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November 13, 2023

Consolidated Financial Results for the Six Months Ended September 30, 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
 Inquiries: Kazumasa Watanabe, Vice President and Director
 Telephone: +81-3-5444-3611
 Scheduled date of filing quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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 six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	11,051	(8.8)	318	(32.1)	331	(19.0)	122	(54.1)
September 30, 2022	12,119	(2.0)	469	(59.9)	409	(64.7)	267	(63.5)

Note: Comprehensive income For the six months ended September 30, 2023: ¥166 million [(42.6)%]
 For the six months ended September 30, 2022: ¥289 million [(60.1)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	12.61	–
September 30, 2022	27.01	–

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
	Millions of yen	Millions of yen	%
As of			
September 30, 2023	12,718	7,029	55.3
March 31, 2023	13,539	7,131	52.7

Reference: Equity
 As of September 30, 2023: ¥7,028 million
 As of March 31, 2023: ¥7,130 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, 2023	–	0.00	–	30.00	30.00
Fiscal year ending March 31, 2024	–	0.00			
Fiscal year ending March 31, 2024 (Forecast)			–	10.00	10.00

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

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
Full year	23,703	(6.5)	911	(27.1)	890	(19.0)	554	1.5	56.89

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the six month ended September 30, 2023 (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: – companies (Company name: –)

Excluded: – companies (Company name: –)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: 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 September 30, 2023	10,894,935 shares
As of March 31, 2023	10,872,086 shares

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

As of September 30, 2023	1,140,506 shares
As of March 31, 2023	1,140,506 shares

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

Six months ended September 30, 2023	9,739,196 shares
Six months ended September 30, 2022	9,897,438 shares

* These quarterly financial results are outside the scope of quarterly review 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) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	7,142,744	6,882,030
Accounts receivable - trade	1,050,117	898,338
Merchandise	142,170	160,996
Raw materials and supplies	588,910	564,229
Other	696,746	593,601
Allowance for doubtful accounts	(20,209)	(15,419)
Total current assets	9,600,479	9,083,776
Non-current assets		
Property, plant and equipment		
Buildings, net	703,990	673,560
Other, net	313,329	282,942
Total property, plant and equipment	1,017,319	956,502
Intangible assets	379,178	336,452
Investments and other assets		
Investment securities	1,668,168	1,342,585
Allowance for investment loss	(150,000)	-
Deferred tax assets	321,546	302,465
Guarantee deposits	670,011	663,787
Other	74,184	79,155
Allowance for doubtful accounts	(41,437)	(45,852)
Total investments and other assets	2,542,473	2,342,142
Total non-current assets	3,938,971	3,635,097
Total assets	13,539,451	12,718,873

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,282,584	964,101
Current portion of long-term borrowings	616,668	613,728
Accounts payable - other	884,598	706,922
Income taxes payable	224,071	250,853
Contract liabilities	47,238	45,110
Provision for point card certificates	230,811	281,504
Provision for shareholder benefit program	71,592	40,936
Other	237,014	266,544
Total current liabilities	3,594,580	3,169,702
Non-current liabilities		
Long-term borrowings	2,263,395	1,968,231
Asset retirement obligations	186,170	182,401
Other	363,705	369,039
Total non-current liabilities	2,813,271	2,519,671
Total liabilities	6,407,851	5,689,373
Net assets		
Shareholders' equity		
Share capital	1,067,207	1,079,100
Capital surplus	970,828	982,721
Retained earnings	6,677,528	6,508,395
Treasury shares	(1,700,321)	(1,700,321)
Total shareholders' equity	7,015,243	6,869,896
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114,893	158,120
Total accumulated other comprehensive income	114,893	158,120
Non-controlling interests	1,463	1,482
Total net assets	7,131,599	7,029,499
Total liabilities and net assets	13,539,451	12,718,873

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	12,119,643	11,051,480
Cost of sales	6,289,099	5,553,172
Gross profit	5,830,543	5,498,307
Selling, general and administrative expenses	5,360,729	5,179,329
Operating profit	469,813	318,977
Non-operating income		
Interest income	1,082	804
Foreign exchange gains	5,968	2
Gain on sale of non-current assets	–	25,232
Outsourcing service income	2,836	2,836
Gain on sale of investment securities	5,840	176,914
Other	1,812	4,126
Total non-operating income	17,539	209,916
Non-operating expenses		
Interest expenses	897	5,255
Loss on sale and retirement of non-current assets	798	2,266
Loss on purchase of store	59,008	11,364
Loss on investments in investment partnerships	3,892	868
Loss on valuation of investment securities	10,103	175,390
Other	2,812	1,801
Total non-operating expenses	77,513	196,945
Ordinary profit	409,840	331,948
Extraordinary income		
Insurance claim income	5,144	1,361
Total extraordinary income	5,144	1,361
Extraordinary losses		
Loss on cancellation of leases	7,669	5,758
Other	–	359
Total extraordinary losses	7,669	6,117
Profit before income taxes	407,315	327,192
Income taxes	139,992	204,365
Profit	267,322	122,826
Profit attributable to non-controlling interests	0	12
Profit attributable to owners of parent	267,322	122,814

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	267,322	122,826
Other comprehensive income		
Valuation difference on available-for-sale securities	22,164	43,234
Total other comprehensive income	22,164	43,234
Comprehensive income	289,487	166,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	289,496	166,041
Comprehensive income attributable to non-controlling interests	(9)	19

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	407,315	327,192
Depreciation	180,205	155,063
Share-based payment expenses	11,381	11,637
Increase (decrease) in allowance for doubtful accounts	10,881	(375)
Increase (decrease) in provision for shareholder benefit program	(29,401)	(30,655)
Increase (decrease) in provision for point card certificates	(14,164)	50,692
Interest income	(1,082)	(804)
Interest expenses	897	5,255
Loss (gain) on sale of investment securities	(5,840)	(176,914)
Loss (gain) on valuation of investment securities	10,103	175,390
Gain on sale of non-current assets	–	(25,232)
Loss for sales and disposed of fixed assets	798	2,266
Loss on purchase of store	59,008	11,364
Decrease (increase) in trade receivables	135,287	151,778
Decrease (increase) in inventories	(468,082)	5,856
Decrease (increase) in accounts receivable - other	109,235	117,185
Increase (decrease) in trade payables	(32,171)	(318,482)
Increase (decrease) in accounts payable - other	(249,340)	(164,973)
Increase (decrease) in accrued consumption taxes	(6,076)	32,001
Increase (decrease) in contract liabilities	7,000	(2,128)
Other, net	(70,475)	1,777
Subtotal	55,480	327,893
Interest received	1,079	801
Interest paid	(871)	(4,965)
Income taxes paid	(197,459)	(182,046)
Net cash provided by (used in) operating activities	(141,771)	141,683
Cash flows from investing activities		
Purchase of property, plant and equipment	(220,109)	(63,808)
Proceeds from sale of property, plant and equipment	–	37,567
Purchase of intangible assets	(46,419)	(22,885)
Purchase of investment securities	(3,000)	–
Proceeds from sale of investment securities	15,840	236,354
Other, net	(7,869)	229
Net cash provided by (used in) investing activities	(261,558)	187,458
Cash flows from financing activities		
Proceeds from short-term borrowings	200,000	–
Repayments of long-term borrowings	(220,140)	(298,104)
Dividends paid	(303,573)	(291,753)
Purchase of treasury shares	(500,024)	–
Net cash provided by (used in) financing activities	(823,738)	(589,857)
Effect of exchange rate change on cash and cash equivalents	5,968	2
Net increase (decrease) in cash and cash equivalents	(1,221,099)	(260,714)
Cash and cash equivalents at beginning of period	4,144,083	7,152,744
Cash and cash equivalents at end of period	2,922,984	6,892,030