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Consolidated Financial Results for the Three Months Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Company name: 4Cs HD Co., Ltd.

Listing: Tokyo

Securities code: 3726

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

Representative: Tomomi Terada

,President and Representative Director

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Scheduled date to commence dividend payments: -

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 Three Months Ended December 31, 2024 (October 1, 2024 to December 31, 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	%
Three months ended December 31, 2024	615	7.3	(9)	-	(3)	-	(5)	-
December 31, 2023	573	23.8	(32)	-	(33)	-	(38)	-

(Note) Comprehensive income: Three months ended December 31, 2024: ¥ (5) million [-%]
Three months ended December 31, 2023: ¥ (38) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2024	(0.59)	-
December 31, 2023	(4.77)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	2,618	1,167	44.5
September 30, 2024	2,293	1,173	51.0

(Reference) Equity: As of December 31, 2024: ¥ 1,164 million
As of September 30, 2024: ¥ 1,170 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, 2024	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2025	-				
Fiscal year ending September 30, 2025 (Forecast)		-	-	-	-

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending September 30, 2025 :

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
Six months ending March 31, 2025	1,337	20.1	(64)	-	(64)	-	(74)	-	(7.39)
Full year	2,799	24.0	7	-	8	-	7	-	0.74

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included:	1	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: Yes
- 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):

December 31, 2024:	10,077,670 shares
September 30, 2024:	10,077,670 shares

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

December 31, 2024:	9,159 shares
September 30, 2024:	9,089 shares

3) Average number of shares outstanding during the period:

Three months ended December 31, 2024:	10,068,569 shares
Three months ended December 31, 2023:	8,068,038 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	836,658	135,026
Accounts receivable - trade	169,015	155,186
Merchandise and finished goods	338,064	413,771
Raw materials and supplies	31,963	35,059
Advance payments to suppliers	399,205	1,381,183
Short-term loans receivable	40,000	-
Other	134,354	55,575
Allowance for doubtful accounts	(105)	(26)
Total current assets	1,949,157	2,175,775
Non-current assets		
Property, plant and equipment	332	288
Intangible assets		
Goodwill	186,153	266,426
Customer relationship	79,772	74,454
Other	471	116
Total intangible assets	266,396	340,996
Investments and other assets	77,688	101,368
Total non-current assets	344,416	442,653
Total assets	2,293,574	2,618,429
Liabilities		
Current liabilities		
Accounts payable - trade	70,341	102,168
Accounts payable - other	57,204	408,165
Short-term borrowings	200,000	30,000
Current portion of long-term borrowings	75,084	39,801
Current portion of bonds payable	200,000	-
Advances received	128,625	340,649
Income taxes payable	29,801	13,022
Provision for point card certificates	3,640	3,676
Provision for shareholder benefit program	34,457	24,756
Asset retirement obligations	14,489	11,339
Other	97,685	89,009
Total current liabilities	911,329	1,062,587
Non-current liabilities		
Bonds payable	-	200,000
Long-term borrowings	69,428	134,105
Deferred tax liabilities	14,300	10,950
Asset retirement obligations	41,080	41,082
Provision for loss on guarantees	81,500	-
Other	2,533	2,236
Total non-current liabilities	208,841	388,374
Total liabilities	1,120,170	1,450,962
Net assets		
Shareholders' equity		
Share capital	1,586,822	1,586,822
Capital surplus	1,076,178	1,076,178

Retained earnings	(1,489,248)	(1,495,151)
Treasury shares	(2,938)	(2,972)
Total shareholders' equity	1,170,814	1,164,877
Share acquisition rights	2,588	2,588
Total net assets	1,173,403	1,167,466
Total liabilities and net assets	2,293,574	2,618,429

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Net sales	573,420	615,067
Cost of sales	203,520	204,638
Gross profit	369,899	410,429
Selling, general and administrative expenses	402,802	419,552
Operating loss	(32,902)	(9,123)
Non-operating income		
Interest income	1	163
Commission income	1,363	1,363
Reversal of allowance for doubtful accounts	-	5,991
Other	121	246
Total non-operating income	1,486	7,764
Non-operating expenses		
Interest expenses	1,142	965
Interest expenses on bonds	504	504
Other	525	229
Total non-operating expenses	2,171	1,699
Ordinary loss	(33,587)	(3,058)
Loss before income taxes	(33,587)	(3,058)
Income taxes - current	8,836	6,411
Income taxes - deferred	(3,927)	(3,565)
Total income taxes	4,908	2,845
Loss	(38,496)	(5,903)
Loss attributable to owners of parent	(38,496)	(5,903)

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

(Thousands of yen)

	For the three months ended December 31, 2023	For the three months ended December 31, 2024
Loss	(38,496)	(5,903)
Comprehensive income	(38,496)	(5,903)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(38,496)	(5,903)
Comprehensive income attributable to non-controlling interests	-	-