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May 15, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)



Company name: RIDE ON EXPRESS HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6082
 URL: <https://www.rideonexpresshd.co.jp/>
 Representative: Akira Emi, President and CEO
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 Telephone: +81-3-5444-3611
 Scheduled date of annual general meeting of shareholders: June 28, 2023
 Scheduled date to commence dividend payments: June 29, 2023
 Scheduled date of filing securities report: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	%
Fiscal year ended March 31, 2023	25,353	(1.4)	1,251	(35.6)	1,099	(45.0)	546	(56.2)
March 31, 2022	25,703	1.3	1,943	(19.7)	1,999	(17.7)	1,246	(16.7)

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥556 million [(56.3)%]
 For the fiscal year ended March 31, 2022: ¥1,274 million [(17.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	55.64	–	7.5	8.8	4.9
March 31, 2022	119.30	–	16.9	16.8	7.6

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023: ¥– million

For the fiscal year ended March 31, 2022: ¥– million

Note: Diluted earnings per share are not presented as diluted shares did not exist.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	13,539	7,131	52.7	732.68
March 31, 2022	11,444	7,356	64.3	727.18

Reference: Equity

As of March 31, 2023: ¥7,130 million

As of March 31, 2022: ¥7,354 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	745	573	1,684	7,152
March 31, 2022	1,214	(714)	(1,761)	4,144

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	0.00	–	30.00	30.00	303	25.1	4.2
Fiscal year ended March 31, 2023	–	0.00	–	30.00	30.00	291	53.9	4.1
Fiscal year ending March 31, 2024 (Forecast)	–	0.00	–	10.00	10.00		26.4	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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
First half	10,998	(9.3)	25	(94.6)	18	(95.4)	7	(97.1)	0.79
Full year	23,700	(6.5)	623	(50.2)	610	(44.5)	369	(32.4)	37.92

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): Yes

Newly included: – companies (Company name: –)

Excluded: 1 company (Company name: RIDE ON DEMAND Co., Ltd.)

- (2) 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

- (3) Number of issued shares (common shares)

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

As of March 31, 2023	10,872,086 shares
As of March 31, 2022	10,854,047 shares

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

As of March 31, 2023	1,140,506 shares
As of March 31, 2022	740,471 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	9,814,509 shares
Fiscal year ended March 31, 2022	10,450,399 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	1,639	(3.6)	332	(20.2)	238	(48.9)	107	(61.7)
March 31, 2022	1,700	0.5	416	6.0	465	21.6	280	44.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	10.93	–
March 31, 2022	26.82	–

Note: Diluted earnings per share are not presented as diluted shares did not exist.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	8,733	2,997	34.3	307.99
March 31, 2022	23,506	3,660	15.6	361.92

Reference: Equity

As of March 31, 2023: ¥2,997 million

As of March 31, 2022: ¥3,660 million

* These consolidated financial results are outside the scope of audit conducted by certified public accountants or an audit corporation.

* Explanation on the proper use of financial result forecasts and other notes
(Notes on forward-looking statements, etc.)

The earnings forecasts and forward-looking statements herein are based on judgements and assumptions derived from the information currently available to the Company. Actual results may differ significantly from these forecasts due to the uncertainties inherent in these judgements and assumptions, and changes in the business operation or domestic and international economic environment. Accordingly, the Company does not guarantee the certainty of these forward-looking statements.

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,003,424	7,142,744
Accounts receivable - trade	1,166,533	1,050,117
Securities	1,000,000	-
Merchandise	100,455	142,170
Raw materials and supplies	229,693	588,910
Accounts receivable - other	564,578	541,050
Other	279,273	155,696
Allowance for doubtful accounts	(30,676)	(20,209)
Total current assets	7,313,281	9,600,479
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,248,408	1,252,062
Accumulated depreciation	(477,385)	(548,072)
Buildings and structures, net	771,022	703,990
Vehicles	77,213	69,279
Accumulated depreciation	(63,745)	(53,573)
Vehicles, net	13,467	15,706
Tools, furniture and fixtures	1,034,601	1,105,146
Accumulated depreciation	(680,293)	(809,689)
Tools, furniture and fixtures, net	354,308	295,456
Land	2,166	2,166
Total property, plant and equipment	1,140,965	1,017,319
Intangible assets	473,083	379,178
Investments and other assets		
Investment securities	1,653,579	1,668,168
Allowance for investment loss	(75,000)	(150,000)
Deferred tax assets	229,245	321,546
Guarantee deposits	663,146	670,011
Long-term accounts receivable - other	40,253	51,161
Other	25,810	23,023
Allowance for doubtful accounts	(20,149)	(41,437)
Total investments and other assets	2,516,886	2,542,473
Total non-current assets	4,130,935	3,938,971
Total assets	11,444,217	13,539,451

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,209,477	1,282,584
Current portion of long-term borrowings	389,259	616,668
Accounts payable - other	1,014,623	884,598
Income taxes payable	240,751	224,071
Accrued consumption taxes	64,583	47,205
Contract liabilities	306,923	47,238
Provision for point card certificates	49,148	230,811
Provision for shareholder benefit program	63,355	71,592
Other	216,023	189,808
Total current liabilities	3,554,144	3,594,580
Non-current liabilities		
Long-term borrowings	2,960	2,263,395
Asset retirement obligations	177,574	186,170
Guarantee deposits received	353,249	363,705
Total non-current liabilities	533,783	2,813,271
Total liabilities	4,087,928	6,407,851
Net assets		
Shareholders' equity		
Share capital	1,055,825	1,067,207
Capital surplus	959,445	970,828
Retained earnings	6,434,863	6,677,528
Treasury shares	(1,200,296)	(1,700,321)
Total shareholders' equity	7,249,838	7,015,243
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104,590	114,893
Total accumulated other comprehensive income	104,590	114,893
Non-controlling interests	1,860	1,463
Total net assets	7,356,289	7,131,599
Total liabilities and net assets	11,444,217	13,539,451

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	25,703,247	25,353,807
Cost of sales	13,151,953	13,162,146
Gross profit	12,551,294	12,191,660
Selling, general and administrative expenses	10,607,773	10,940,126
Operating profit	1,943,521	1,251,534
Non-operating income		
Interest income	2,187	2,337
Subsidy income related to COVID	6,160	–
Outsourcing service income	3,272	5,672
Foreign exchange gains	4,928	5,967
Subsidies for employment adjustment	2,992	3,706
Gain on sale of non-current assets	322	–
Gain on sale of investment securities	81,529	6,422
Other	17,104	5,472
Total non-operating income	118,498	29,578
Non-operating expenses		
Interest expenses	1,401	3,463
Loss on sale and retirement of non-current assets	5,524	9,711
Loss on valuation of investment securities	26,524	16,854
Loss on purchase of store	14,116	54,733
(Reversal of) additions to investment loss reserves	–	75,000
Other	14,740	22,083
Total non-operating expenses	62,307	181,846
Ordinary profit	1,999,711	1,099,266
Extraordinary income		
Gain on sale of non-current assets	–	2,609
Insurance claim income	9,952	7,331
Total extraordinary income	9,952	9,941
Extraordinary losses		
Loss on sale and retirement of non-current assets	–	16,426
Loss on cancellation of leases	12,820	13,365
Impairment losses	45,003	130,286
Total extraordinary losses	57,823	160,077
Profit before income taxes	1,951,840	949,130
Income taxes - current	626,685	499,977
Income taxes - deferred	78,433	(96,840)
Total income taxes	705,119	403,137
Profit	1,246,721	545,993
Profit (loss) attributable to non-controlling interests	20	(78)
Profit attributable to owners of parent	1,246,700	546,072

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	1,246,721	545,993
Other comprehensive income		
Valuation difference on available-for-sale securities	27,560	10,284
Total other comprehensive income	27,560	10,284
Comprehensive income	1,274,281	556,277
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,274,269	556,374
Comprehensive income attributable to non-controlling interests	12	(96)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,044,444	948,064	5,509,018	(200,303)	7,301,223
Cumulative effects of changes in accounting policies			529		529
Restated balance	1,044,444	948,064	5,509,547	(200,303)	7,301,752
Changes during period					
Issuance of new shares	11,381	11,381			22,762
Dividends of surplus			(321,384)		(321,384)
Profit attributable to owners of parent			1,246,700		1,246,700
Purchase of treasury shares				(999,992)	(999,992)
Net changes in items other than shareholders' equity					
Total changes during period	11,381	11,381	925,316	(999,992)	(51,913)
Balance at end of period	1,055,825	959,445	6,434,863	(1,200,296)	7,249,838

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	77,022	77,022	1,847	7,380,093
Cumulative effects of changes in accounting policies				529
Restated balance	77,022	77,022	1,847	7,380,622
Changes during period				
Issuance of new shares				22,762
Dividends of surplus				(321,384)
Profit attributable to owners of parent				1,246,700
Purchase of treasury shares				(999,992)
Net changes in items other than shareholders' equity	27,568	27,568	12	27,580
Total changes during period	27,568	27,568	12	(24,333)
Balance at end of period	104,590	104,590	1,860	7,356,289

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,055,825	959,445	6,434,863	(1,200,296)	7,249,838
Changes during period					
Issuance of new shares	11,382	11,382			22,765
Dividends of surplus			(303,407)		(303,407)
Profit attributable to owners of parent			546,072		546,072
Purchase of treasury shares				(500,024)	(500,024)
Net changes in items other than shareholders' equity					
Total changes during period	11,382	11,382	242,664	(500,024)	(234,594)
Balance at end of period	1,067,207	970,828	6,677,528	(1,700,321)	7,015,243

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	104,590	104,590	1,860	7,356,289
Changes during period				
Issuance of new shares				22,765
Dividends of surplus				(303,407)
Profit attributable to owners of parent				546,072
Purchase of treasury shares				(500,024)
Net changes in items other than shareholders' equity	10,302	10,302	(396)	9,905
Total changes during period	10,302	10,302	(396)	(224,689)
Balance at end of period	114,893	114,893	1,463	7,131,599

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,951,840	949,130
Depreciation	342,180	375,825
Impairment losses	45,003	130,286
Share-based payment expenses	42,068	22,764
Increase (decrease) in allowance for doubtful accounts	(12,077)	10,821
Increase (decrease) in provision for shareholder benefit program	8,780	8,237
Increase (decrease) in provision for point card certificates	(138,061)	181,663
Increase (decrease) in allowance for investment loss	–	75,000
Interest income	(2,187)	(2,337)
Interest expenses	1,401	3,463
Gain on sale of non-current assets	(322)	(2,609)
Loss for sales and disposed of fixed assets	5,524	26,137
Loss on purchase of store	14,116	54,733
Decrease (increase) in trade receivables	(67,777)	116,416
Decrease (increase) in inventories	(17,064)	(400,933)
Decrease (increase) in accounts receivable - other	(36,874)	23,528
Increase (decrease) in trade payables	61,884	73,107
Loss (gain) on sale of investment securities	(81,529)	(6,422)
Loss (gain) on valuation of investment securities	26,524	16,854
Increase (decrease) in accounts payable - other	(3,759)	(90,351)
Increase (decrease) in guarantee deposits received	16,794	10,456
Increase (decrease) in accrued consumption taxes	(164,563)	(17,377)
Increase (decrease) in contract liabilities	306,923	(259,684)
Other, net	(78,935)	7,445
Subtotal	2,219,889	1,306,154
Interest received	2,187	2,337
Interest paid	(1,448)	(4,923)
Income taxes paid	(1,006,600)	(558,338)
Net cash provided by (used in) operating activities	1,214,029	745,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(503,061)	(345,627)
Proceeds from sale of property, plant and equipment	3,610	11,428
Purchase of intangible assets	(151,462)	(64,282)
Proceeds from cancellation of money held in trust	–	1,000,000
Purchase of investment securities	(145,186)	(38,428)
Proceeds from sale of investment securities	104,029	17,171
Other, net	(22,050)	(6,884)
Net cash provided by (used in) investing activities	(714,121)	573,377
Cash flows from financing activities		
Proceeds from long-term borrowings	–	3,000,000
Repayments of long-term borrowings	(440,280)	(512,156)
Purchase of treasury shares	(999,992)	(500,024)
Dividends paid	(320,904)	(303,732)
Net cash provided by (used in) financing activities	(1,761,177)	1,684,086
Effect of exchange rate change on cash and cash equivalents	4,928	5,967
Net increase (decrease) in cash and cash equivalents	(1,256,341)	3,008,660
Cash and cash equivalents at beginning of period	5,400,424	4,144,083
Cash and cash equivalents at end of period	4,144,083	7,152,744