

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 2024

Company name: RESOL HOLDINGS CO., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5261 URL <https://www.resol.jp>
 Representative: Representative Director, President Masaru Osawa
 Inquiries: Manager of the Accounting Department Tatsuo Saito TEL 03-3344-8861
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 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	%
Year ended March 31, 2024	25,717	16.6	2,122	554.8	1,947	936.4	1,411	95.3
Year ended March 31, 2023	22,061	5.5	324	(52.7)	187	(76.1)	722	52.5

Note: Comprehensive income Year ended March 31, 2024 ¥1,414 million [90.0%]
 Year ended March 31, 2023 ¥744 million [33.1%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	254.13	–	10.0	4.5	8.3
Year ended March 31, 2023	130.11	–	5.4	0.5	1.5

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2024 ¥– million
 Year ended March 31, 2023 ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	43,003	14,666	34.0	2,634.33
As of March 31, 2023	42,663	13,526	31.6	2,430.35

Reference: Equity As of March 31, 2024 ¥14,635 million
 As of March 31, 2023 ¥13,501 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	3,610	(1,280)	(3,963)	3,590
Year ended March 31, 2023	1,419	1,260	(908)	5,224

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	50.00	50.00	277	38.4	2.1
Year ended March 31, 2024	–	0.00	–	80.00	80.00	444	31.5	3.2
Year ending March 31, 2025 (Forecast)	–	0.00	–	90.00	90.00		33.3	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,000	5.0	2,200	3.6	2,000	2.7	1,500	6.2	270.00

Note: For the year ending March 31, 2025, as the Company manages financial results annually, the financial results forecast for the first six months is omitted.

4. Notes

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

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	5,564,200 shares	As of March 31, 2023	5,564,200 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	8,695 shares	As of March 31, 2023	8,840 shares
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Average number of shares during the period

Year ended March 31, 2024	5,555,544 shares	Year ended March 31, 2023	5,555,206 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	4,996	11.9	(14)	–	54	195.0	87	(83.2)
Year ended March 31, 2023	4,464	10.8	12	(98.3)	18	(97.7)	520	(59.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	15.71		–	
Year ended March 31, 2023	93.73		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2024	31,621		10,116		32.0		1,821.00	
As of March 31, 2023	34,786		10,306		29.6		1,855.25	

Reference: Equity As of March 31, 2024 ¥10,116 million
 As of March 31, 2023 ¥10,306 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,224,298	3,590,943
Operating accounts receivable	1,459,430	1,824,756
Merchandise	115,314	121,333
Real estate for sale	2,222,141	1,914,885
Supplies	97,022	106,140
Other	1,772,957	1,182,068
Total current assets	10,891,164	8,740,128
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,676,791	7,038,488
Machinery, equipment and vehicles, net	446,476	531,394
Tools, furniture and fixtures, net	579,147	620,381
Land	16,510,546	18,605,316
Leased assets, net	1,500,456	1,233,801
Construction in progress	67,057	173,234
Total property, plant and equipment	25,780,475	28,202,617
Intangible assets		
Goodwill	364,497	311,392
Leased assets	19,327	9,645
Other	461,811	615,822
Total intangible assets	845,636	936,860
Investments and other assets		
Investment securities	311	311
Deferred tax assets	1,256,908	1,271,115
Guarantee deposits	3,330,117	3,339,288
Other, net	558,632	513,501
Total investments and other assets	5,145,970	5,124,216
Total non-current assets	31,772,082	34,263,694
Total assets	42,663,246	43,003,822

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade accounts payable	326,723	373,653
Short-term borrowings	3,400,000	2,000,000
Current portion of long-term borrowings	3,721,384	3,137,318
Lease liabilities	300,105	263,643
Income taxes payable	229,946	148,139
Provision for bonuses	164,212	262,911
Provision for bonuses for directors (and other officers)	9,000	20,000
Other	3,697,649	4,129,609
Total current liabilities	11,849,021	10,335,277
Non-current liabilities		
Long-term borrowings	8,933,808	8,718,080
Lease liabilities	1,433,360	1,159,674
Deferred tax liabilities	26,270	23,951
Retirement benefit liability	412,851	389,584
Provision for special compensations	9,850	103,850
Asset retirement obligations	202,417	194,844
Long-term accounts payable - other	15,374	12,846
Long-term deposits received	88,106	87,050
Guarantee deposits received	6,165,188	7,311,771
Total non-current liabilities	17,287,227	18,001,653
Total liabilities	29,136,249	28,336,930
Net assets		
Shareholders' equity		
Share capital	3,948,088	3,948,088
Capital surplus	2,242,908	2,244,531
Retained earnings	7,313,477	8,449,203
Treasury shares	(21,396)	(22,046)
Total shareholders' equity	13,483,077	14,619,776
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	18,388	15,268
Total accumulated other comprehensive income	18,388	15,268
Non-controlling interests	25,531	31,847
Total net assets	13,526,997	14,666,891
Total liabilities and net assets	42,663,246	43,003,822

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	22,061,525	25,717,173
Cost of sales	9,190,361	7,888,020
Gross profit	12,871,163	17,829,152
Selling, general and administrative expenses	12,546,941	15,706,240
Operating profit	324,221	2,122,912
Non-operating income		
Interest income	65	36
Insurance claim income	71,469	17,054
Subsidies for employment adjustment	36,284	–
Other	82,961	73,113
Total non-operating income	190,781	90,204
Non-operating expenses		
Interest expenses	160,378	165,558
Commission expenses	101,620	49,979
Other	65,096	50,026
Total non-operating expenses	327,095	265,565
Ordinary profit	187,907	1,947,551
Extraordinary income		
Gain on sale of non-current assets	18,191	2,494
Gain on bargain purchase	936,750	148,677
Other	–	11,533
Total extraordinary income	954,941	162,705
Extraordinary losses		
Impairment losses	96,974	292,214
Loss on retirement of non-current assets	11,656	58,096
Loss on sale of non-current assets	577	2,064
Special compensation for employees	75,000	–
Provision for special compensations	–	117,500
Other	–	31,595
Total extraordinary losses	184,207	501,470
Profit before income taxes	958,642	1,608,787
Income taxes - current	211,143	171,155
Income taxes - deferred	21,036	19,861
Total income taxes	232,179	191,016
Profit	726,462	1,417,771
Profit attributable to non-controlling interests	3,668	5,942
Profit attributable to owners of parent	722,794	1,411,829

Consolidated statements of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	726,462	1,417,771
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	18,122	(3,120)
Total other comprehensive income	18,122	(3,120)
Comprehensive income	744,584	1,414,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	740,916	1,408,708
Comprehensive income attributable to non-controlling interests	3,668	5,942

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,948,088	2,663,333	6,868,424	(22,637)	13,457,207
Changes during period					
Dividends of surplus			(277,741)		(277,741)
Profit attributable to owners of parent			722,794		722,794
Purchase of treasury shares				(91)	(91)
Disposal of treasury shares		1,211		1,333	2,544
Change in ownership interest of parent due to transactions with non-controlling interests					
Increase in consolidated subsidiaries - non-controlling interests					
Purchase of shares of consolidated subsidiaries		(421,636)			(421,636)
Net changes in items other than shareholders' equity					
Total changes during period	–	(420,425)	445,052	1,241	25,869
Balance at end of period	3,948,088	2,242,908	7,313,477	(21,396)	13,483,077

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	266	266	223,125	13,680,600
Changes during period				
Dividends of surplus				(277,741)
Profit attributable to owners of parent				722,794
Purchase of treasury shares				(91)
Disposal of treasury shares				2,544
Change in ownership interest of parent due to transactions with non-controlling interests			1,668	1,668
Increase in consolidated subsidiaries - non-controlling interests			3,600	3,600
Purchase of shares of consolidated subsidiaries			(202,863)	(624,500)
Net changes in items other than shareholders' equity	18,122	18,122	–	18,122
Total changes during period	18,122	18,122	(197,594)	(153,602)
Balance at end of period	18,388	18,388	25,531	13,526,997

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,948,088	2,242,908	7,313,477	(21,396)	13,483,077
Changes during period					
Dividends of surplus			(277,768)	–	(277,768)
Profit attributable to owners of parent			1,411,829	–	1,411,829
Purchase of treasury shares				(1,790)	(1,790)
Disposal of treasury shares		1,106		1,139	2,246
Change in ownership interest of parent due to transactions with non-controlling interests					
Increase in consolidated subsidiaries - non-controlling interests					
Purchase of shares of consolidated subsidiaries		516	1,665		2,181
Net changes in items other than shareholders' equity					–
Total changes during period	–	1,623	1,135,726	(650)	1,136,698
Balance at end of period	3,948,088	2,244,531	8,449,203	(22,046)	14,619,776

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,388	18,388	25,531	13,526,997
Changes during period				
Dividends of surplus				(277,768)
Profit attributable to owners of parent				1,411,829
Purchase of treasury shares				(1,790)
Disposal of treasury shares				2,246
Change in ownership interest of parent due to transactions with non-controlling interests			5,942	5,942
Increase in consolidated subsidiaries - non-controlling interests			2,555	2,555
Purchase of shares of consolidated subsidiaries			(2,181)	–
Net changes in items other than shareholders' equity	(3,120)	(3,120)	–	(3,120)
Total changes during period	(3,120)	(3,120)	6,315	1,139,894
Balance at end of period	15,268	15,268	31,847	14,666,891

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	958,642	1,608,787
Depreciation	930,916	1,057,436
Amortization of goodwill	83,842	53,104
Increase (decrease) in allowance for doubtful accounts	–	(3,024)
Increase (decrease) in provision for bonuses	15,800	88,199
Increase (decrease) in retirement benefit liability	(10,780)	(67,038)
Increase (decrease) in provision for bonuses for directors (and other officers)	(2,000)	11,000
Increase(decrease)in provision for special compensation	–	94,000
Interest and dividend income	(65)	(68)
Interest expenses	160,378	165,558
Subsidies for employment adjustment	(36,284)	–
Insurance claim income	(71,469)	(17,054)
Loss (gain) on sale of property, plant and equipment	(17,614)	(430)
Loss on retirement of non-current assets	11,656	58,096
Impairment losses	96,974	292,214
Commission expenses	101,620	49,979
Gain on bargain purchase	(936,750)	(148,677)
Other extraordinary loss (income)	75,000	–
Decrease (increase) in trade receivables	(327,405)	(328,055)
Decrease (increase) in inventories	2,051,714	71,272
Decrease (increase) in other assets	(420,727)	575,402
Increase (decrease) in trade payables	56,849	46,929
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	47,855	82,103
Increase (decrease) in other liabilities	(846,502)	255,416
Subtotal	1,921,649	3,945,153
Interest and dividends received	65	68
Interest paid	(160,813)	(162,460)
Proceeds from subsidies for employment adjustment	38,622	–
Proceeds from insurance income	71,469	28,588
Income taxes paid	(451,186)	(200,716)
Net cash provided by (used in) operating activities	1,419,807	3,610,633

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(3,000)	–
Purchase of property, plant and equipment	(1,102,047)	(1,026,748)
Proceeds from sale of property, plant and equipment	22,964	2,494
Purchase of intangible assets	(73,860)	(205,209)
Payments for asset retirement obligations	–	(10,300)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(58,421)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	3,887,095	–
Expenses due to transfer of receivables	(1,500,000)	–
Other, net	29,643	17,234
Net cash provided by (used in) investing activities	1,260,795	(1,280,950)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,100,000)	(1,484,850)
Proceeds from long-term borrowings	6,926,600	3,180,000
Repayments of long-term borrowings	(5,323,212)	(3,894,944)
Repayments of lease liabilities	(303,510)	(308,289)
Purchase of treasury shares	(91)	(1,790)
Dividends paid	(277,684)	(277,869)
Dividends paid to non-controlling interests	(2,000)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(293,750)	–
Purchase of treasury shares of subsidiaries	(330,750)	–
Net increase (decrease) in guarantee deposits received	(204,587)	(1,175,293)
Net cash provided by (used in) financing activities	(908,985)	(3,963,037)
Net increase (decrease) in cash and cash equivalents	1,771,617	(1,633,354)
Cash and cash equivalents at beginning of period	3,452,681	5,224,298
Cash and cash equivalents at end of period	5,224,298	3,590,943