

November 14, 2024

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

Company name: CYND Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4256
 URL: <https://cynd.co.jp/>
 Representative: Ryuji Okuwaki, Representative Director and President
 Inquiries: Naoya Takahashi, Representative Director and Vice President
 Telephone: +81-3-6277-2658
 Scheduled date to file semi-annual securities report: November 14, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 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 | | | | | | | | |
| September 30, 2024 | 1,080 | 15.5 | 136 | 155.4 | 131 | 167.8 | 55 | - |
| September 30, 2023 | 935 | - | 53 | - | 49 | - | (9) | - |

Note: Comprehensive income For the six months ended September 30, 2024: ¥ 55 million [- %]
 For the six months ended September 30, 2023: ¥ (9) million [- %]

| | Basic earnings per share | | Diluted earnings per share | |
|--------------------|--------------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended | | | | |
| September 30, 2024 | 9.52 | | 8.89 | |
| September 30, 2023 | (1.62) | | - | |

Note: 1. Since the Company has been preparing consolidated financial statements since the fiscal year ending March 31, 2023, the percentage change from the previous period for the interim period of the fiscal year ending March 31, 2024 is not shown.

2. EBITDA = Operating income + Depreciation and amortization + Amortization of goodwill

3. Diluted net income per share for the interim period of the fiscal year ending March 31, 2024 is not shown in the above table, because net income per share was a net loss for the interim period, although there are residual shares.

(2) Consolidated financial position

| | Total assets | | Net assets | | Equity-to-asset ratio |
|--------------------|-----------------|--|-----------------|--|-----------------------|
| | Millions of yen | | Millions of yen | | % |
| As of | | | | | |
| September 30, 2024 | 4,908 | | 3,251 | | 66.2 |
| March 31, 2024 | 4,941 | | 3,196 | | 64.7 |

Reference: Equity
 As of September 30, 2024: ¥ 3,251 million
 As of March 31, 2024 : ¥ 3,196 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 March 31, 2024 | - | 0.00 | - | 0.00 | 0.00 |
| Fiscal year ending March 31, 2025 | - | 0.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | | 0.00 | 0.00 |

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

3. Forecast of consolidated financial results for the fiscal 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 | | Basic earnings per share |
|-----------------------------------|-----------------|------|------------------|------|-----------------|------|---|-----|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2025 | 2,244 | 15.0 | 223 | 37.9 | 212 | 38.0 | 40 | 4.5 | 6.90 |

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: Yes
 - (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 September 30, 2024 | 5,800,000 shares |
| As of March 31, 2024 | 5,800,000 shares |

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

| | |
|--------------------------|----------|
| As of September 30, 2024 | - shares |
| As of March 31, 2024 | - shares |

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

| | |
|-------------------------------------|------------------|
| Six months ended September 30, 2024 | 5,800,000 shares |
| Six months ended September 30, 2023 | 5,800,000 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

(Cautions on forward-looking statements, etc.)

The forward-looking statements in this document, including earnings forecasts, are based on information available at the time of the release of this document and on certain assumptions that are judged to be reasonable. Please refer to "1. Qualitative Information on Interim Financial Results (4) Explanation of Forward-Looking Statements, including Consolidated Earnings Forecasts" on page 3 of the attached materials for assumptions used in forecasting financial results and precautions regarding the use of financial forecasts.

(Method of accessing supplementary material on financial results)

Supplementary material on financial results is disclosed via TDnet on the same day.

Semi-annual consolidated balance sheet

(Thousands of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,006,253 | 2,103,250 |
| Accounts receivable - trade | 140,516 | 151,700 |
| Inventories | 481 | 946 |
| Other | 33,399 | 48,342 |
| Allowance for doubtful accounts | (604) | (874) |
| Total current assets | 2,180,046 | 2,303,365 |
| Non-current assets | | |
| Property, plant and equipment | 24,890 | 23,069 |
| Intangible assets | | |
| Goodwill | 2,425,884 | 2,291,113 |
| Other | 185,970 | 170,038 |
| Total intangible assets | 2,611,854 | 2,461,151 |
| Investments and other assets | | |
| Leasehold and guarantee deposits | 106,836 | 103,274 |
| Deferred tax assets | 9,718 | 9,718 |
| Other | 10,187 | 10,896 |
| Allowance for doubtful accounts | (2,177) | (2,886) |
| Total investments and other assets | 124,565 | 121,002 |
| Total non-current assets | 2,761,310 | 2,605,224 |
| Total assets | 4,941,356 | 4,908,589 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 4,051 | 4,174 |
| Current portion of long-term borrowings | 217,843 | 214,272 |
| Accounts payable - other | 102,439 | 88,797 |
| Income taxes payable | 61,167 | 72,609 |
| Provision for bonuses | 18,904 | 57,527 |
| Other | 136,862 | 125,319 |
| Total current liabilities | 541,269 | 562,700 |
| Non-current liabilities | | |
| Long-term borrowings | 1,153,600 | 1,046,464 |
| Deferred tax liabilities | 50,481 | 48,187 |
| Total non-current liabilities | 1,204,081 | 1,094,651 |
| Total liabilities | 1,745,351 | 1,657,352 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,197,000 | 50,000 |
| Capital surplus | 1,196,000 | 2,343,000 |
| Retained earnings | 803,005 | 858,237 |
| Total shareholders' equity | 3,196,005 | 3,251,237 |
| Total net assets | 3,196,005 | 3,251,237 |
| Total liabilities and net assets | 4,941,356 | 4,908,589 |

Semi-annual consolidated statement of income

(Thousands of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Net sales | 935,251 | 1,080,108 |
| Cost of sales | 245,615 | 233,545 |
| Gross profit | 689,636 | 846,562 |
| Selling, general and administrative expenses | 636,350 | 710,494 |
| Operating profit | 53,285 | 136,068 |
| Non-operating income | | |
| Interest income | 10 | 170 |
| Dividend income | 0 | 0 |
| Miscellaneous income | 15 | 15 |
| Total non-operating income | 25 | 186 |
| Non-operating expenses | | |
| Interest expenses | 4,186 | 4,702 |
| Total non-operating expenses | 4,186 | 4,702 |
| Ordinary profit | 49,124 | 131,552 |
| Extraordinary losses | | |
| Head office relocation expenses | - | 6,062 |
| Total extraordinary losses | - | 6,062 |
| Profit before income taxes | 49,124 | 125,489 |
| Income taxes | 58,532 | 70,257 |
| Profit (loss) | (9,407) | 55,231 |
| Profit (loss) attributable to owners of parent | (9,407) | 55,231 |

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Profit (loss) | (9,407) | 55,231 |
| Comprehensive income | (9,407) | 55,231 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (9,407) | 55,231 |
| Comprehensive income attributable to non-controlling interests | - | - |

Semi-annual consolidated statement of cash flows

(Thousands of yen)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 49,124 | 125,489 |
| Depreciation | 24,743 | 31,119 |
| Amortization of goodwill | 134,771 | 134,771 |
| Increase (decrease) in allowance for doubtful accounts | 147 | 978 |
| Increase (decrease) in provision for bonuses | 33,598 | 38,623 |
| Interest and dividend income | (10) | (171) |
| Interest expenses | 4,186 | 4,702 |
| Decrease (increase) in trade receivables | (11,733) | (11,184) |
| Decrease (increase) in prepaid expenses | (16,711) | (14,931) |
| Increase (decrease) in accounts payable - other | 12,260 | (14,115) |
| Increase (decrease) in accrued consumption taxes | (5,336) | (14,371) |
| Increase (decrease) in deposits received | 17,408 | 1,862 |
| Other, net | 19,470 | (6) |
| Subtotal | 261,922 | 282,767 |
| Interest and dividends received | 8 | 144 |
| Interest paid | (4,290) | (4,794) |
| Income taxes paid | (87,846) | (61,083) |
| Income taxes refund | 1,582 | - |
| Net cash provided by (used in) operating activities | 171,376 | 217,034 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,262) | (9,018) |
| Payments for asset retirement obligations | (1,973) | - |
| Payments of guarantee deposits | (74) | (312) |
| Proceeds from refund of guarantee deposits | 554 | - |
| Net cash provided by (used in) investing activities | (4,756) | (9,330) |
| Cash flows from financing activities | | |
| Repayments of long-term borrowings | (103,565) | (110,707) |
| Net cash provided by (used in) financing activities | (103,565) | (110,707) |
| Net increase (decrease) in cash and cash equivalents | 63,054 | 96,996 |
| Cash and cash equivalents at beginning of period | 1,950,936 | 2,006,253 |
| Cash and cash equivalents at end of period | 2,013,990 | 2,103,250 |