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## Consolidated Financial Results for the Six Months Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: 4Cs HD Co., Ltd.

Stock exchange listing: Tokyo

Code number: 3726

URL: <https://www.4cs-holdings.co.jp>

Representative: Tomomi Terada

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Scheduled date of filing quarterly securities report: May 10, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

,President and Representative Director

,Director, General Manager of Corporate Planning Office

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Six Months Ended March 31, 2024 (October 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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 March 31, 2024	1,113	8.2	(67)	-	(68)	-	(74)	-
March 31, 2023	1,028	(16.6)	(104)	-	(104)	-	(103)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2024	(9.25)	-
March 31, 2023	(14.00)	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	1,470	443	30.0
September 30, 2023	1,643	518	31.4

(Reference) Equity: As of March 31, 2024: ¥ 441 million

As of September 30, 2023: ¥ 515 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 September 30, 2023	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2024	-	0.00			
Fiscal year ending September 30, 2024 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2024(October 1, 2023 to September 30, 2024)

(% indicates changes from the previous corresponding period.)

Full year	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
	-		-		-		-		-

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

\* Notes:

(1) Changes in significant subsidiaries during the six months ended March 31, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

March 31, 2024: 8,077,670 shares

September 30, 2023: 8,077,670 shares

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

March 31, 2024: 9,519 shares

September 30, 2023: 9,869 shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2024: 8,068,130 shares

Six months ended March 31, 2023: 7,381,635 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	539,510	449,784
Accounts receivable - trade	193,914	163,781
Merchandise and finished goods	407,801	373,274
Raw materials and supplies	34,568	34,488
Other	66,814	79,419
Allowance for doubtful accounts	(137)	(103)
<b>Total current assets</b>	<b>1,242,472</b>	<b>1,100,643</b>
Non-current assets		
Property, plant and equipment	540	436
Intangible assets		
Goodwill	213,690	199,921
Customer relationship	101,044	90,408
Other	1,936	1,203
<b>Total intangible assets</b>	<b>316,671</b>	<b>291,534</b>
Investments and other assets	83,702	77,396
<b>Total non-current assets</b>	<b>400,914</b>	<b>369,367</b>
<b>Total assets</b>	<b>1,643,387</b>	<b>1,470,011</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	62,977	81,752
Short-term borrowings	300,000	300,000
Current portion of long-term borrowings	112,829	92,629
Lease liabilities	433	-
Income taxes payable	24,792	25,905
Provision for bonuses	1,180	-
Provision for point card certificates	3,560	3,046
Provision for shareholder benefit program	28,237	-
Other	151,907	154,586
<b>Total current liabilities</b>	<b>685,916</b>	<b>657,918</b>
Non-current liabilities		
Bonds payable	200,000	200,000
Long-term borrowings	144,512	99,010
Deferred tax liabilities	19,738	13,038
Asset retirement obligations	73,455	55,016
Other	1,598	1,337
<b>Total non-current liabilities</b>	<b>439,303</b>	<b>368,402</b>
<b>Total liabilities</b>	<b>1,125,220</b>	<b>1,026,320</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,122,822	1,122,822
Capital surplus	611,956	612,068
Retained earnings	(1,216,215)	(1,290,807)
Treasury shares	(3,152)	(3,065)
<b>Total shareholders' equity</b>	<b>515,410</b>	<b>441,018</b>
Share acquisition rights	2,755	2,672
<b>Total net assets</b>	<b>518,166</b>	<b>443,690</b>

Total liabilities and net assets	1,643,387	1,470,011
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Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended March 31, 2023	For the six months ended March 31, 2024
Net sales	1,028,702	1,113,116
Cost of sales	327,524	387,686
Gross profit	701,177	725,429
Selling, general and administrative expenses	805,757	792,477
Operating loss	(104,579)	(67,047)
Non-operating income		
Interest income	4	3
Income on compensation	13	-
Subsidy income	681	-
Commission income	2,727	2,727
Other	1,646	534
Total non-operating income	5,072	3,265
Non-operating expenses		
Interest expenses	2,355	2,284
Interest expenses on bonds	410	1,002
Share acquisition rights issuance costs	1,238	-
Other	698	1,198
Total non-operating expenses	4,703	4,486
Ordinary loss	(104,209)	(68,268)
Extraordinary income		
Gain on sale of non-current assets	738	1,269
Total extraordinary income	738	1,269
Loss before income taxes	(103,471)	(66,999)
Income taxes - current	10,553	15,148
Income taxes - deferred	(10,686)	(7,555)
Total income taxes	(132)	7,592
Loss	(103,338)	(74,592)
Loss attributable to owners of parent	(103,338)	(74,592)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended March 31, 2023	For the six months ended March 31, 2024
Loss	(103,338)	(74,592)
Comprehensive income	(103,338)	(74,592)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(103,338)	(74,592)
Comprehensive income attributable to non-controlling interests	-	-

## Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended March 31, 2023	For the six months ended March 31, 2024
<b>Cash flows from operating activities</b>		
Loss before income taxes	(103,471)	(66,999)
Depreciation	12,477	11,473
Amortization of goodwill	8,535	13,768
Increase (decrease) in allowance for doubtful accounts	(287)	(33)
Increase (decrease) in provision for bonuses	(1,200)	(1,180)
Increase (decrease) in provision for point card certificates	3,467	(513)
Increase (decrease) in provision for shareholder benefit program	(21,708)	(28,237)
Interest and dividend income	(4)	(3)
Interest expenses on borrowings and bonds	2,766	3,287
Gain on sale of non-current assets	(738)	(1,269)
Decrease (increase) in trade receivables	24,184	30,133
Decrease (increase) in inventories	(50,720)	34,607
Increase (decrease) in trade payables	16,006	18,774
Increase (decrease) in accounts payable - other, and accrued expenses	(2,755)	(6,489)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(34,877)	20,388
Increase (decrease) in deposits received	725	275
Other, net	(17,404)	(35,393)
Subtotal	(165,004)	(7,411)
Interest and dividends received	2	2
Interest paid	(2,350)	(2,289)
Income taxes refund	4,050	1,477
Income taxes paid	(36,930)	(14,832)
Net cash provided by (used in) operating activities	(200,232)	(23,054)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,114)	-
Proceeds from sale of property, plant and equipment	812	1,269
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(97,947)	-
Payments of leasehold deposits	(155)	(240)
Proceeds from refund of leasehold deposits	1,627	155
Proceeds from refund of guarantee deposits	11,982	7,308
Payments for asset retirement obligations	(9,675)	(9,145)
Net cash provided by (used in) investing activities	(101,471)	(653)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(67,236)	(65,702)
Proceeds from issuance of bonds	200,000	-
Purchase of treasury shares	(17)	(72)
Proceeds from disposal of treasury shares	-	188
Repayments of lease liabilities	(508)	(433)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	256,108	-
Net cash provided by (used in) financing activities	388,346	(66,019)
Net increase (decrease) in cash and cash equivalents	86,642	(89,726)
Cash and cash equivalents at beginning of period	599,375	489,444
Cash and cash equivalents at end of period	686,017	399,717