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Non-consolidated Financial Results for the Six Months Ended July 31, 2024 [Japanese GAAP]

September 13, 2024

Company name: coly Inc.

Listing: Tokyo

Securities code: 4175

URL: <https://colyinc.com>

Representative: Anna Nakajima,

CEO

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

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Non-consolidated Financial Results for the Six Months Ended July 31, 2024 (February 1, 2024 to July 31, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2024	2,736	34.4	(670)	-	(661)	-	(687)	-
July 31, 2023	2,036	(16.9)	(685)	-	(684)	-	(685)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2024	(124.90)		-	
July 31, 2023	(124.65)		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Millions of yen		Millions of yen		%	
As of July 31, 2024	5,836		5,102		87.4	
January 31, 2024	6,529		5,767		88.3	

(Reference) Equity: As of July 31, 2024: ¥ 5,102 million

As of January 31, 2024: ¥ 5,767 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 January 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending January 31, 2025	-	0.00			
Fiscal year ending January 31, 2025 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending January 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2025(February 1, 2024 to January 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,500	28.3	-	-	-	-	-	-	-

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

* Notes:

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: Yes

(2) 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

(3) Number of issued shares (common shares)

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

July 31, 2024:	5,502,900 shares
January 31, 2024:	5,502,900 shares

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

July 31, 2024:	80 shares
January 31, 2024:	80 shares

3) Average number of shares outstanding during the period:

Six months ended July 31, 2024:	5,502,820 shares
Six months ended July 31, 2023:	5,502,820 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 Non-consolidated Financial Statements
Semi-annual Non-consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	5,086,068	3,512,143
Accounts receivable - trade	501,940	678,579
Merchandise	86,869	104,555
Short-term loans receivable	-	3,991
Other	146,873	130,746
Total current assets	5,821,751	4,430,016
Non-current assets		
Property, plant and equipment		
Buildings, net	22,026	20,745
Tools, furniture and fixtures, net	8,608	13,308
Construction in progress	1,045	-
Total property, plant and equipment	31,681	34,053
Intangible assets		
Software	4,112	6,538
Software in progress	-	20,537
Total intangible assets	4,112	27,076
Investments and other assets		
Investment securities	438,476	971,595
Leasehold deposits	155,771	155,335
Guarantee deposits	-	70,000
Long-term loans receivable	-	5,909
Allowance for doubtful accounts	-	(5,909)
Other	77,734	148,220
Total investments and other assets	671,981	1,345,151
Total non-current assets	707,774	1,406,281
Total assets	6,529,526	5,836,297

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	214,096	129,768
Income taxes payable	14,943	16,233
Contract liabilities	212,406	251,728
Provision for bonuses	19,037	19,036
Other	301,922	306,615
Total current liabilities	762,407	723,381
Non-current liabilities		
Deferred tax liabilities	-	10,141
Total non-current liabilities	-	10,141
Total liabilities	762,407	733,523
Net assets		
Shareholders' equity		
Share capital	1,910,309	1,910,309
Capital surplus	1,905,309	1,905,309
Retained earnings	1,951,703	1,264,380
Treasury shares	(203)	(203)
Total shareholders' equity	5,767,118	5,079,796
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-	22,978
Total valuation and translation adjustments	-	22,978
Total net assets	5,767,118	5,102,774
Total liabilities and net assets	6,529,526	5,836,297

Semi-annual Non-consolidated Statements of Income

(Thousands of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Net sales	2,036,662	2,736,768
Cost of sales	1,484,906	1,780,449
Gross profit	551,755	956,318
Selling, general and administrative expenses	1,237,472	1,626,392
Operating loss	(685,717)	(670,073)
Non-operating income		
Interest income	31	74
Interest on refund of income taxes	1,331	-
Consumption taxes refund	-	13,742
Subsidy income	-	427
Other	89	446
Total non-operating income	1,452	14,690
Non-operating expenses		
Provision of allowance for doubtful accounts	-	5,909
Foreign exchange losses	34	158
Other	1	27
Total non-operating expenses	35	6,095
Ordinary loss	(684,299)	(661,477)
Extraordinary losses		
Loss on retirement of non-current assets	73	550
Loss on valuation of shares of subsidiaries and associates	-	20,000
Total extraordinary losses	73	20,550
Loss before income taxes	(684,373)	(682,028)
Income taxes	1,559	5,293
Loss	(685,933)	(687,322)

Semi-annual Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Cash flows from operating activities		
Loss before income taxes	(684,373)	(682,028)
Depreciation	7,643	5,633
Amortization of lease deposits	581	436
Interest and dividend income	(31)	(74)
Loss on valuation of shares of subsidiaries and associates	-	20,000
Loss on retirement of non-current assets	73	550
Decrease (increase) in trade receivables	84,432	(176,639)
Decrease (increase) in merchandise	27,271	(17,686)
Decrease (increase) in prepaid expenses	(6,813)	1,405
Increase (decrease) in trade payables	(14,213)	(84,328)
Increase (decrease) in accounts payable - other	(32,898)	468
Increase (decrease) in accrued expenses	11,507	6,564
Increase (decrease) in contract liabilities	26,200	39,321
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	38,289	8,984
Increase (decrease) in allowance for doubtful accounts	-	5,909
Increase (decrease) in provision for bonuses	(435)	(0)
Decrease (increase) in investment	(80,222)	(90,486)
Decrease (increase) in other assets	(35,615)	5,736
Increase (decrease) in other liabilities	20,684	47
Subtotal	(637,919)	(956,186)
Interest and dividends received	31	74
Income taxes paid	(4)	(6,984)
Income taxes refund	217,780	-
Net cash provided by (used in) operating activities	(420,111)	(963,096)
Cash flows from investing activities		
Purchase of property, plant and equipment	(31,327)	(7,487)
Purchase of intangible assets	-	(23,440)
Purchase of investment securities	-	(500,000)
Loan advances	-	(10,800)
Proceeds from collection of loans receivable	-	900
Payments of leasehold and guarantee deposits	(9,963)	(70,000)
Net cash provided by (used in) investing activities	(41,290)	(610,827)
Cash flows from financing activities		
Net cash provided by (used in) financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(461,402)	(1,573,924)
Cash and cash equivalents at beginning of period	6,097,511	5,086,068
Cash and cash equivalents at end of period	5,636,109	3,512,143