

FY2023 The First Two Quarters Consolidated Financial Results [Japanese GAAP]



August 14, 2023

Company name: ProjectCompany, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9246
 URL: <https://projectcompany.co.jp/>
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 Scheduled date of filing quarterly securities report: August 14, 2023
 Scheduled date of commencing dividend payments:-
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Financial Results for the first two quarters ended, 2023 (January 1, 2023 – June 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
The first two quarters ended								
June 30, 2023	3,129	68.6	421	3.1	424	4.6	244	(12.6)
June 30, 2022	1,855	–	409	–	405	–	279	–

(Note)Comprehensive income: The first two quarters ended, 2023: ¥244 million [(12.6)%]
 The first two quarters ended, 2022: ¥279 million [– %]

	Basic earnings per share	Diluted earnings per share
The first two quarters ended	Yen	Yen
June 30, 2023	42.40	40.93
June 30, 2022	49.55	47.05

(Note) As the consolidated financial statements are prepared from the first two quarters ended, 2022, the changes from the previous corresponding period for the first two quarters ended, 2022 are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	5,396	3,109	57.5
As of December 31, 2022	4,285	2,805	65.1

(Reference)Equity: As of June, 30, 2023: ¥3,102 million
 As of December 31, 2022: ¥2,790million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2023	–	0.00			
Fiscal year ending December 31, 2023 (Forecast)			–	0.00	0.00

(Note)Revision to the forecast for dividends announced most recently: None

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

(% indicates year-on-year changes.)

	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	6,420	47.5	720	(24.9)	720	(24.1)	430	(36.5)	74.30

(Note)Revision to the forecast for dividends announced most recently: Yes

*For the financial results forecast for the Fiscal Year Ending December 31, 2023, please refer to “Financial Results for the First Two Quarters of the Fiscal Year Ending December 31, 2023” announced today (August 14, 2023).

*** 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) Accounting methods adopted particularly for the preparation of quarterly financial statements: Yes
- (3) 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
- (4) 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):

As of June 30, 2023:	5,799,200 shares
As of December 31, 2022:	5,736,950 shares
 - 2) Total number of treasury shares at the end of the period:

As of June 30, 2023:	55 shares
As of December 31, 2022:	55 shares
 - 3) Average number of shares during the period:

The first two quarters ended, 2023:	5,764,193 shares
The first two quarters ended, 2022:	5,646,349 shares

*These quarterly financial results are outside the scope of quarterly review 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 Company and certain assumptions deemed reasonable, and the Company 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.

For the assumptions used for financial results forecasts and the notes regarding the use thereof, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

* 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.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	As of December 31,2022	As of June 30,2023
Assets		
Current assets		
Cash and deposits	2,220,324	2,605,761
Notes and accounts receivable – trade	592,719	761,461
Allowance for doubtful accounts	—	(100)
Notes and accounts receivable - trade, net	592,719	761,361
Other	95,312	98,854
Total current assets	2,908,356	3,465,977
Non-current assets		
Property, plant and equipment	59,381	72,656
Intangible assets		
Goodwill	568,469	1,135,267
Other	549	910
Total intangible assets	569,018	1,136,178
Investments and other assets		
Investment securities	53,297	53,297
Leasehold deposits	644,993	635,877
Other	43,556	27,609
Total investments and other assets	741,847	716,783
Total non-current assets	1,370,248	1,925,618
Deferred assets	7,248	4,925
Total assets	4,285,852	5,396,521
Liabilities		
Current liabilities		
Accounts payable - trade	271,493	380,530
Accounts payable - other	153,512	241,918
Current portion of bonds payable	44,000	30,000
Current portion of long-term borrowings	113,551	222,376
Income taxes payable	239,297	162,922
Provision for retirement benefits for directors (and other officers)	—	60,012
Other	146,102	91,004
Total current liabilities	967,957	1,188,764
Non-current liabilities		
Bonds payable	25,000	10,000
Long-term borrowings	485,874	1,087,999
Other	1,216	61
Total non-current liabilities	512,090	1,098,060
Total liabilities	1,480,048	2,286,825
Net assets		
Shareholders' equity		
Share capital	970,984	1,001,691
Capital surplus	615,460	637,592
Retained earnings	1,204,218	1,463,737
Treasury shares	(226)	(226)
Total shareholders' equity	2,790,437	3,102,795
Share acquisition rights	15,366	6,900
Total net assets	2,805,803	3,109,696
Total liabilities and net assets	4,285,852	5,396,521

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the First Two Quarters ended, 2023

(Thousand yen)

	January 1 st – June 30 th 2022	January 1 st – June 30 th 2023
Net sales	1,855,913	3,129,202
Cost of sales	1,073,604	1,935,321
Gross profit	782,308	1,193,881
Selling, general and administrative expenses	373,007	772,066
Operating profit	409,300	421,814
Non-operating income		
Interest income	9	15
Dividend income	0	3
The mutual relief system for the prevention of SME bankruptcies contributions refunded cancellation	—	8,003
Other	—	1,877
Total non-operating income	9	9,899
Non-operating expenses		
Interest expenses	859	4,812
Interest on bonds	58	222
Amortization of share issuance costs	1,850	1,748
Amortization of bond issuance cost	713	573
Guarantee commission	352	135
Total non-operating expenses	3,833	7,492
Ordinary profit	405,476	424,221
Profit before income taxes	405,476	424,221
Income taxes - current	125,697	179,795
Total income taxes	125,697	179,795
Profit	279,779	244,426
Profit attributable to owners of parent	279,779	244,426

Quarterly Consolidated Statement of Comprehensive Income

For the First Two Quarters ended, 2023

(Thousand yen)

	January 1 st – June 30 th 2022	January 1 st – June 30 th 2023
Profit	279,779	244,426
Comprehensive income	279,779	244,426
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	279,779	244,426

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

For the First Two Quarters ended	January 1 st – June 30 th 2022	January 1 st – June 30 th 2023
Cash flows from operating activities		
Profit before income taxes	405,476	424,221
Depreciation	10,831	80,180
Amortization of lease deposits	1,797	5,866
Amortization of share issuance costs	1,850	1,748
Amortization of bond issuance costs	713	573
Share-based payment expenses	—	3,157
Interest and dividend income	(9)	(18)
Interest expenses on borrowings and bonds	917	5,034
Decrease (increase) in trade receivables	(86,701)	(53,623)
Increase (decrease) in trade payables	25,233	29,214
Increase (decrease) in accounts payable	(23,566)	72,195
Increase (decrease) in accrued consumption taxes	(48,417)	(88,079)
Other, net	73,706	2,686
Subtotal	361,831	483,158
Interest and dividends received	9	18
Interest paid	(1,124)	(5,519)
Income taxes paid	(121,456)	(282,373)
Net cash provided by (used in) operating activities	239,260	195,284
Cash flows from investing activities		
Purchase of securities	(5,000)	—
Purchase of investments in subsidiaries resulting in change of scope of consolidation	(134,829)	(506,510)
Purchase of property, plant and equipment	(11,338)	(21,852)
Payments of leasehold deposits	(556,546)	(187)
Proceeds from refund of leasehold and guarantee deposit	—	525
Others	—	(1,192)
Net cash provided by (used in) investing activities	(707,713)	(529,217)
Cash flows from financing activities		
Repayments of long-term borrowings	—	720,000
Redemption of bonds	(7,346)	(88,417)
Repayments of finance lease obligations	(26,200)	(29,000)
Proceeds of share issuance	6,750	41,215
Proceeds from issuance of share acquisition rights	3,177	—
Purchase of treasury shares	(55)	—
Others	(1,261)	(1,375)
Net cash provided by (used in) financing activities	(24,935)	642,422
Net increase (decrease) in cash and cash equivalents	(493,388)	308,489
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 subsidiaries	—	76,948
Cash and cash equivalents at end of period	1,754,659	2,605,761