

October 31, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: ESLEAD CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 8877
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 Scheduled date to file semi-annual securities report: November 8, 2024
 Scheduled date to commence dividend payments: December 2, 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 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	57,385	58.3	10,173	73.3	9,909	71.7	6,399	74.7
September 30, 2023	36,257	31.6	5,872	158.1	5,771	158.2	3,663	161.5

Note: Comprehensive income For the six months ended September 30, 2024: ¥ 6,337 million [70.3 %]
 For the six months ended September 30, 2023: ¥ 3,721 million [164.5 %]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended				
September 30, 2024	414.77	-	-	-
September 30, 2023	237.42	-	-	-

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%
As of						
September 30, 2024	178,188	71,821	71,821	71,821	40.3	40.3
March 31, 2024	168,954	66,873	66,873	66,873	39.6	39.6

Reference: Equity
 As of September 30, 2024: ¥ 71,821 million
 As of March 31, 2024 : ¥ 66,873 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	60.00	-	90.00	150.00
Fiscal year ending March 31, 2025	-	85.00	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	95.00	180.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

For the revision of the dividend forecast, please refer to the "Notice Concerning Revision of Interim Dividend and Year-End Dividend Forecast" released today (October 31, 2024).

3. Forecast of consolidated financial results for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	98,500	22.7	14,200	22.1	13,700	20.7	8,700	15.7	563.85

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to "2. Interim Consolidated Financial Statements and Major Notes (4) Notes to Interim Consolidated Financial Statements (Notes to Changes in Accounting Policies)" on page 9 of the attached document.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	15,465,600 shares
As of March 31, 2024	15,465,600 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	36,100 shares
As of March 31, 2024	36,015 shares

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

Six months ended September 30, 2024	15,429,533 shares
Six months ended September 30, 2023	15,429,754 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. Please refer to "1. Business Results, (3) Explanation of Forward-Looking Statements" on page 3 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

(How to obtain supplementary information on interim financial results)

Supplementary materials for interim financial results are disclosed on TDnet on the same day.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	16,240,751	17,120,598
Accounts receivable - trade	3,009,632	1,590,151
Real estate for sale	58,527,159	57,038,319
Real estate for sale in process	73,932,894	85,022,892
Other	4,515,978	4,130,968
Total current assets	156,226,416	164,902,930
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,426,951	1,847,398
Machinery, equipment and vehicles, net	1,694,513	1,628,995
Land	3,169,777	3,381,256
Leased assets, net	1,184,523	1,152,894
Construction in progress	1,393,885	1,393,885
Other, net	37,172	30,141
Total property, plant and equipment	8,906,824	9,434,572
Intangible assets	311,940	277,465
Investments and other assets		
Investment securities	556,027	471,584
Deferred tax assets	601,441	733,175
Other	2,351,513	2,368,280
Total investments and other assets	3,508,982	3,573,041
Total non-current assets	12,727,747	13,285,079
Total assets	168,954,164	178,188,010

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,146,631	808,082
Electronically recorded obligations - operating	5,659,852	3,759,250
Short-term borrowings	3,660,000	2,298,100
Current portion of long-term borrowings	18,287,392	24,693,864
Lease liabilities	135,943	136,376
Income taxes payable	2,303,275	3,858,946
Advances received	2,564,618	1,179,958
Provision for bonuses	230,873	189,410
Other	1,932,080	1,078,276
Total current liabilities	36,920,666	38,002,265
Non-current liabilities		
Bonds payable	500,000	500,000
Long-term borrowings	62,889,471	66,026,341
Lease liabilities	1,152,891	1,113,409
Retirement benefit liability	155,280	176,631
Provision for retirement benefits for directors (and other officers)	239,187	241,625
Asset retirement obligations	23,320	23,320
Other	200,291	282,820
Total non-current liabilities	65,160,442	68,364,147
Total liabilities	102,081,108	106,366,412
Net assets		
Shareholders' equity		
Share capital	1,983,000	1,983,000
Capital surplus	2,871,307	2,871,307
Retained earnings	61,836,559	66,847,595
Treasury shares	(64,924)	(65,250)
Total shareholders' equity	66,625,942	71,636,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	247,113	184,944
Total accumulated other comprehensive income	247,113	184,944
Total net assets	66,873,055	71,821,597
Total liabilities and net assets	168,954,164	178,188,010

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	36,257,997	57,385,831
Cost of sales	26,377,147	42,869,667
Gross profit	9,880,850	14,516,163
Selling, general and administrative expenses		
Advertising expenses	365,705	234,073
Salaries and bonuses	1,425,232	1,618,117
Provision for bonuses	189,304	173,765
Retirement benefit expenses	30,990	59,966
Provision for retirement benefits for directors (and other officers)	3,437	2,437
Taxes and dues	640,427	1,021,155
Depreciation	61,991	62,079
Other	1,291,698	1,170,843
Total selling, general and administrative expenses	4,008,787	4,342,438
Operating profit	5,872,062	10,173,725
Non-operating income		
Interest income	213	1,553
Dividend income	8,390	11,322
Cancellation penalty income	30,090	3,100
Gain on guarantee deposits received	31,002	38,126
Subsidy income	7,683	6,133
Insurance claim income	15,451	1,650
Administrative service fee income	28,975	30,788
Other	17,540	22,750
Total non-operating income	139,347	115,424
Non-operating expenses		
Interest expenses	234,496	377,623
Other	5,040	1,657
Total non-operating expenses	239,536	379,280
Ordinary profit	5,771,873	9,909,869
Extraordinary losses		
Loss on retirement of non-current assets	1,795	-
Total extraordinary losses	1,795	-
Profit before income taxes	5,770,077	9,909,869
Income taxes - current	2,065,341	3,614,493
Income taxes - deferred	41,471	(104,322)
Total income taxes	2,106,812	3,510,170
Profit	3,663,264	6,399,699
Profit attributable to owners of parent	3,663,264	6,399,699

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,663,264	6,399,699
Other comprehensive income		
Valuation difference on available-for-sale securities	58,298	(62,168)
Total other comprehensive income	58,298	(62,168)
Comprehensive income	3,721,563	6,337,530
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,721,563	6,337,530
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,770,077	9,909,869
Depreciation	254,159	257,518
Amortization of goodwill	17,500	17,500
Increase (decrease) in retirement benefit liability	14,676	21,350
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3,437	2,437
Interest and dividend income	(8,604)	(12,876)
Interest expenses	234,496	377,623
Insurance claim income	(15,451)	(1,650)
Loss on retirement of non-current assets	1,795	-
Decrease (increase) in trade receivables	(400,259)	1,419,481
Decrease (increase) in inventories	(19,972,787)	(9,601,158)
Increase (decrease) in trade payables	1,208,623	(3,239,150)
Increase (decrease) in advances received	258,495	(1,384,659)
Increase (decrease) in accrued consumption taxes	65,140	(137,740)
Other, net	(506,718)	(313,782)
Subtotal	(13,075,417)	(2,685,236)
Interest and dividends received	8,572	12,839
Proceeds from insurance income	15,451	1,650
Interest paid	(233,253)	(379,668)
Income taxes paid	(2,742,110)	(2,097,801)
Net cash provided by (used in) operating activities	(16,026,757)	(5,148,217)
Cash flows from investing activities		
Payments into time deposits	(70,000)	(70,000)
Proceeds from withdrawal of time deposits	70,000	70,000
Purchase of property, plant and equipment	(22,360)	(682,612)
Purchase of intangible assets	(29,285)	(10,379)
Purchase of investment securities	(4,664)	(5,164)
Other, net	(395)	800
Net cash provided by (used in) investing activities	(56,705)	(697,355)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(203,200)	(1,361,900)
Repayments of lease liabilities	(64,578)	(67,407)
Proceeds from long-term borrowings	18,788,500	22,905,900
Repayments of long-term borrowings	(10,410,005)	(13,362,558)
Redemption of bonds	(500,000)	-
Purchase of treasury shares	(121)	(326)
Dividends paid	(770,556)	(1,388,288)
Net cash provided by (used in) financing activities	6,840,037	6,725,420
Net increase (decrease) in cash and cash equivalents	(9,243,424)	879,847
Cash and cash equivalents at beginning of period	26,027,033	15,716,152
Cash and cash equivalents at end of period	16,783,608	16,596,000