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## Consolidated Financial Results for the Year Ended September 30, 2023 [Japanese GAAP]

November 10, 2023

Company name: PCI Holdings, INC.

Stock exchange listing: Tokyo

Code number: 3918

URL: <https://www.pci-h.co.jp/>

Representative: Kunio Yokoyama

President

Contact: Naohiro Iguchi

Director and General Manager of Corporate Planning  
Headquarters

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Scheduled date of Annual General Meeting of Shareholders: December 20, 2023

Scheduled date of commencing dividend payments: December 21, 2023

Scheduled date of filing annual securities report: December 21, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

## (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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 September 30, 2023	28,491	13.2	1,709	18.3	1,774	14.6	1,008	56.8
September 30, 2022	25,170	18.5	1,445	23.0	1,549	28.2	643	(4.0)

(Note) Comprehensive income: Fiscal year ended September 30, 2023: ¥ 1,211 million [ 64.4%]  
Fiscal year ended September 30, 2022: ¥ 736 million [ 7.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2023	100.09	-	12.3	10.3	6.0
September 30, 2022	63.97	-	8.5	9.0	5.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended September 30, 2023: ¥ - million  
Fiscal year ended September 30, 2022: ¥ - million

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	17,627	9,098	48.7	852.10
September 30, 2022	16,915	8,374	45.9	771.99

(Reference) Equity: As of September 30, 2023: ¥ 8,587 million  
As of September 30, 2022: ¥ 7,768 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended September 30, 2023	2,039	259	(884)	4,035
September 30, 2022	736	(193)	(1,227)	2,617

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2022	-	15.00	-	16.00	31.00	311	48.5	4.1
September 30, 2023	-	16.00	-	17.00	33.00	332	33.0	4.1
Fiscal year ending September 30, 2024 (Forecast)	-	17.00	-	18.00	35.00		40.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended September 30, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2024 (October 1, 2023 to September 30, 2024)

(% indicates changes from the previous corresponding period.)

	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
Six months ending March 31, 2024	12,600	(11.6)	630	(28.0)	650	(27.3)	370	(26.6)	36.72
Full year	26,300	(7.7)	1,510	(11.7)	1,550	(12.7)	880	(12.7)	87.32

## \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

September 30, 2023:	10,322,400 shares
September 30, 2022:	10,322,400 shares

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

September 30, 2023:	244,785 shares
September 30, 2022:	259,885 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended September 30, 2023:	10,072,843 shares
Fiscal Year ended September 30, 2022:	10,053,634 shares

## (Reference) Summary of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

## (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	1,587	19.3	883	46.9	900	42.6	873	210.3
September 30, 2022	1,330	19.0	601	26.8	631	37.1	281	(34.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2023	86.74	-
September 30, 2022	28.01	-

## (2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2023	10,160	7,423	72.7	732.55
September 30, 2022	10,715	6,719	62.3	663.02

(Reference) Equity: As of September 30, 2023: ¥ 7,382 million  
As of September 30, 2022: ¥ 6,671 million

## Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,629,966	4,108,259
Notes receivable - trade	49,896	41,119
Accounts receivable - trade	4,594,918	4,520,190
Electronically recorded monetary claims - operating	1,344,586	1,698,818
Contract assets	134,442	190,384
Inventories	1,627,621	1,347,537
Other	825,468	600,001
Allowance for doubtful accounts	(978)	(643)
Total current assets	11,205,922	12,505,669
Non-current assets		
Property, plant and equipment		
Buildings, net	362,026	341,884
Facilities attached to buildings, net	446,819	412,200
Other, net	143,513	100,611
Total property, plant and equipment	952,359	854,696
Intangible assets		
Goodwill	2,150,607	1,779,769
Other	111,350	67,652
Total intangible assets	2,261,957	1,847,422
Investments and other assets		
Investment securities	1,123,272	1,220,971
Deferred tax assets	401,701	297,708
Retirement benefit asset	185,634	204,967
Other	785,117	695,200
Allowance for doubtful accounts	(430)	(405)
Total investments and other assets	2,495,295	2,418,442
Total non-current assets	5,709,612	5,120,561
Deferred assets	-	1,322
<b>Total assets</b>	<b>16,915,534</b>	<b>17,627,554</b>

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,091,271	2,057,500
Electronically recorded obligations - operating	888,030	927,572
Current portion of bonds payable	-	30,000
Current portion of long-term borrowings	872,364	803,570
Accounts payable - other	506,466	513,206
Income taxes payable	174,844	284,256
Accrued consumption taxes	194,532	306,296
Contract liabilities	920,863	1,190,487
Provision for bonuses	532,490	546,178
Provision for bonuses for directors (and other officers)	20,665	15,030
Provision for after cost	3,741	-
Asset retirement obligations	-	12,632
Other	304,016	311,562
Total current liabilities	6,509,286	6,998,293
Non-current liabilities		
Bonds payable	-	75,000
Long-term borrowings	1,052,747	680,892
Provision for retirement benefits for directors (and other officers)	15,730	47,410
Retirement benefit liability	128,891	155,844
Asset retirement obligations	457,218	467,411
Other	377,234	104,050
Total non-current liabilities	2,031,820	1,530,609
Total liabilities	8,541,107	8,528,903
Net assets		
Shareholders' equity		
Share capital	2,091,897	2,091,897
Capital surplus	3,670,161	3,667,601
Retained earnings	2,388,876	3,075,602
Treasury shares	(337,933)	(317,778)
Total shareholders' equity	7,813,002	8,517,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,513)	139,846
Remeasurements of defined benefit plans	(43,314)	(70,060)
Total accumulated other comprehensive income	(44,827)	69,785
Share acquisition rights	47,790	40,677
Non-controlling interests	558,461	470,865
Total net assets	8,374,426	9,098,650
Total liabilities and net assets	16,915,534	17,627,554

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Net sales	25,170,060	28,491,409
Cost of sales	18,829,671	21,556,215
Gross profit	6,340,389	6,935,194
Selling, general and administrative expenses	4,895,369	5,225,396
Operating profit	1,445,020	1,709,797
Non-operating income		
Interest and dividend income	42,707	21,938
Gain on investments in investment partnerships	-	3,898
Foreign exchange gains	40,069	-
Subsidy income	10,579	6,901
Surrender value of insurance policies	10,543	43,744
Other	15,270	4,704
Total non-operating income	119,171	81,185
Non-operating expenses		
Interest expenses	9,308	8,169
Commission expenses	749	726
Loss on investments in investment partnerships	3,355	-
Foreign exchange losses	-	4,302
Other	1,548	3,024
Total non-operating expenses	14,962	16,222
Ordinary profit	1,549,229	1,774,760
Extraordinary income		
Gain on sale of investment securities	-	32,205
Gain on sale of shares of subsidiaries and associates	-	256,568
Other	-	14,138
Total extraordinary income	-	302,912
Extraordinary losses		
Loss on retirement of non-current assets	5,174	6,261
Loss on valuation of investment securities	310,289	138,980
Impairment losses	53,490	-
Other	4,992	-
Total extraordinary losses	373,948	145,241
Profit before income taxes	1,175,280	1,932,430
Income taxes - current	422,525	804,124
Income taxes - deferred	(64,658)	31,229
Total income taxes	357,867	835,353
Profit	817,413	1,097,077
Profit attributable to non-controlling interests	174,309	88,864
Profit attributable to owners of parent	643,104	1,008,213

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Profit	817,413	1,097,077
Other comprehensive income		
Valuation difference on available-for-sale securities	6,380	141,359
Remeasurements of defined benefit plans, net of tax	(86,803)	(26,746)
Total other comprehensive income	(80,423)	114,613
Comprehensive income	736,990	1,211,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	562,681	1,122,826
Comprehensive income attributable to non-controlling interests	174,309	88,864

Consolidated Statements of Changes in Equity  
For the fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,091,897	3,629,354	2,048,153	(356,470)	7,412,935
Cumulative effects of changes in accounting policies			9,313		9,313
Restated balance	2,091,897	3,629,354	2,057,466	(356,470)	7,422,248
Changes during period					
Dividends of surplus			(311,495)		(311,495)
Profit attributable to owners of parent			643,104		643,104
Purchase of treasury shares				(57)	(57)
Restricted stock payment		(3,012)		18,594	15,581
Change in scope of consolidation		43,820	(199)		43,620
Net changes in items other than shareholders' equity					
Total changes during period	-	40,807	331,409	18,537	390,754
Balance at end of period	2,091,897	3,670,161	2,388,876	(337,933)	7,813,002

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(7,893)	43,489	35,595	27,859	473,783	7,950,172
Cumulative effects of changes in accounting policies						9,313
Restated balance	(7,893)	43,489	35,595	27,859	473,783	7,959,485
Changes during period						
Dividends of surplus						(311,495)
Profit attributable to owners of parent						643,104
Purchase of treasury shares						(57)
Restricted stock payment						15,581
Change in scope of consolidation						43,620
Net changes in items other than shareholders' equity	6,380	(86,803)	(80,423)	19,931	84,678	24,186
Total changes during period	6,380	(86,803)	(80,423)	19,931	84,678	414,940
Balance at end of period	(1,513)	(43,314)	(44,827)	47,790	558,461	8,374,426



For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,091,897	3,670,161	2,388,876	(337,933)	7,813,002
Changes during period					
Dividends of surplus			(322,248)		(322,248)
Profit attributable to owners of parent			1,008,213		1,008,213
Restricted stock payment		(878)		20,154	19,276
Change in ownership interest of parent due to transactions with non-controlling interests		(4,078)			(4,078)
Change in scope of consolidation		2,396	760		3,157
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,560)	686,725	20,154	704,319
Balance at end of period	2,091,897	3,667,601	3,075,602	(317,778)	8,517,322

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(1,513)	(43,314)	(44,827)	47,790	558,461	8,374,426
Changes during period						
Dividends of surplus						(322,248)
Profit attributable to owners of parent						1,008,213
Restricted stock payment						19,276
Change in ownership interest of parent due to transactions with non-controlling interests						(4,078)
Change in scope of consolidation						3,157
Net changes in items other than shareholders' equity	141,359	(26,746)	114,613	(7,113)	(87,595)	19,904
Total changes during period	141,359	(26,746)	114,613	(7,113)	(87,595)	724,224
Balance at end of period	139,846	(70,060)	69,785	40,677	470,865	9,098,650

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,175,280	1,932,430
Depreciation	197,662	169,398
Amortization of goodwill	192,567	217,980
Share-based payment expenses	35,512	26,301
Increase (decrease) in allowance for doubtful accounts	(6,562)	(399)
Increase (decrease) in provision for bonuses	(19,412)	185,651
Increase (decrease) in provision for bonuses for directors (and other officers)	(10,130)	2,523
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(28,483)	(65,320)
Impairment losses	53,490	-
Loss (gain) on sale of investment securities	294	(32,205)
Loss (gain) on valuation of investment securities	310,289	138,980
Loss (gain) on investments in investment partnerships	3,355	(3,898)
Loss (gain) on sale of shares of subsidiaries and associates	-	(256,568)
Loss on retirement of non-current assets	5,174	6,261
Interest and dividend income	(42,707)	(21,938)
Subsidy income	(10,579)	(6,901)
Interest expenses	9,308	8,169
Commission expenses	749	726
Increase (decrease) in trade receivables and contract assets	69,192	(584,193)
Decrease (increase) in inventories	(470,679)	282,529
Decrease (increase) in accounts receivable - other	(119,196)	77,436
Increase (decrease) in trade payables	191,468	(15,051)
Increase (decrease) in accounts payable - other	(78,756)	193,972
Increase (decrease) in accrued consumption taxes	(129,988)	143,993
Increase (decrease) in long-term accounts payable - other	(17,458)	(2,249)
Increase (decrease) in contract liabilities	145,691	235,365
Decrease (increase) in pension liability adjustment	(125,113)	(38,550)
Other, net	(97,175)	(45,975)
Subtotal	1,233,797	2,548,469
Interest and dividends received	42,877	21,937
Interest paid	(8,876)	(7,518)
Subsidies received	10,579	6,901
Income taxes paid	(542,775)	(572,808)
Income taxes refund	517	42,595
Net cash provided by (used in) operating activities	736,120	2,039,576

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(6,001)	42,422
Purchase of property, plant and equipment	(108,340)	(128,488)
Purchase of intangible assets	(36,522)	(65,748)
Purchase of investment securities	(51,990)	(93,996)
Proceeds from sale and redemption of investment securities	20,505	83,195
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(679,643)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	1,435,319
Loan advances	-	(430,000)
Proceeds from collection of loans receivable	3,392	41,381
Payments of leasehold and guarantee deposits	(1,623)	(42,507)
Purchase of insurance funds	(38,958)	(41,831)
Proceeds from cancellation of insurance funds	23,887	101,331
Other, net	2,388	38,001
Net cash provided by (used in) investing activities	(193,261)	259,434
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-	(20,000)
Proceeds from long-term borrowings	-	527,000
Repayments of long-term borrowings	(868,223)	(932,775)
Redemption of bonds	-	(15,000)
Purchase of treasury shares	(57)	-
Dividends paid	(310,731)	(321,758)
Dividends paid to non-controlling interests	(45,811)	(116,234)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(9,625)
Other, net	(2,205)	3,830
Net cash provided by (used in) financing activities	(1,227,027)	(884,562)
Effect of exchange rate change on cash and cash equivalents	4,088	2,835
Net increase (decrease) in cash and cash equivalents	(680,080)	1,417,284
Cash and cash equivalents at beginning of period	3,298,005	2,617,924
Cash and cash equivalents at end of period	2,617,924	4,035,208