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Consolidated Financial Results for the Six Months Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: 4Cs HD Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3726

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

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Scheduled date to file semi-annual securities report: May 14, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

,President and Representative Director

,Executive Vice President and Representative Director

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

1. Consolidated Financial Results for the Six Months Ended March 31, 2025 (October 1, 2024 to March 31, 2025)

(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 March 31, 2025	1,190	6.9	(73)	-	(72)	-	(58)	-
March 31, 2024	1,113	8.2	(67)	-	(68)	-	(74)	-

(Note) Comprehensive income: Six months ended March 31, 2025: ¥ (58) million [-%]

Six months ended March 31, 2024: ¥ (74) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended March 31, 2025	(5.85)	-
March 31, 2024	(9.25)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	2,758	1,114	40.3
September 30, 2024	2,293	1,173	51.0

(Reference) Equity: As of March 31, 2025: ¥ 1,111 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	-	0.00			
Fiscal year ending September 30, 2025 (Forecast)			-	-	-

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

(Note) Breakdown of the 2nd 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
Full year	2,647	17.27	9	-	(7)	-	(9)	-	(0.92)

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

* 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 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: 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):

March 31, 2025: 10,077,670 shares
September 30, 2024: 10,077,670 shares

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

March 31, 2025: 9,229 shares
September 30, 2024: 9,089 shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2025: 10,068,532 shares
Six months ended March 31, 2024: 8,068,130 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

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	836,658	204,454
Accounts receivable - trade	169,015	127,609
Merchandise and finished goods	338,064	607,552
Raw materials and supplies	31,963	27,951
Advance payments to suppliers	399,205	1,281,335
Short-term loans receivable	40,000	-
Other	134,354	81,746
Allowance for doubtful accounts	(105)	(45)
Total current assets	1,949,157	2,330,603
Non-current assets		
Property, plant and equipment	332	244
Intangible assets		
Goodwill	186,153	253,330
Customer relationship	79,772	69,135
Other	471	-
Total intangible assets	266,396	322,466
Investments and other assets	77,688	104,784
Total non-current assets	344,416	427,496
Total assets	2,293,574	2,758,100
Liabilities		
Current liabilities		
Accounts payable - trade	70,341	157,044
Short-term borrowings	200,000	335,000
Current portion of long-term borrowings	75,084	71,204
Current portion of bonds payable	200,000	200,000
Accounts payable - other	57,204	171,873
Advances received	128,625	312,903
Income taxes payable	29,801	21,930
Provision for point card certificates	3,640	4,349
Provision for shareholder benefit program	34,457	1,349
Asset retirement obligations	14,489	8,609
Other	97,685	89,152
Total current liabilities	911,329	1,373,417
Non-current liabilities		
Long-term borrowings	69,428	206,279
Deferred tax liabilities	14,300	7,330
Asset retirement obligations	41,080	34,693
Provision for loss on guarantees	81,500	-
Other	2,533	21,940
Total non-current liabilities	208,841	270,243
Total liabilities	1,120,170	1,643,660
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)	(1,548,121)

Treasury shares	(2,938)	(3,029)
Total shareholders' equity	1,170,814	1,111,851
Share acquisition rights	2,588	2,588
Total net assets	1,173,403	1,114,439
Total liabilities and net assets	2,293,574	2,758,100

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Net sales	1,113,116	1,190,226
Cost of sales	387,686	413,479
Gross profit	725,429	776,746
Selling, general and administrative expenses	792,477	850,644
Operating loss	(67,047)	(73,898)
Non-operating income		
Interest income	3	433
Commission income	2,727	2,727
Reversal of allowance for doubtful accounts	-	5,991
Other	534	1,235
Total non-operating income	3,265	10,387
Non-operating expenses		
Interest expenses	3,287	8,342
Other	1,198	237
Total non-operating expenses	4,486	8,579
Ordinary loss	(68,268)	(72,090)
Extraordinary income		
Gain on sale of non-current assets	1,269	-
Total extraordinary income	1,269	-
Extraordinary losses		
Impairment losses	-	2,217
Total extraordinary losses	-	2,217
Loss before income taxes	(66,999)	(74,307)
Income taxes - current	15,148	8,731
Income taxes - deferred	(7,555)	(24,165)
Total income taxes	7,592	(15,434)
Loss	(74,592)	(58,873)
Loss attributable to owners of parent	(74,592)	(58,873)

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Loss	(74,592)	(58,873)
Comprehensive income	(74,592)	(58,873)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(74,592)	(58,873)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(66,999)	(74,307)
Depreciation	11,473	11,194
Impairment losses	-	2,217
Amortization of goodwill	13,768	39,979
Increase (decrease) in allowance for doubtful accounts	(33)	(6,051)
Increase (decrease) in provision for bonuses	(1,180)	-
Increase (decrease) in provision for point card certificates	(513)	709
Increase (decrease) in provision for shareholder benefit program	(28,237)	(33,108)
Interest and dividend income	(3)	(433)
Interest expenses	3,287	8,342
Gain on sale of non-current assets	(1,269)	-
Decrease (increase) in trade receivables	30,133	41,406
Decrease (increase) in inventories	34,607	(265,475)
Increase (decrease) in trade payables	18,774	86,703
Increase (decrease) in advances received	(1,575)	5,296
Decrease (increase) in advance payments to suppliers	(7,907)	(116,452)
Increase (decrease) in accounts payable - other, and accrued expenses	(6,489)	27,143
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	20,388	(50,502)
Decrease (increase) in accounts receivable - other	(494)	15,688
Decrease (increase) in deposits paid	-	44,522
Increase (decrease) in deposits received	275	(712)
Other, net	(25,416)	12,069
Subtotal	(7,411)	(251,770)
Interest and dividends received	2	399
Interest paid	(2,289)	(9,851)
Income taxes refund	1,477	518
Income taxes paid	(14,832)	(13,796)
Payments for performance of guarantee obligation	-	(81,500)
Net cash provided by (used in) operating activities	(23,054)	(355,999)

(Thousands of yen)

	For the six months ended March 31, 2024	For the six months ended March 31, 2025
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,269	-
Proceeds from withdrawal of time deposits	-	50,066
Payments for acquisition of businesses	-	(586,696)
Payments of leasehold deposits	(240)	-
Proceeds from refund of leasehold deposits	155	-
Proceeds from refund of guarantee deposits	7,308	12,801
Payments for asset retirement obligations	(9,145)	(10,689)
Proceeds from collection of short-term loans receivable	-	40,000
Proceeds from collection of long-term loans receivable	-	500
Net cash provided by (used in) investing activities	(653)	(494,018)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	345,000
Repayments of short-term borrowings	-	(210,000)
Proceeds from long-term borrowings	-	201,500
Repayments of long-term borrowings	(65,702)	(68,529)
Purchase of treasury shares	(72)	(90)
Proceeds from disposal of treasury shares	188	-
Repayments of lease liabilities	(433)	-
Net cash provided by (used in) financing activities	(66,019)	267,880
Net increase (decrease) in cash and cash equivalents	(89,726)	(582,138)
Cash and cash equivalents at beginning of period	489,444	786,592
Cash and cash equivalents at end of period	399,717	204,454