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August 14, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Alpha Purchase Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7115
 URL: <https://www.alphapurchase.co.jp/>
 Representative: Masayuki Tada, Representative Director, President and CEO
 Inquiries: Masahiro Saito, Director and CFO
 Telephone: +81-3-6628-8453
 Scheduled date to file semi-annual securities report: August 14, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for individual investors)

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

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(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								
June 30, 2024	26,787	7.4	563	(6.7)	548	(7.9)	396	(4.8)
June 30, 2023	24,932	-	603	-	595	-	417	-

Note: Comprehensive income For the six months ended June 30, 2024: ¥396 million [(4.8%)]
 For the six months ended June 30, 2023: ¥417 million [-%]

The Company did not prepare quarterly financial statements for the six months ended June 30, 2022, accordingly the corresponding year-on-year percentage changes for June 30, 2023 are not presented in the above table.

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	41.21	40.36
June 30, 2024	44.15	42.90

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	16,575	5,561	33.6
December 31, 2023	17,115	5,370	31.4

Reference: Equity
 As of June 30, 2024: ¥5,561 million
 As of December 31, 2023: ¥5,370 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	0.00	-	22.00	22.00
Fiscal year ending December 31, 2024	-	0.00			
Fiscal year ending December 31, 2024 (Forecast)			-	27.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

* Notes

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

Newly included: 1 company (AP Renovations Co., Ltd.)

Excluded: None

(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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024	9,639,000 shares
As of December 31, 2023	9,624,500 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	49 shares
As of December 31, 2023	49 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	9,631,924 shares
Six months ended June 30, 2023	9,448,796 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

The forward-looking statements in this report, such as forecast, are based on information currently available and certain assumptions that the Company believes to be reasonable and should not be construed as a guarantee that the Company will achieve these projections. Actual results may differ from the aforementioned forecasts depending on various factors.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of December 31,2023	As of June 30,2024
Assets		
Current assets		
Cash and deposits	4,169,591	4,961,905
Account receivable-trade	9,527,667	7,978,261
Contract assets	80,139	-
Electronically recorded monetary claims	52,992	44,544
Merchandise	613,688	884,428
Work in process	4,915	868
Supplies	297	309
Costs on construction contracts in progress	79,231	95,733
Other	167,716	153,527
Allowance for doubtful accounts	-	(764)
Total current assets	14,696,240	14,118,815
Non-current assets		
Property, plant and equipment		
Buildings and structures	84,656	84,656
Accumulated depreciation	(48,097)	(51,395)
Buildings and structures, net	36,558	33,260
Tools furniture and fixtures	268,238	274,799
Accumulated depreciation	(192,668)	(207,770)
Tools furniture and fixtures, net	75,569	67,028
Construction in progress	3,373	-
Total property, plant and equipment	115,501	100,289
Intangible assets		
Software	1,520,877	1,421,383
Software in progress	361,559	556,368
Total intangible assets	1,882,437	1,977,751
Investments and other assets		
Stocks of subsidiaries and affiliates	4,386	4,386
Guarantee deposit	252,677	252,496
Deferred tax assets	159,040	117,687
Other	5,412	4,375
Allowance for doubtful accounts	(308)	-
Total investments and other assets	421,209	378,946
Total non-current assets	2,419,148	2,456,987
Total assets	17,115,388	16,575,803

(Thousands of yen)

	As of December 31,2023	As of June 30,2024
Liabilities		
Current liabilities		
Accounts payable-trade	10,663,412	10,280,784
Current portion of long-term borrowings	53,320	36,652
Accounts payable - other	252,514	262,004
Income taxes payable	207,560	130,128
Accrued consumption taxes	208,312	40,869
Contract liabilities	34,033	66,287
Provision for bonuses	156,312	60,087
Other	115,125	92,394
Total current liabilities	11,690,592	10,969,207
Non-current liabilities		
Long-term borrowings	23,364	13,368
Asset retirement obligations	30,701	30,701
Other	557	557
Total non-current liabilities	54,622	44,626
Total liabilities	11,745,214	11,013,833
Net assets		
Shareholders' equity		
Share capital	556,806	560,134
Capital surplus	759,527	762,856
Retained earnings	4,053,806	4,239,013
Treasury shares	(65)	(65)
Total shareholders' equity	5,370,074	5,561,938
Share acquisition rights	99	31
Total net assets	5,370,174	5,561,970
Total liabilities and net assets	17,115,388	16,575,803

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
(Semi-annual Consolidated Statements of Income)

(Thousands of yen)

	The six months ended June 30, 2023	The six months ended June 30, 2024
Net sales	24,932,909	26,787,959
Cost of sale	22,533,087	24,366,054
Gross profit	2,399,821	2,421,905
Selling, general and administrative expenses	1,795,838	1,858,582
Operating profit	603,983	563,322
Non-operating income		
Interest income	6	13
Insurance claim income	-	4,132
Other	692	1,916
Total non-operating income	699	6,063
Non-operating expenses		
Interest expenses	167	79
Foreign exchange losses	8,880	20,084
Other	155	674
Total non-operating expenses	9,202	20,839
Ordinary profit	595,479	548,546
Profit before income taxes	595,479	548,546
Income taxes-current	135,948	110,248
Income taxes-deferred	42,385	41,352
Total income tax	178,333	151,601
Profit	417,146	396,945
Profit attributable to owners of parent	417,146	396,945

(Semi-annual Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	The six months ended June 30, 2023	The six months ended June 30, 2024
Profit	417,146	396,945
Comprehensive income	417,146	396,945
Comprehensive income attributable to owners of parent	417,146	396,945

(3) Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	The six months ended June 30, 2023	The six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	595,479	548,546
Depreciation and amortization	298,054	307,777
Increase (decrease) in allowance for doubtful accounts	(867)	455
Increase (decrease) in provision for bonuses	(48,453)	(96,225)
Interest and dividend income	(6)	(13)
Interest expenses	167	79
Foreign exchange losses (gains)	(298)	(523)
Decrease (increase) in trade receivables	(378,370)	1,638,300
Decrease (increase) in inventories	(15,390)	(283,206)
Increase (decrease) in trade payables	(1,783,994)	(382,627)
Increase (decrease) in accounts payables - other	(1,123)	4,525
Increase (decrease) in accrued consumption tax	35,208	(167,443)
Other	80,377	40,901
Sub-total	(1,219,218)	1,610,546
Interest and dividends received	6	13
Interest paid	(195)	(81)
Income taxes paid	(203,795)	(204,140)
Net cash provided by (used in) operating activities	(1,423,202)	1,406,338
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,155)	(3,801)
Purchase of intangible assets	(313,574)	(379,537)
Payments of guarantee deposits	(741)	-
Proceeds from refund of guarantee deposits	-	181
Cash flows from investing activities	(370,431)	(383,158)
Cash flows from financing activities		
Repayments of long-term borrowings	(115,772)	(26,664)
Proceeds from issuance of shares	12,324	6,588
Purchase of treasury shares	(65)	-
Payments of listing expenses	(16,726)	-
Payments of dividends	(141,157)	(211,313)
Cash flows from financing activities	(261,397)	(231,389)
Effect of exchange rate change on cash and cash equivalents	298	523
Net increase (decrease) in cash and cash equivalents	(2,054,733)	792,314
Cash and cash equivalents at beginning of period	3,896,783	4,169,591
Cash and cash equivalents at end of period	1,842,050	4,961,905

(4) Note to Semi-annual Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable

(Notes to Significant Changes in the amount of Shareholder's Equity)

Not applicable

(Segment Information)

Information regarding Net Sales and Profit or Loss by the reportable Segments, and disaggregation of revenue from contracts with customers

I. For six months ended June 30, 2023 (From January 1, 2023 to June 30, 2023)

(Thousands of yen)

	Reportable Segment			Other (Note)	Total	Adjustments	Posted amount to the quarterly consolidated statements of income
	MRO Business	FM Business	Total				
Net Sales							
Goods or services transferred at a point in time	18,110,791	5,869,214	23,980,005	4,260	23,984,266	-	23,984,266
Goods or services transferred over time	147,289	761,291	908,581	40,061	948,642	-	948,642
Revenue from contracts with customers	18,258,081	6,630,506	24,888,587	44,321	24,932,909	-	24,932,909
Sales to external customers	18,258,081	6,630,506	24,888,587	44,321	24,932,909	-	24,932,909
Intersegment sales and transfer	-	-	-	108,916	108,916	(108,916)	-
Total	18,258,081	6,630,506	24,888,587	153,238	25,041,826	(108,916)	24,932,909
Segment profit (loss)	300,391	258,335	558,727	45,256	603,983	-	603,983

(Notes)

The "Other" category is a business segment not included in the reported segments and includes software-related businesses.

II. For six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

(Thousands of yen)

	Reportable Segment			Other (Note)	Total	Adjustments	Posted amount to the quarterly consolidated statements of income
	MRO Business	FM Business	Total				
Net Sales							
Goods or services transferred at a point in time	20,143,906	5,798,113	25,942,019	1,154	25,943,173	-	25,943,173
Goods or services transferred over time	164,017	654,017	818,035	26,750	844,785	-	844,785
Revenue from contracts with customers	20,307,923	6,452,131	26,760,055	27,904	26,787,959	-	26,787,959
Sales to external customers	20,307,923	6,452,131	26,760,055	27,904	26,787,959	-	26,787,959
Intersegment sales and transfer	-	-	-	120,417	120,417	(120,417)	-
Total	20,307,923	6,452,131	26,760,055	148,322	26,908,377	(120,417)	26,787,959
Segment profit (loss)	341,222	184,923	526,146	37,176	563,322	-	563,322

(Notes)

The "Other" category is a business segment not included in the reported segments and includes software-related businesses.