtures	877,807	802,530
Land	1,684,288	1,653,269
Leased assets	124,310	33,436
Construction in progress	199,121	1,446,376
Accumulated depreciation	(2,984,147)	(2,835,029)
Total property, plant and equipment	3,757,547	5,121,725
Intangible assets		
Software	70,039	69,442
Other	128,825	107,689
Total intangible assets	198,864	177,131
Investments and other assets		
Investment securities	227,548	181,986
Deferred tax assets	132,785	188,112
Other, net	240,307	326,805
Total investments and other assets	600,641	696,903
Total non-current assets	4,557,054	5,995,761
Deferred assets	1,470	980
Total assets	8,382,983	9,252,416

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	300,800	539,119
Electronically recorded obligations - operating	56,826	30,603
Short-term borrowings	310,000	400,000
Current portion of bonds payable	62,000	57,000
Current portion of long-term borrowings	481,775	482,787
Lease liabilities	2,302	4,087
Income taxes payable	257,123	99,946
Other	907,719	679,554
Total current liabilities	2,378,548	2,293,097
Non-current liabilities		
Bonds payable	115,000	58,000
Long-term borrowings	1,080,867	913,675
Retirement benefit liability	57,804	51,232
Lease liabilities	4,397	12,693
Deferred tax liabilities	59,834	39,762
Asset retirement obligations	98,152	98,810
Other	49,996	309,042
Total non-current liabilities	1,466,052	1,483,216
Total liabilities	3,844,600	3,776,314
Net assets		
Shareholders' equity		
Share capital	762,266	1,000,497
Capital surplus	673,377	911,608
Retained earnings	3,002,038	3,480,403
Treasury shares	-	(331)
Total shareholders' equity	4,437,682	5,392,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,198	4,451
Total accumulated other comprehensive income	19,198	4,451
Share acquisition rights	1,361	-
Non-controlling interests	80,140	79,473
Total net assets	4,538,382	5,476,102
Total liabilities and net assets	8,382,983	9,252,416

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	7,577,563	9,301,846
Cost of sales	5,374,246	6,739,823
Gross profit	2,203,316	2,562,022
Selling, general and administrative expenses	1,567,577	1,797,703
Operating profit	635,739	764,319
Non-operating income		
Interest income	281	333
Dividend income	9,183	3,078
Insurance claim income	48,324	-
Subsidy income	17,098	14,984
Surrender value of insurance policies	10,390	11,308
Gain on adjustment of accounts payable	-	8,563
Gain on sale of non-current assets	12,626	13,862
Other	9,851	19,600
Total non-operating income	107,756	71,731
Non-operating expenses		
Share issuance costs	-	12,825
Interest expenses	8,757	10,800
Loss on investments in silent partnerships	41,236	-
Other	8,302	5,451
Total non-operating expenses	58,295	29,077
Ordinary profit	685,200	806,973
Extraordinary income		
Gain on sale of non-current assets	428,136	41,946
Gain on sale of investment securities	32,432	10,387
Gain on bargain purchase	191,387	-
Total extraordinary income	651,956	52,334
Extraordinary losses		
Loss on sale of non-current assets	-	12,713
Impairment losses	22,896	-
Loss on retirement of non-current assets	-	6,869
Loss on disposal of non-current assets	34,013	-
Other	3,624	-
Total extraordinary losses	60,535	19,582
Profit before income taxes	1,276,621	839,724
Income taxes - current	359,751	261,969
Income taxes - deferred	18,871	(64,529)
Total income taxes	378,623	197,440
Profit	897,998	642,284
Profit attributable to non-controlling interests	23,391	19,332
Profit attributable to owners of parent	874,606	622,951

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	897,998	642,284
Other comprehensive income		
Valuation difference on available-for-sale securities	16,994	(14,747)
Total other comprehensive income	16,994	(14,747)
Comprehensive income	914,993	627,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	891,601	608,204
Comprehensive income attributable to non-controlling interests	23,391	19,332

Consolidated Statements of Changes in Equity

For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	761,166	672,277	2,302,662	-	3,736,106	2,203	2,203	-	56,748	3,795,059
Changes during period										
Issuance of new shares	1,100	1,100			2,200					2,200
Dividends of surplus			(175,231)		(175,231)					(175,231)
Profit attributable to owners of parent			874,606		874,606					874,606
Purchase of treasury shares					-					-
Net changes in items other than shareholders' equity						16,994	16,994	1,361	23,391	41,747
Total changes during period	1,100	1,100	699,375	-	701,575	16,994	16,994	1,361	23,391	743,323
Balance at end of period	762,266	673,377	3,002,038	-	4,437,682	19,198	19,198	1,361	80,140	4,538,382

For the fiscal year ended September 30, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning of period	762,266	673,377	3,002,038	-	4,437,682	19,198	19,198	1,361	80,140	4,538,382
Changes during period										
Issuance of new shares	238,230	238,230			476,461					476,461
Dividends of surplus			(144,586)		(144,586)					(144,586)
Profit attributable to owners of parent			622,951		622,951					622,951
Purchase of treasury shares				(331)	(331)					(331)
Net changes in items other than shareholders' equity						(14,747)	(14,747)	(1,361)	(667)	(16,775)
Total changes during period	238,230	238,230	478,365	(331)	954,495	(14,747)	(14,747)	(1,361)	(667)	937,719
Balance at end of period	1,000,497	911,608	3,480,403	(331)	5,392,177	4,451	4,451	-	79,473	5,476,102

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	1,276,621	839,724
Depreciation	322,682	331,194
Impairment losses	22,896	-
Interest and dividend income	(9,465)	(3,411)
Interest expenses	8,757	10,800
Share issuance costs	-	12,825
Loss (gain) on disposal of non-current assets	34,013	-
Loss on retirement of non-current assets	-	6,869
Loss (gain) on sale of non-current assets	(440,762)	(43,096)
Loss (gain) on sale of investment securities	(32,432)	(10,387)
Gain on bargain purchase	(191,387)	-
Decrease (increase) in trade receivables	142,262	(576,928)
Decrease (increase) in inventories	(7,409)	87,072
Decrease (increase) in investments in leases	4,865	(4,432)
Increase (decrease) in trade payables	36,969	153,195
Increase (decrease) in advances received on uncompleted construction	17,929	(23,450)
Increase (decrease) in accounts payable - other	(41,238)	(116,449)
Increase (decrease) in accrued consumption taxes	3,417	(8,324)
Other, net	(24,305)	292,415
Subtotal	1,123,415	947,617
Interest and dividends received	9,465	3,411
Interest paid	(8,925)	(10,682)
Income taxes paid	(357,933)	(451,600)
Net cash provided by (used in) operating activities	766,021	488,746
Cash flows from investing activities		
Payments into time deposits	(44,700)	(75,403)
Proceeds from withdrawal of time deposits	88,021	137,514
Purchase of property, plant and equipment	(423,483)	(1,823,802)
Proceeds from sale of property, plant and equipment	688,529	209,526
Purchase of intangible assets	(51,058)	(11,921)
Purchase of insurance funds	(50,088)	(10,140)
Purchase of investment securities	(23,762)	(5,415)
Proceeds from sale of investment securities	149,839	31,475
Payments for acquisition of businesses	(24,000)	-
Proceeds from redemption of investment securities	-	30,000
Purchase of shares of subsidiaries and associates	-	(60,023)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(206,779)	(71,767)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	317,798	-
Other, net	(1,974)	7,918
Net cash provided by (used in) investing activities	418,341	(1,642,039)

(Thousands of yen)

	For the fiscal year ended September 30, 2023	For the fiscal year ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	70,000	85,000
Proceeds from issuance of share acquisition rights	1,361	-
Proceeds from long-term borrowings	485,000	439,203
Repayments of long-term borrowings	(735,746)	(655,383)
Redemption of bonds	(62,000)	(62,000)
Proceeds from issuance of shares	2,200	462,275
Purchase of treasury shares	-	(331)
Dividends paid	(175,106)	(144,599)
Dividends paid to non-controlling interests	-	(20,000)
Repayments of lease liabilities	(11,043)	(3,081)
Net cash provided by (used in) financing activities	(425,334)	101,082
Effect of exchange rate change on cash and cash equivalents	1	0
Net increase (decrease) in cash and cash equivalents	759,028	(1,052,210)
Cash and cash equivalents at beginning of period	1,095,525	1,854,553
Cash and cash equivalents at end of period	1,854,553	802,343