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October 29, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Prestige International Inc.
 Listing: Tokyo Stock Exchange Prime Market
 Securities code: 4290
 URL: <http://www.prestigein.com/>
 Representative: Shinichi Tamagami, Representative Director, President and Group CEO
 Inquiries: Tsutomu Yoshizawa, Executive Room IR Office Director
 Telephone: +81-3-5213-0826
 Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled date to commence dividend payments: December 9, 2024

Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes(for institutional investors and analysts)

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

1. Consolidated financial results for the Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Six months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	30,770	7.0	3,729	△ 3.3	3,961	△ 2.7	2,231	△ 5.3
September 30, 2023	28,763	9.9	3,857	0.5	4,071	0.8	2,357	△ 4.1

(Note) Comprehensive income For the Six months ended September 30, 2024: ¥2,061 million [△ 45.5%]
 For the Six months ended September 30, 2023: ¥3,783 million [3.7%]

Six months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2024	17.52	17.47
September 30, 2023	18.42	18.36

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
September 30, 2024	69,253	48,497	65.1
March 31, 2024	67,836	47,224	64.9

Reference: Equity

As of September 30, 2024 : ¥45,112 million
 As of March 31, 2024 : ¥44,021 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, 2024	–	6.00	–	6.00	12.00
Fiscal year ended March 31, 2025	–	12.00			
Fiscal year ended March 31, 2025 (Forecast)			–	12.00	24.00

(Note) Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2025

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	63,000	7.3	8,000	1.0	8,500	0.5	5,300	△ 8.5	41.62

(Note) Revision to the financial results forecast announced most recently: No

Note:

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| (1) Significant changes in the scope of consolidation during the period | None |
| (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: | None |
| (3) Changes in accounting policies, changes in accounting estimates, and restatement | |
| 1) Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| 2) Changes in accounting policies due to other reasons: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatement: | None |

(4) Number of issued shares (common shares)

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

As of September 30, 2024	128,676,300 shares	As of March 31, 2024	128,676,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,142,823 shares	As of March 31, 2024	1,319,308 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2024	127,409,966 shares	As of September 30, 2023	128,025,858 shares
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*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	22,790,034	22,220,338
Accounts receivable - trade	6,404,633	6,144,476
Advances paid	9,572,807	10,433,296
Merchandise and finished goods	84,253	81,161
Work in process	306,370	464,390
Raw materials and supplies	83,194	89,365
Other	3,362,494	3,281,188
Allowance for doubtful accounts	△1,863,430	△2,190,505
Total current assets	40,740,357	40,523,712
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,993,067	13,835,187
Other, net	3,948,382	2,269,304
Total property, plant and equipment	14,941,449	16,104,492
Intangible assets		
Goodwill	105,000	90,000
Other	2,029,738	2,038,228
Total intangible assets	2,134,738	2,128,228
Investments and other assets		
Investment securities	8,886,910	9,353,890
Other	1,201,153	1,211,471
Allowance for doubtful accounts	△68,183	△68,100
Total investments and other assets	10,019,880	10,497,261
Total non-current assets	27,096,068	28,729,982
Total assets	67,836,426	69,253,694

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,422,748	1,364,367
Short-term borrowings	125,000	125,000
Income taxes payable	1,423,114	1,392,162
Contract liabilities	4,246,490	4,626,706
Provision for bonuses	646,265	928,586
Reserve for fulfillment of guarantees	477,670	550,981
Other	9,437,577	9,044,828
Total current liabilities	17,778,867	18,032,632
Non-current liabilities		
Long-term borrowings	125,000	62,500
Retirement benefit liability	17,291	19,595
Asset retirement obligations	1,956,459	2,088,433
Other	734,006	552,597
Total non-current liabilities	2,832,757	2,723,126
Total liabilities	20,611,624	20,755,759
Net assets		
Shareholders' equity		
Share capital	1,601,210	1,601,210
Capital surplus	2,857,631	2,822,256
Retained earnings	37,043,690	38,511,371
Treasury shares	△899,087	△778,900
Total shareholders' equity	40,603,444	42,155,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	849,893	573,190
Foreign currency translation adjustment	2,568,197	2,383,705
Total accumulated other comprehensive income	3,418,090	2,956,895
Share acquisition rights	278,778	259,597
Non-controlling interests	2,924,487	3,125,504
Total net assets	47,224,801	48,497,935
Total liabilities and net assets	67,836,426	69,253,694

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

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	28,763,278	30,770,053
Cost of sales	22,059,026	24,113,133
Gross profit	6,704,251	6,656,920
Selling, general and administrative expenses	2,846,728	2,927,075
Operating profit	3,857,523	3,729,844
Non-operating income		
Interest income	4,326	5,213
Interest on securities	139,631	163,777
Dividend income	6,891	4,317
Share of profit of entities accounted for using equity method	185,795	66,768
Other	21,125	16,692
Total non-operating income	357,770	256,769
Non-operating expenses		
Interest expenses	1,671	806
Foreign exchange losses	109,041	9,326
Commission expenses	—	5,274
Other	32,822	9,753
Total non-operating expenses	143,536	25,160
Ordinary profit	4,071,757	3,961,453
Extraordinary income		
Gain on sale of non-current assets	2,485	1,922
Subsidy income	12,211	—
Gain on sale of investment securities	42,341	10,589
Total extraordinary income	57,038	12,512
Extraordinary losses		
Loss on retirement of non-current assets	9,977	26,662
Loss on tax purpose reduction entry of non- current assets	12,211	—
Other	—	1,582
Total extraordinary losses	22,188	28,245
Profit before income taxes	4,106,607	3,945,720
Income taxes - current	1,470,780	1,428,092
Income taxes - deferred	△19,034	△16,935
Total income taxes	1,451,745	1,411,157
Profit	2,654,862	2,534,563
Profit attributable to non-controlling interests	297,030	302,740
Profit attributable to owners of parent	2,357,831	2,231,822

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,654,862	2,534,563
Other comprehensive income		
Valuation difference on available-for-sale securities	405,346	△288,456
Foreign currency translation adjustment	723,595	△184,492
Total other comprehensive income	1,128,942	△472,949
Comprehensive income	3,783,804	2,061,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,486,375	1,770,627
Comprehensive income attributable to non-controlling interests	297,428	290,986

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,106,607	3,945,720
Depreciation	929,826	1,071,313
Amortization of goodwill	15,000	15,000
Increase (decrease) in allowance for doubtful accounts	300,181	327,510
Increase (decrease) in provision for bonuses	158,709	282,505
Increase (decrease) in Reserve for fulfillment of guarantees	61,723	73,311
Interest and dividend income	△150,850	△173,308
Loss (gain) on sale of property, plant and equipment and intangible assets	△2,485	△1,922
Interest expenses	1,671	806
Foreign exchange losses (gains)	73,459	△30,440
Share of loss (profit) of entities accounted for using equity method	△185,795	△66,768
Subsidy income	△12,211	—
Loss on tax purpose reduction entry of non-current assets	12,211	—
Loss on retirement of non-current assets	16,302	28,185
Loss (gain) on sale of investment securities	△42,341	△10,589
Loss (gain) on valuation of investment securities	△1,063	58
Decrease (increase) in trade receivables	△598,170	224,438
Decrease (increase) in inventories	△79,517	△161,100
Decrease (increase) in advances paid	△2,053,332	△954,765
Decrease (increase) in other assets	△160,662	66,822
Increase (decrease) in trade payables	△151,343	△19,842
Increase (decrease) in other liabilities	1,104,112	△136,031
Increase (decrease) in accrued consumption taxes	△91,831	109,902
Increase (decrease) in contract liabilities	532,215	382,045
Other, net	60,796	41,284
Subtotal	3,843,213	5,014,136
Income taxes paid	△1,417,863	△1,444,819
Interest and dividends received	135,165	165,357
Interest paid	△1,607	△743
Net cash provided by (used in) operating activities	2,558,907	3,733,931

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△2,190,164	△2,488,300
Proceeds from sale of property, plant and equipment and intangible assets	3,010	24,469
Purchase of investment securities	△815,615	△1,416,645
Proceeds from sale of investment securities	59,620	25,201
Proceeds from redemption of investment securities	146,210	715,250
Loan advances	△8,656	△7,974
Proceeds from collection of loans receivable	5,180	6,890
Payments of guarantee deposits	△18,765	△27,938
Proceeds from refund of guarantee deposits	12,515	9,503
Subsidies received	368,428	—
Payments into time deposits	△10,012	△5,420
Proceeds from withdrawal of time deposits	10,000	4,963
Other, net	△1,301	△1,425
Net cash provided by (used in) investing activities	△2,439,549	△3,161,426
Cash flows from financing activities		
Repayments of long-term borrowings	△62,500	△62,500
Purchase of treasury shares	—	△9
Purchase of treasury shares of subsidiaries	—	△5,453
Dividends paid	△766,229	△763,875
Dividends paid to non-controlling interests	△73,079	△88,878
Repayments of lease liabilities	△34,318	△42,947
Proceeds from exercise of employee share options	4,576	17,264
Net cash provided by (used in) financing activities	△931,551	△946,400
Effect of exchange rate change on cash and cash equivalents	188,972	△195,696
Net increase (decrease) in cash and cash equivalents	△623,221	△569,591
Cash and cash equivalents at beginning of period	21,651,741	22,779,510
Cash and cash equivalents at end of period	※ ¹ 21,028,519	※ ¹ 22,209,918