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

November 12, 2024

Company name: LECIP HOLDINGS CORPORATION

Listing: Tokyo, Nagoya

Securities code: 7213

URL: <https://www.lecip.co.jp/hd/>

Representative: Makoto Sugimoto

President and CEO

Inquiries: Norihiro Shinagawa

Managing Director

Telephone: +81-58-324-3121

Scheduled date to file semi-annual securities report: November 13, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	10,310	41.8	1,349	-	1,176	170.8	700	183.8
September 30, 2023	7,272	43.0	118	-	434	-	246	-

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 801 million [-%]
Six months ended September 30, 2023: ¥ 36 million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	49.18		-	
September 30, 2023	18.22		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of September 30, 2024	19,311		8,660		44.8		563.21	
March 31, 2024	19,948		6,881		34.5		505.94	

(Reference) Equity: As of September 30, 2024: ¥ 8,660 million
As of March 31, 2024: ¥ 6,881 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	8.50	8.50
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	10.00	10.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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
Full year	24,000	5.8	2,000	(36.8)	1,800	(49.4)	950	(60.7)	64.14

(Note) Revision to the financial results forecast announced most recently: Yes

* 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

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

(4) Number of issued shares (common shares)

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

September 30, 2024: 15,891,500 shares

March 31, 2024: 14,178,200 shares

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

September 30, 2024: 514,676 shares

March 31, 2024: 576,919 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 14,246,961 shares

Six months ended September 30, 2023: 13,547,995 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

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions of the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,964,080	1,848,663
Notes and accounts receivable - trade	6,133,234	3,570,355
Merchandise and finished goods	1,625,948	3,316,156
Work in process	700,313	1,036,396
Raw materials and supplies	4,174,775	4,749,140
Other	875,019	898,172
Allowance for doubtful accounts	(7)	(4)
Total current assets	16,473,364	15,418,880
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	746,811	1,423,140
Other, net	836,869	818,061
Total property, plant and equipment	1,583,680	2,241,201
Intangible assets	403,136	340,469
Investments and other assets		
Investment securities	763,331	697,769
Other	769,082	656,792
Allowance for doubtful accounts	(43,921)	(43,271)
Total investments and other assets	1,488,492	1,311,290
Total non-current assets	3,475,309	3,892,961
Total assets	19,948,674	19,311,842
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,782,618	1,774,632
Electronically recorded obligations - operating	2,984,106	2,874,562
Short-term borrowings	1,686,940	825,680
Current portion of long-term borrowings	633,841	542,167
Income taxes payable	1,749,261	359,402
Provision for bonuses	537,982	434,681
Provision for product warranties	79,892	95,597
Other	2,446,517	2,873,141
Total current liabilities	11,901,159	9,779,865
Non-current liabilities		
Long-term borrowings	560,773	297,307
Provision for management board incentive plan trust	80,268	80,268
Retirement benefit liability	40,180	37,780
Other	484,836	456,259
Total non-current liabilities	1,166,057	871,614
Total liabilities	13,067,217	10,651,479

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,190,955	1,718,223
Capital surplus	1,227,276	1,770,766
Retained earnings	4,802,404	5,384,873
Treasury shares	(251,346)	(226,107)
Total shareholders' equity	6,969,290	8,647,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	257,589	193,028
Foreign currency translation adjustment	(345,422)	(180,421)
Total accumulated other comprehensive income	(87,833)	12,607
Total net assets	6,881,457	8,660,362
Total liabilities and net assets	19,948,674	19,311,842

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	7,272,218	10,310,898
Cost of sales	5,081,773	6,551,600
Gross profit	2,190,445	3,759,298
Selling, general and administrative expenses	2,071,835	2,409,462
Operating profit	118,609	1,349,835
Non-operating income		
Dividend income	10,238	11,118
Foreign exchange gains	319,078	-
Subsidy income	90	3,344
Gains from technical support	-	30,000
Other	6,399	7,441
Total non-operating income	335,806	51,904
Non-operating expenses		
Interest expenses	13,844	10,769
Foreign exchange losses	-	187,567
Payment for employment of the disabled	3,250	2,500
Late payment default payment	2,853	-
Technical support expenses	-	10,508
Share issuance costs	-	13,942
Other	135	70
Total non-operating expenses	20,083	225,357
Ordinary profit	434,333	1,176,382
Extraordinary losses		
Impairment losses	9,434	6,393
Loss on abandonment of non-current assets	198	616
Total extraordinary losses	9,633	7,010
Profit before income taxes	424,700	1,169,371
Income taxes - current	198,466	347,855
Income taxes - deferred	(20,599)	120,878
Total income taxes	177,866	468,734
Profit	246,833	700,637
Profit attributable to owners of parent	246,833	700,637

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	246,833	700,637
Other comprehensive income		
Valuation difference on available-for-sale securities	17,203	(64,560)
Foreign currency translation adjustment	(227,340)	165,001
Total other comprehensive income	(210,137)	100,440
Comprehensive income	36,696	801,078
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,696	801,078
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	424,700	1,169,371
Depreciation	216,619	258,014
Impairment losses	9,434	6,393
Increase (decrease) in allowance for doubtful accounts	(600)	(652)
Increase (decrease) in provision for bonuses	(3,992)	(103,255)
Increase (decrease) in provision for product warranties	5,339	18,619
Increase (decrease) in retirement benefit liability	3,390	(2,400)
Interest and dividend income	(10,244)	(11,156)
Interest expenses	13,844	10,769
Subsidy income	(90)	(3,344)
Technical support income	-	(19,491)
Foreign exchange losses (gains)	(310,842)	193,203
Loss on abandonment of non-current assets	198	616
Decrease (increase) in trade receivables	754,557	2,539,486
Decrease (increase) in inventories	(2,088,592)	(2,716,845)
Trust beneficiary right	(61,745)	81,990
Decrease (increase) in advance payments to suppliers	(161,980)	25,187
Increase (decrease) in trade payables	875,600	(86,713)
Increase (decrease) in accounts payable - other	(51,918)	(258,690)
Increase (decrease) in advances received	(53,880)	728,210
Increase (decrease) in accrued consumption taxes	(49,612)	(511,783)
Other, net	26,316	58,233
Subtotal	(463,499)	1,375,763
Interest and dividends received	10,244	11,156
Interest paid	(14,052)	(10,288)
Subsidies received	90	3,344
Proceeds from technical support income	-	19,491
Income taxes refund (paid)	72,122	(1,735,233)
Net cash provided by (used in) operating activities	(395,094)	(335,765)
Cash flows from investing activities		
Purchase of property, plant and equipment	(95,600)	(362,099)
Purchase of intangible assets	(34,619)	(50,978)
Purchase of investment securities	(4,507)	(26,022)
Other, net	27,724	(709)
Net cash provided by (used in) investing activities	(107,002)	(439,810)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	342,316	(870,000)
Repayments of long-term borrowings	(271,680)	(355,140)
Proceeds from issuance of shares	-	1,040,593
Purchase of treasury shares	(29)	(46)
Dividends paid	(68,990)	(117,498)
Other, net	(55,926)	(40,911)
Net cash provided by (used in) financing activities	(54,309)	(343,002)
Effect of exchange rate change on cash and cash equivalents	22,639	3,161
Net increase (decrease) in cash and cash equivalents	(533,767)	(1,115,417)
Cash and cash equivalents at beginning of period	3,179,471	2,964,080
Cash and cash equivalents at end of period	2,645,703	1,848,663