

Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 [Japanese GAAP]



April 12, 2024

Company name: INTERLIFE HOLDINGS CO., LTD
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1418
 URL: <https://www.n-interlife.co.jp/>
 Representative: Koji Kida, President and Representative Director
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 Phone: +81-3-3547-3227
 Scheduled date of Ordinary General Meeting of Shareholders: May 23, 2024
 Scheduled date of commencing dividend payments: May 7, 2024
 Scheduled date of filing securities report: May 24, 2024
 Availability of supplementary briefing materials on financial results: None
 Schedule of financial results briefing session: Yes (for institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 29, 2024	12,626	10.2	270	60.4	245	38.6	384	114.6
February 28, 2023	11,460	(2.8)	168	272.7	177	265.2	179	150.3

(Note) Comprehensive income: Fiscal year ended February 29, 2024: ¥428 million [153.8%]
 Fiscal year ended February 28, 2023: ¥168 million [66.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
Fiscal year ended February 29, 2024	Yen 24.82	Yen —	% 11.1	% 3.2	% 2.1
February 28, 2023	11.33	—	5.0	2.4	1.5

(Reference) Share of profit (loss) of entities accounted for using equity method:
 Fiscal year ended February 29, 2024: —
 Fiscal year ended February 28, 2023: —

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of February 29, 2024	Million yen 8,135	Million yen 3,637	% 44.7	Yen 234.45
February 28, 2023	7,298	3,280	45.0	211.77

(Reference) Equity: As of February 29, 2024: ¥3,637 million
 As of February 28, 2023: ¥3,280 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
February 29, 2024	(622)	(57)	261	1,354
February 28, 2023	161	119	(728)	1,773

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended February 28, 2023	Yen —	Yen 0.00	Yen —	Yen 5.00	Yen 5.00
Fiscal year ended February 29, 2024	—	0.00	—	8.00	8.00
Fiscal year ending February 28, 2025 (Forecast)	—	0.00	—	8.00	8.00

	Total dividends (total)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
Fiscal year ended February 28, 2023	Million yen 79	% 44.1	% 2.4
Fiscal year ended February 29, 2024	130	32.2	3.6
Fiscal year ending February 28, 2025 (Forecast)		41.4	

(Note) Breakdown of the year-end dividends for the fiscal year ended February 29, 2024:

Commemorative dividend: —

Special dividend: —

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(% indicates changes from the previous corresponding period.)

	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
	13,500	6.9	400	47.9	390	58.7	300 (22.1)	19.34

(Note) As the Group manages results on an annual basis, only the Consolidated Financial Results Forecast for the full year is disclosed.

Notes:

(1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

New inclusion: 1 (Company name): SANKEN SYSTEM Co., Ltd.

Exclusion: 1 (Company name): Avancez Agile Co., Ltd.

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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 shares (common shares)

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

As of February 29, 2024: 20,010,529 shares

As of February 28, 2023: 20,010,529 shares

2) Total number of treasury shares at the end of the period:

As of February 29, 2024: 4,495,180 shares

As of February 28, 2023: 4,519,080 shares

3) Average number of shares during the period:

Fiscal year ended February 29, 2024: 15,505,811 shares

Fiscal year ended February 28, 2023: 15,817,339 shares

(Note) Concerning the average number of shares during the period, with the introduction of the Board Benefit Trust, the Company's shares held by Custody Bank of Japan, Ltd. (trust account E) are now included in the treasury shares that are deducted from the calculations.

(Reference)

1. Non-Consolidated Financial Results for the Fiscal Year Ended February 29, 2024 (March 1, 2023 to February 29, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 29, 2024	470	(6.6)	104	(29.4)	65	(52.0)	319	2.5
February 28, 2023	503	(22.7)	147	(41.0)	137	(42.2)	311	(17.0)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 29, 2024	20.60	—
February 28, 2023	19.68	—

Notes on non-consolidated operating results

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
February 29, 2024	6,321	4,310	68.2	277.81
February 28, 2023	6,034	4,020	66.6	259.52

(Reference) Equity: As of February 29, 2024: ¥4,310 million

As of February 28, 2023: ¥4,020 million

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

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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. For the conditions as to the assumptions of the earnings forecast, as well as the notice on the use of the earnings forecast, please refer to “1. Overview of Operating Results (4) Outlook for the next fiscal year” on page 5 of the attachment.

Non-Consolidated Financial Results Forecast is omitted as the disclosure of such forecast is considered to have no material significance.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	1,787,329	1,419,684
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	2,661,118	3,363,979
Inventories	4,671	14,425
Costs on construction contracts in progress	671,533	833,945
Other	91,747	183,738
Allowance for doubtful accounts	(1,306)	(6,999)
Total current assets	5,215,094	5,808,773
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,193,926	1,169,245
Accumulated depreciation	(785,080)	(790,764)
Buildings and structures, net	408,845	378,481
Machinery, equipment and vehicles	28,889	38,150
Accumulated depreciation	(24,074)	(28,511)
Machinery, equipment and vehicles, net	4,814	9,638
Land	677,898	664,353
Other	226,704	251,970
Accumulated depreciation	(166,840)	(193,141)
Other, net	59,863	58,828
Total property, plant and equipment	1,151,422	1,111,302
Intangible assets		
Goodwill	58,655	302,386
Leasehold interests in land	223,733	222,522
Other	14,931	18,156
Total intangible assets	297,320	543,064
Investments and other assets		
Investment securities	469,490	517,558
Long-term loans receivable	2,067	1,332
Deferred tax assets	55,392	67,848
Distressed receivables	130,675	126,061
Other	120,425	135,468
Allowance for doubtful accounts	(143,653)	(176,080)
Total investments and other assets	634,399	672,188
Total non-current assets	2,083,142	2,326,556
Total assets	7,298,237	8,135,330

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	852,695	415,369
Accounts payable for construction contracts	1,002,095	1,237,845
Short-term borrowings	450,000	450,000
Current portion of long-term borrowings	376,712	472,615
Income taxes payable	46,006	55,767
Provision for bonuses	127,680	164,027
Contract liabilities	172,950	242,782
Provision for warranties for completed construction	11,102	15,223
Other	216,986	236,404
Total current liabilities	3,256,229	3,290,034
Non-current liabilities		
Long-term borrowings	499,465	867,308
Provision for retirement benefits for directors (and other officers)	11,332	37,424
Provision for share awards	112,338	134,928
Retirement benefit liability	71,239	65,827
Asset retirement obligations	26,633	29,015
Deferred tax liabilities	–	224
Other	40,345	73,061
Total non-current liabilities	761,353	1,207,790
Total liabilities	4,017,582	4,497,824
Net assets		
Shareholders' equity		
Share capital	2,979,460	2,979,460
Capital surplus	698,682	711,882
Retained earnings	525,929	832,709
Treasury shares	(865,406)	(872,020)
Total shareholders' equity	3,338,666	3,652,032
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(58,012)	(14,526)
Total accumulated other comprehensive income	(58,012)	(14,526)
Total net assets	3,280,654	3,637,505
Total liabilities and net assets	7,298,237	8,135,330

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

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Net sales	11,460,884	12,626,084
Cost of sales	9,094,821	10,107,751
Gross profit	2,366,063	2,518,333
Selling, general and administrative expenses	2,197,354	2,247,790
Operating profit	168,708	270,543
Non-operating income		
Interest income	251	229
Dividend income	11,887	13,148
Subsidy income	3,242	1,274
Surrender value of insurance policies	2,830	–
Other	8,987	9,778
Total non-operating income	27,198	24,430
Non-operating expenses		
Interest expenses	17,322	17,419
Commission expenses	–	25,400
Cancellation penalty	–	6,044
Other	1,289	316
Total non-operating expenses	18,611	49,179
Ordinary profit	177,294	245,793
Extraordinary income		
Gain on sale of shares of subsidiaries	70,316	213,585
Gain on return of investments in capital	–	2,041
Compensation for eviction	–	63,806
Total extraordinary income	70,316	279,432
Extraordinary losses		
Loss on retirement of non-current assets	4,143	23,590
Loss on sale of shares of subsidiaries	182	–
Loss on valuation of investment securities	–	19,495
Loss on valuation of membership	2,543	–
Total extraordinary losses	6,869	43,086
Profit before income taxes	240,741	482,140
Income taxes - current	83,248	121,719
Income taxes - deferred	(21,874)	(24,471)
Total income taxes	61,374	97,248
Profit	179,367	384,892
Profit attributable to owners of parent	179,367	384,892

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Profit	179,367	384,892
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,612)	43,485
Total other comprehensive income	(10,612)	43,485
Comprehensive income	168,754	428,377
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168,754	428,377

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,979,460	698,682	443,479	(157,032)	3,964,589
Cumulative effects of changes in accounting policies			101		101
Restated balance	2,979,460	698,682	443,580	(157,032)	3,964,691
Changes during period					
Dividends of surplus			(80,041)		(80,041)
Profit attributable to owners of parent			179,367		179,367
Purchase of treasury shares				(727,113)	(727,113)
Disposal of treasury shares				18,739	18,739
Change in scope of consolidation			(16,976)		(16,976)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	82,349	(708,374)	(626,025)
Balance at end of period	2,979,460	698,682	525,929	(865,406)	3,338,666

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	(47,399)	(47,399)	3,917,190
Cumulative effects of changes in accounting policies			101
Restated balance	(47,399)	(47,399)	3,917,291
Changes during period			
Dividends of surplus			(80,041)
Profit attributable to owners of parent			179,367
Purchase of treasury shares			(727,113)
Disposal of treasury shares			18,739
Change in scope of consolidation			(16,976)
Net changes in items other than shareholders' equity	(10,612)	(10,612)	(10,612)
Total changes during period	(10,612)	(10,612)	(636,637)
Balance at end of period	(58,012)	(58,012)	3,280,654

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,979,460	698,682	525,929	(865,406)	3,338,666
Cumulative effects of changes in accounting policies					–
Restated balance	2,979,460	698,682	525,929	(865,406)	3,338,666
Changes during period					
Dividends of surplus			(79,966)		(79,966)
Profit attributable to owners of parent			384,892		384,892
Purchase of treasury shares				(67,500)	(67,500)
Disposal of treasury shares		13,200		60,886	74,086
Change in scope of consolidation			1,853		1,853
Net changes in items other than shareholders' equity					
Total changes during period	–	13,200	306,779	(6,613)	313,365
Balance at end of period	2,979,460	711,882	832,709	(872,020)	3,652,032

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	(58,012)	(58,012)	3,280,654
Cumulative effects of changes in accounting policies			–
Restated balance	(58,012)	(58,012)	3,280,654
Changes during period			
Dividends of surplus			(79,966)
Profit attributable to owners of parent			384,892
Purchase of treasury shares			(67,500)
Disposal of treasury shares			74,086
Change in scope of consolidation			1,853
Net changes in items other than shareholders' equity	43,485	43,485	43,485
Total changes during period	43,485	43,485	356,850
Balance at end of period	(14,526)	(14,526)	3,637,505

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	240,741	482,140
Depreciation	62,577	67,474
Increase (decrease) in retirement benefit liability	1,844	6,015
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1,251)	–
Increase (decrease) in provision for share awards	(3,537)	24,016
Increase (decrease) in provision for bonuses	42,030	26,672
Amortization of goodwill	83,732	39,559
Increase (decrease) in allowance for doubtful accounts	(1,903)	38,120
Interest and dividend income	(12,138)	(13,377)
Receiving eviction fee	–	(63,806)
Gain on return of investments in capital	–	(2,041)
Subsidy income	(3,242)	(1,274)
Surrender value of insurance policies	(2,830)	–
Interest expenses	17,322	17,419
Loss (gain) on sale of shares of subsidiaries	(70,133)	(213,585)
Loss (gain) on valuation of investment securities	–	19,495
Loss on retirement of non-current assets	4,143	23,590
Loss on valuation of membership	2,543	–
Notes receivable, accounts receivable from completed construction contracts, contract assets and other	(338,033)	(720,316)
Decrease (increase) in inventories	(250,942)	(87,861)
Increase (decrease) in trade payables	164,088	(299,382)
Increase (decrease) in accrued consumption taxes	23,486	62,407
Decrease (increase) in consumption taxes refund receivable	46,286	15,411
Increase (decrease) in contract liabilities	113,329	69,831
Increase (decrease) in accounts payable - other	35,761	14,180
Other, net	(34,873)	(34,693)
Subtotal	119,001	(530,001)
Interest and dividends received	11,969	13,206
Interest paid	(17,477)	(17,527)
Subsidies received	4,522	1,024
Receive for compensation	–	63,806
Proceeds from surrender value of insurance	2,830	–
Income taxes paid	(59,195)	(164,792)
Income taxes refund	99,766	11,595
Net cash provided by (used in) operating activities	161,415	(622,689)

(Thousands of yen)

	For the fiscal year ended February 28, 2023	For the fiscal year ended February 29, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,711)	(27,716)
Purchase of intangible assets	(8,867)	(205)
Purchase of investment securities	(9,288)	(9,374)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(291,447)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	168,338	267,751
Loan advances	(300)	–
Proceeds from collection of loans receivable	1,216	1,021
Payments of leasehold and guarantee deposits	(6,011)	(1,627)
Proceeds from refund of leasehold and guarantee deposits	10,166	51
Other, net	(1,591)	4,097
Net cash provided by (used in) investing activities	119,950	(57,448)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,280,000	1,029,000
Repayments of short-term borrowings	(2,280,000)	(1,029,000)
Proceeds from long-term borrowings	500,000	800,000
Repayments of long-term borrowings	(426,649)	(442,080)
Purchase of treasury shares	(727,113)	(67,500)
Proceeds from sale of treasury shares	–	67,500
Dividends paid	(79,478)	(80,172)
Other, net	4,776	(15,928)
Net cash provided by (used in) financing activities	(728,464)	261,819
Net increase (decrease) in cash and cash equivalents	(447,098)	(418,319)
Cash and cash equivalents at beginning of period	2,220,170	1,773,071
Cash and cash equivalents at end of period	1,773,071	1,354,752