

Summary of Consolidated Financial Results for the Year Ended December 31, 2023 [Japanese GAAP]



February 14, 2024

Company name: ProjectHoldings, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9246
 URL: <https://phd.co.jp>
 Representative: Yunosuke Doi, Representative Director, President and CEO
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 Scheduled date of ordinary general meeting of shareholders: March 26, 2024
 Scheduled date of commencing dividend payments: —
 Scheduled date of filing securities report: March 27, 2024
 Availability of supplementary explanatory materials on financial results: Yes
 Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen.)

1. Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 - December 31, 2023)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2023	6,283	44.4	857	(10.5)	836	(11.8)	587	(13.1)
December 31, 2022	4,352	—	958	—	948	—	676	—

(Note) Comprehensive income: Fiscal year ended December 31, 2023: ¥587 million [(13.1)%]
 Fiscal year ended December 31, 2022: ¥676 million [— %]

	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	%	%	%
December 31, 2023	102.15	99.42	21.6	16.9	13.6
December 31, 2022	119.17	113.48	27.8	26.8	22.0

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

Fiscal year ended December 31, 2023: ¥— million

Fiscal year ended December 31, 2022: ¥— million

(Note) As the Company started preparation of its consolidated financial statements from the second quarter of the fiscal year ended December 31, 2022, the figures for the fiscal year ended December 31, 2022 and changes from the previous fiscal year are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	5,638	2,652	46.9	489.21
As of December 31, 2022	4,285	2,805	65.1	489.08

(Reference) Equity: As of December 31, 2023: ¥2,646 million

As of December 31, 2022: ¥2,790 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	Million yen	Million yen	Million yen	Million yen
December 31, 2023	452	(706)	730	2,772
December 31, 2022	782	(1,218)	407	2,220

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of 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	Million yen	%	%
December 31, 2022	-	0.00	-	0.00	0.00	-	-	-
December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2024 (forecast)	-	0.00	-	0.00	0.00		-	

3. Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)

(% indicates year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	6,100	(2.9)	250	(70.8)	300	(64.2)	200	(66.0)	36.92

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: None , Excluded: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (3) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
December 31, 2023: 5,872,450 shares
December 31, 2022: 5,736,950 shares

2) Total number of treasury shares at the end of the period:
December 31, 2023: 461,855 shares
December 31, 2022: 55 shares

3) Average number of shares during the period:
Fiscal year ended December 31, 2023: 5,755,081 shares
Fiscal year ended December 31, 2022: 5,679,466 shares

(For Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous fiscal year.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	4,111	16.9	564	(29.1)	688	(12.6)	530	(8.8)
December 31, 2022	3,518	64.4	796	56.0	787	56.7	582	61.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2022	92.26	89.79
December 31, 2021	102.54	97.65

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	5,100	2,487	48.7	458.69
As of December 31, 2022	3,873	2,711	69.6	472.62

(Reference) Equity: As of December 31, 2023: ¥2,481 million
As of December 31, 2022: ¥2,696 million

*These financial results are outside the scope of audits by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Group and certain assumptions deemed reasonable, and the Group does not intend to promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

* Disclaimer

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,220,324	2,772,342
Notes and accounts receivable - trade	592,719	697,151
Allowance for doubtful accounts	—	(6,865)
Notes and accounts receivable - trade, net	—	690,286
Other	95,312	133,868
Total current assets	2,908,356	3,596,496
Non-current assets		
Property, plant and equipment	59,381	57,180
Intangible assets		
Goodwill	568,469	1,045,238
Other	549	785
Total intangible assets	569,018	1,046,023
Investments and other assets		
Investment securities	53,297	55,797
Leasehold deposits	644,993	809,611
Deferred tax assets	26,712	69,885
Other	16,844	484
Total investments and other assets	741,847	935,779
Total non-current assets	1,370,248	2,038,983
Deferred assets	7,248	2,726
Total assets	4,285,852	5,638,206

(Thousand yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	271,493	299,534
Accounts payable - other	153,512	208,791
Current portion of bonds payable	44,000	20,000
Current portion of long term borrowings	113,551	437,432
Income taxes payable	239,297	65,447
Other	146,102	174,015
Total current liabilities	967,957	1,205,021
Non-current liabilities		
Bonds payable	25,000	5,000
Long-term borrowings	485,874	1,775,652
Other	1,216	—
Total non-current liabilities	512,090	1,780,652
Total liabilities	1,480,048	2,985,673
Net assets		
Shareholders' equity		
Share capital	970,984	1,029,016
Capital surplus	615,460	569,212
Retained earnings	1,204,218	1,805,860
Treasury shares	(226)	(757,196)
Total shareholders' equity	2,790,437	2,646,893
Share acquisition rights	15,366	5,639
Total net assets	2,805,803	2,652,532
Total liabilities and net assets	4,285,852	5,638,206

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousand yen)

	January 1 st -December 31 st 2022	January 1 st -December 31 st 2023
Net sales	4,352,418	6,283,785
Cost of sales	2,510,431	3,869,605
Gross profit	1,841,986	2,414,179
Selling, general and administrative expenses	883,753	1,556,642
Operating profit	958,232	857,537
Non-operating income		
Interest income	16	28
Dividend income	3	3
Subsidy income	—	2,850
Income from point	—	784
Rental income from buildings	—	640
Other	3	89
Total non-operating income	23	4,396
Non-operating expenses		
Interest expenses	2,828	12,140
Amortization of share issuance costs	3,640	3,443
Amortization of bond issuance costs	1,426	1,078
Special investigation expenses	—	7,380
Other	1,634	1,013
Total non-operating expenses	9,529	25,055
Ordinary profit	948,727	836,879
Extraordinary income		
Gain on sale of investment securities	1,825	—
Gain on reversal of share acquisition rights	—	1,261
Gain on sale of non-current assets	—	1,674
Total extraordinary income	1,825	2,935
Extraordinary losses		
Loss on retirement of non-current assets	1,323	4,403
Total extraordinary losses	1,323	4,403
Profit before income taxes	949,228	835,411
Income taxes - current	282,513	290,731
Income taxes - deferred	(10,094)	(43,173)
Total income taxes	272,418	247,557
Profit	676,809	587,853
Profit attributable to owners of parent	676,809	587,853

Consolidated Statement of Comprehensive Income

(Thousand yen)

	January 1 st -December 31 st 2022	January 1 st -December 31 st 2023
Profit	676,809	587,853
Comprehensive income	676,809	587,853
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	676,809	587,853

(3) Consolidated Statements of Changes in Equity

Previous Fiscal year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	945,522	615,460	527,408	(171)	2,088,220
Changes during period					
Issuance of new shares	25,462	—			25,462
Profit attributable to owners of parent			676,809		676,809
Purchase of treasury shares				(55)	(55)
Net changes in items other than shareholders' equity					
Total changes during period	25,462	—	676,809	(55)	702,217
Balance at end of period	970,984	615,460	1,204,218	(226)	2,790,437

	Share acquisition rights	Total net assets
Balance at beginning of period	—	2,088,220
Changes during period		
Issuance of new shares		25,462
Profit attributable to owners of parent		676,809
Purchase of treasury shares		(55)
Net changes in items other than shareholders' equity	15,366	15,366
Total changes during period	15,366	717,583
Balance at end of period	15,366	2,805,803

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	970,984	615,460	1,204,218	(226)	2,790,437
Changes during period					
Issuance of new shares	58,031	22,131			80,163
Profit attributable to owners of parent			587,853		587,853
Purchase of treasury shares				(833,950)	(833,950)
Disposal of treasury shares		(68,380)		76,980	8,600
Increase (decrease) in result of change in accounting period of consolidated subsidiaries			13,788		13,788
Net changes in items other than shareholders' equity					
Total changes during period	58,031	(46,248)	601,248	(756,970)	(143,544)
Balance at end of period	1,029,016	569,212	1,805,860	(757,196)	2,646,893

	Share acquisition rights	Total net assets
Balance at beginning of period	15,336	2,805,803
Changes during period		
Issuance of new shares		80,163
Profit attributable to owners of parent		587,853
Purchase of treasury shares		(833,950)
Disposal of treasury shares		8,600
Increase (decrease) in result of change in accounting period of consolidated subsidiaries		13,788
Net changes in items other than shareholders' equity	(9,726)	(9,726)
Total changes during period	(9,726)	(153,270)
Balance at end of period	5,639	2,652,532

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	949,228	835,411
Depreciation	53,011	174,417
Amortization of lease deposits	2,403	6,703
Amortization of share issuance costs	3,640	3,443
Amortization of bond issuance costs	1,426	1,078
Share-based payment expenses	12,188	3,157
Special investigation expenses	—	7,380
Interest and dividend income	(20)	(32)
Interest expenses on borrowings and bonds	2,987	12,383
Loss (gain) on liquidation of investment securities	(1,825)	—
Loss on retirement of non-current assets	1,323	4,403
Decrease (increase) in trade receivables	(196,573)	10,686
Increase (decrease) in trade payables	119,928	(51,782)
Increase (decrease) in accounts payable - other	48,228	(22,269)
Increase (decrease) in accrued consumption taxes	49,920	(106,214)
Other, net	(63,085)	107,613
Subtotal	982,782	986,380
Interest and dividends received	20	32
Interest paid	(3,499)	(12,146)
Payments for special investigation expenses	—	(7,380)
Income taxes paid	(196,645)	(514,356)
Net cash provided by (used in) operating activities	782,657	452,530
Cash flows from investing activities		
Purchase of securities	(35,000)	(2,500)
Proceeds from sale of securities	2,665	—
Purchase of property, plant and equipment	(25,733)	(25,420)
Proceeds from sale of property, plant and equipment	—	4,310
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(501,650)	(506,510)
Payments for acquisition of businesses	(100,000)	—
Payments of leasehold and guarantee deposits	(557,499)	(229,530)
Proceeds from refund of leasehold and guarantee deposits	60	52,958
Other, net	(1,031)	4,310
Net cash provided by (used in) investing activities	(1,218,189)	(706,682)

(Thousand yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	487,000	1,740,000
Repayments of long-term borrowings	(53,726)	(205,908)
Redemption of bonds	(52,400)	(44,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	25,462	68,540
Proceeds from issuance of share acquisition rights	3,177	—
Purchase of treasury shares	(55)	(833,950)
Proceeds from disposal of treasury shares	—	8,600
Other, net	(1,650)	(2,755)
Net cash provided by (used in) financing activities	407,808	730,526
Net increase (decrease) in cash and cash equivalents	(27,723)	476,374
Cash and cash equivalents at beginning of period	2,248,047	2,220,324
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	—	75,643
Cash and cash equivalents at end of period	2,220,324	2,772,342