

English Translation

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Consolidated Financial Results for the First Quarter Ended June 30, 2024 [IFRS]

August 13, 2024

Company name: PORT INC. Stock exchange listing: Tokyo Stock Exchange Growth,
Fukuoka Stock Exchange Q-Board

Securities code: 7047 URL: <https://www.theport.jp/>

Representative: Hirofumi Kasuga, President and CEO
Managing Executive Officer and
General Manager of Finance and IR Department

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Dividend payable date (as planned): —

Supplemental material of annual results: Yes

Convening briefing of annual results: Yes

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results(cumulative)

(% indicates changes from the previous corresponding period.)

	revenue		EBITDA※1		EBITDA including future earnings※2		Operating profit		Profit before tax		Quarterly profit		Quarterly profit attributable to owners of parent		Total quarterly comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2024	4,758	44.2	1,104	105.6	1,492	136.0	945	104.9	930	107.6	568	82.9	571	115.6	573	67.7
June 30, 2023	3,300	—	537	—	632	—	461	—	448	—	311	8.3	264	14.5	342	19.3
			Quarterly earnings per share		Quarterly diluted earnings per share											
Three months ended			Yen		Yen											
June 30, 2024			43.30		42.20											
June 30, 2023			23.50		22.25											

※1 EBITDA=Operating income+Depreciation+Loss on disposal of fixed assets and valuation gains/losses + Share based compensation expense

※2 EBITDA including future earnings=EBITDA+ expected future income from stock deals closed in the current period

(Notes) Transactions relating to Doors Inc. has been classified as a discontinued operation from the first quarter ended June 30, 2024. Due to this, the amounts presented for revenue, EBITDA, EBITDA including future earnings, operating profit and profit before tax are the amounts from continuing operations from which the amounts from discontinued operation have been excluded. The amounts presented for profit and profit attributable to owners of parent are aggregates of continuing operations and discontinued operation. As the businesses have been similarly reclassified in the three months ended June 30, 2023, changes from the same period of the previous fiscal year are not presented

(2) Consolidated Financial Position

	Total assets	Net assets	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of June 30, 2024	18,384	7,451	7,452	40.5
As of March 31, 2024	16,235	6,752	6,752	41.6

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2024	—	0.00	—	2.00	2.00
March 31, 2025	—				
Fiscal year ending					
March 31, 2025		0.00	—	2.50	2.50
(Forecast)					

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	revenue		EBITDA		EBITDA including future earnings		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	21,100	35.4	3,500	32.1	5,000	35.2	2,900	30.8	2,830	31.9	1,850	20.9	1,850	27.0	141.52

(Notes) Transactions relating to Doors Inc. has been classified as a discontinued operation from the first quarter ended June 30, 2024. Due to this, the amounts presented for revenue, EBITDA, EBITDA including future earnings, operating profit and profit before tax are the amounts from continuing operations from which the amounts from discontinued operation have been excluded. The financial statements for the fiscal year ending March 2024 have been reclassified in the same way, so the percentage change from the previous fiscal year is the increase or decrease from the financial statements after reclassification.

***Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Minshu, Inc.)
Excluded: 1 company (Doors Inc.)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- | | |
|--|------|
| 1) Changes in accounting policies required by IFRS: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting estimates: | None |
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- | | |
|-----------------------|-------------------|
| As of June 30, 2024: | 13,981,990 shares |
| As of March 31, 2024: | 13,816,090 shares |
- 2) Total number of treasury shares at the end of the period:
- | | |
|-----------------------|----------------|
| As of June 30, 2024: | 744,103 shares |
| As of March 31, 2024: | 744,103 shares |
- 3) Average number of shares during the period:
- | | |
|-----------------------------------|-------------------|
| Three months ended June 30, 2024: | 13,188,663 shares |
| Three months ended June 30, 2023: | 11,270,006 shares |
- * Review of the Japanese-language original version of the Condensed Quarterly Consolidated Financial Statements by certified accountants or audit firms: None
- * Explanation of the proper use of financial results forecast and other notes
The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in circumstances.

[Quarterly consolidated financial statements]

(1) [Quarterly consolidated statements of financial position]

(Millions of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Quarterly consolidated fiscal year under review (As of June 30, 2024)
Asset		
Current assets		
Cash and cash equivalents	3,797	5,390
Trade and other receivables	3,133	2,172
Other financial assets	14	7
Other current assets	406	376
Total current assets	<u>7,353</u>	<u>7,947</u>
Non-current assets		
Property, plant and equipment	955	1,045
Right-of-use assets	811	1,047
Goodwill	3,995	4,952
Intangible assets	1,152	1,319
Other financial assets	1,543	1,645
Deferred tax assets	84	88
Other non-current assets	339	337
Total non-current assets	<u>8,882</u>	<u>10,437</u>
Total assets	<u>16,235</u>	<u>18,384</u>

(Millions of yen)

	Previous Consolidated Fiscal Year (As of March 31, 2024)	Quarterly consolidated fiscal year under review (As of June 30, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	146	76
Bonds and borrowings	1,462	1,626
Other financial liabilities	1,660	1,103
Income taxes payable	409	338
Contractual liabilities	27	70
Lease liabilities	222	264
Refundable liabilities	69	189
Other current liabilities	452	527
Total current liabilities	4,451	4,196
Non-current liabilities		
Bonds and borrowings	3,858	5,281
Provisions	243	271
Lease liabilities	639	845
Deferred tax liabilities	221	273
Other financial liabilities	68	65
Total non-current liabilities	5,031	6,737
Total liabilities	9,482	10,933
Equity		
Share capital	2,323	2,399
Capital surplus	1,378	1,453
Retained earnings	3,662	4,207
Treasury shares	△594	△594
Other components of equity	△18	△13
Total equity attributable to owners of parent	6,752	7,452
Non-controlling interests	0	△1
Total equity	6,752	7,451
Total liabilities and equity	16,235	18,384

(2) [Quarterly consolidated statements of income and consolidated statements of comprehensive income]
 [Quarterly consolidated statements of income]

(Millions of yen)

	Previous Quarterly consolidated fiscal Year (April 1, 2023) June 30, 2023)	Quarterly consolidated fiscal year (April 1, 2024) June 30, 2024)
Continuing operations		
revenue	3,300	4,758
Cost of sales	686	759
Gross profit	2,614	3,999
Selling, general and administrative expenses	2,165	3,301
Other income	20	269
Other expenses	7	22
Operating profit	461	945
Finance income	0	1
Finance costs	14	17
Profit before tax	448	930
Income tax expense	184	370
Profit from continuing operations	263	559
Discontinued operations		
Profit from discontinued operations	47	8
Profit	311	568
Profit attributable to		
Owner of parent	264	571
Non-controlling interests	46	△2
Profit	311	568
Earnings per share		
Basic earnings per share		
Continuing operations	19.25	42.63
Discontinued operations	4.25	0.67
Basic earnings per share (yen)	23.50	43.30
Diluted earnings per share		
Continuing operations	18.23	41.54
Discontinued operations	4.03	0.65
Diluted earnings per share (yen)	22.25	42.20

[Quarterly consolidated statement of comprehensive income]

(Millions of yen)

	Previous Quarterly consolidated fiscal year (April 1, 2023) June, 2023)	Quarterly consolidated fiscal year (April 1, 2024) June 30, 2024)
Profit	311	568
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	31	5
Total Other comprehensive income	31	5
Comprehensive income	342	573
Comprehensive income attributable to		
Owner of parent	295	576
Non-controlling interests	46	△2
Comprehensive income	342	573

(3) [Quarterly consolidated statement of change in equity]

Previous quarterly consolidated fiscal year (April 1, 2023 to June 30, 2023)

	Equity attributable to owners of parent						Non-Controlling interest	Total equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				Total equity attributable to owners of parent
					Equity financial assets measured at fair value through other comprehensive income	Total Components of Other Capital			
Balance at beginning of period	944	941	2,193	△800	△37	△37	3,242	776	4,019
Profit	-	-	264	-	-	-	264	46	311
other comprehensive income	-	-	-	-	31	31	31	-	31
Total comprehensive income	-	-	264	-	31	31	295	46	342
Issuance of new shares	228	224	-	-	-	-	452	-	452
Issuance of share acquisition rights	-	-	-	-	-	-	-	-	-
Expiration of stock acquisition rights	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	△0	-	-	△0	-	△0
Dividends of surplus	-	-	-	-	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	5	-	-	-	5	-	5
Total transaction with owner	228	224	5	△0	-	-	458	-	458
Balance at end of period	1,172	1,166	2,464	△800	△6	△6	3,996	822	4,819

Quarterly consolidated fiscal year under review (April 1, 2024 to June 30, 2024)

	Equity attributable to owners of parent							Non-Controlling Interest	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total equity attributable to owners of parent		
					Equity financial assets measured at fair value through other comprehensive income	Total Components of Other Capital			
Balance at beginning of period	2,323	1,378	3,662	△594	△18	△18	6,752	0	6,752
Profit	-	-	571	-	-	-	571	△2	568
other comprehensive income	-	-	-	-	5	5	5	-	5
Total comprehensive income	-	-	571	-	5	5	576	△2	573
Issuance of new shares	75	74	-	-	-	-	150	-	150
Issuance of share acquisition rights	-	0	-	-	-	-	0	-	0
Expiration of stock acquisition rights	-	△0	-	-	-	-	△0	-	△0
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	△26	-	-	-	△26	-	△26
Transfer from accumulated other comprehensive income to retained earnings	-	-	0	-	-	-	0	-	0
Total transaction with owner	75	74	△26	-	-	-	124	-	124
Balance at end of period	2,399	1,453	4,207	△594	△13	△13	7,452	△1	7,451

(4) Quarterly consolidated statement of cash flows

	Previous quarterly consolidated fiscal year (April 1, 2023) June 30, 2023)	Quarterly consolidated fiscal year (April 1, 2024) June 30, 2024)
Cash flows from operating activities		
Profit before tax	448	930
Profit before tax from discontinued operations	70	56
Depreciation and amortization	82	163
Finance income and finance costs	14	17
Decrease(increase) in trade and other receivables	△65	956
Increase(decrease) in trade and other payables	△32	△593
other	△85	△165
Subtotal	431	1,366
Interest paid	△12	△19
Income taxes paid	△287	△399
Net cash provided by (used in) operating activities	130	946
Cash flows from investing activities		
Purchase of property, plant and equipment	△8	△66
Purchase of intangible assets	△71	△290
Proceeds from sale of businesses	-	250
Payments for acquisition of shares in subsidiaries resulting in change in scope of consolidation	-	△2,280
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	1,374
Payments for guarantee deposits and lease	△50	-
other	49	△2
Net cash provided by (used in) investing activities	△80	△1,015
Cash flows from financing activities		
Repayments of short-term borrowings	-	△47
Proceeds from long-term borrowings	300	2,120
Repayments of long-term borrowings	△222	△473
Repayments of lease liabilities	△37	△62
Purchase of treasury shares	△0	-
Dividends paid	-	△26
Proceeds from issuance of shares by exercising stock acquisition rights	452	150
other	-	0
Net cash provided by (used in) financing activities	492	1,661
Net increase(decrease) in cash and cash equivalents	543	1,592
Cash and cash equivalents at beginning of period	3,872	3,797
Cash and cash equivalents included in assets of disposal groups classified as for sale	△4	-
Cash and cash equivalents at end of period	4,411	5,390