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July 1, 2024

Consolidated Financial Results for the Six Months Ended May 31, 2024 (Under Japanese GAAP)



Company name: Star Mica Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2975
 URL: <http://www.starmica-holdings.co.jp/en/>
 Representative: Masashi Mizunaga, President and CEO
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 Scheduled date to file quarterly securities report: July 5, 2024
 Scheduled date to commence dividend payments: August 2, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts, etc.)

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

1. Consolidated financial results for the six months ended May 31, 2024 (from December 1, 2023 to May 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Recurring profit		Net profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
May 31, 2024	27,257	9.5	2,871	2.3	2,413	4.7	1,667	4.5
May 31, 2023	24,885	(9.8)	2,805	(25.6)	2,305	(33.2)	1,594	(33.1)

Note: Comprehensive income For the six months ended May 31, 2024: ¥1,681 million [6.8%]
 For the six months ended May 31, 2023: ¥1,574 million [(34.2)%]

	EPS	Diluted EPS
Six months ended	Yen	Yen
May 31, 2024	49.95	49.53
May 31, 2023	47.61	47.21

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2024	103,067	24,659	23.9
November 30, 2023	94,982	23,231	24.4

Reference: Equity
 As of May 31, 2024: ¥24,601 million
 As of November 30, 2023: ¥23,173 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 November 30, 2023	–	10.00	–	10.00	20.00
Fiscal year ending November 30, 2024	–	10.50			
Fiscal year ending November 30, 2024 (Forecast)			–	10.50	21.00

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

3. Consolidated financial results forecasts for the fiscal year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Recurring profit		Net profit attributable to owners of parent		EPS
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	54,157	10.8	5,028	3.8	4,102	4.6	2,800	5.1	83.64

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

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please see “2. Quarterly Consolidated Financial Statements, (4) Notes to Quarterly Consolidated Financial Statements (Adoption of Accounting Treatment Specific to the Preparation of Quarterly Consolidated Financial Statements)” on page 9 of the attached document (in Japanese only).

(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 May 31, 2024	34,000,000 shares
As of November 30, 2023	34,000,000 shares

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

As of May 31, 2024	402,489 shares
As of November 30, 2023	589,058 shares

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

Six months ended May 31, 2024	33,375,227 shares
Six months ended May 31, 2023	33,495,254 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts and other special matters

(Note on forward-looking statements)

Forward-looking statements included in this document, including financial results forecasts, are based on currently available information and certain assumptions that are judged to be reasonable at the date of this document, and the Company does not in any way guarantee the achievement of such forecasts. Actual business performance may greatly vary due to a number of factors.

For details of the assumptions used in the financial results forecasts and notes to use such forecasts, please see “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information” on page 3 of the attached document (in Japanese only).

(How to access explanatory material on the quarterly financial results)

The Company has disclosed the explanatory and supplementary materials on the quarterly financial results on TDnet on the same day as the date of this document.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	4,199,966	3,174,015
Trade accounts receivable	46,318	55,761
Inventories	86,584,339	95,462,165
Other	1,635,334	1,577,148
Allowance for doubtful accounts	(1,187)	(1,122)
Total current assets	92,464,770	100,267,966
Fixed assets		
Tangible fixed assets		
Buildings and structures	66,732	66,732
Accumulated depreciation	(35,812)	(37,911)
Buildings and structures, net	30,920	28,821
Other	55,330	55,330
Accumulated depreciation	(37,128)	(40,298)
Other, net	18,202	15,032
Total tangible fixed assets	49,123	43,854
Intangible assets	146,546	136,841
Investments and other assets		
Investment securities	1,088,821	1,207,651
Deferred tax assets	422,017	415,764
Other	811,484	995,554
Allowance for doubtful accounts	(1,299)	(1,299)
Total investments and other assets	2,321,024	2,617,670
Total fixed assets	2,516,694	2,798,367
Deferred assets		
Bond issuance costs	1,285	989
Total deferred assets	1,285	989
Total assets	94,982,751	103,067,322

(Thousands of yen)

	As of November 30, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Trade accounts payable	670,071	681,973
Short-term borrowings	51,700	2,029,000
Current portion of long-term borrowings	10,173,876	10,799,191
Income taxes payable	476,824	793,348
Other	1,495,844	1,558,617
Total current liabilities	12,868,316	15,862,130
Fixed liabilities		
Corporate bonds	60,000	40,000
Long-term borrowings	58,823,126	62,506,019
Total fixed liabilities	58,883,126	62,546,019
Total liabilities	71,751,442	78,408,149
Net assets		
Shareholders' equity		
Capital stock	481,942	481,942
Capital surplus	3,763,421	3,763,421
Retained earnings	19,332,089	20,600,165
Treasury shares	(414,602)	(268,982)
Total shareholders' equity	23,162,851	24,576,547
Accumulated other comprehensive income		
Deferred gains or losses on hedges	10,319	24,489
Total accumulated other comprehensive income	10,319	24,489
Share subscription rights	58,136	58,136
Total net assets	23,231,308	24,659,173
Total liabilities and net assets	94,982,751	103,067,322

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended May 31

(Thousands of yen)

	For the six months ended May 31, 2023	For the six months ended May 31, 2024
Revenue	24,885,633	27,257,413
Cost of sales	20,314,841	22,207,458
Gross profit	4,570,792	5,049,954
SG&A	1,764,867	2,178,781
Operating profit	2,805,925	2,871,173
Non-operating income		
Interest income	362	3,198
Gain on valuation of derivatives	–	26,321
Gain on sale of fixed assets	1,793	–
Other	4,245	9,302
Total non-operating income	6,401	38,822
Non-operating expenses		
Interest expenses	338,878	385,881
Commission expenses	97,520	109,697
Other	70,267	512
Total non-operating expenses	506,666	496,092
Recurring profit	2,305,660	2,413,904
Net profit before income taxes	2,305,660	2,413,904
Income taxes	710,845	746,697
Net profit	1,594,814	1,667,206
Net profit attributable to owners of parent	1,594,814	1,667,206

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended May 31

(Thousands of yen)

	For the six months ended May 31, 2023	For the six months ended May 31, 2024
Net profit	1,594,814	1,667,206
Other comprehensive income		
Deferred gains or losses on hedges	(20,448)	14,169
Total other comprehensive income	(20,448)	14,169
Comprehensive income	1,574,366	1,681,376
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,574,366	1,681,376

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended May 31, 2023	For the six months ended May 31, 2024
Cash flows from operating activities		
Net profit before income taxes	2,305,660	2,413,904
Depreciation	29,032	29,972
Share-based payment expenses	106,721	114,595
Increase (decrease) in allowance for doubtful accounts	99	(64)
Interest income	(362)	(3,198)
Interest expenses	338,878	385,881
Amortization of bond issuance costs	340	296
Loss (gain) on investments in silent partnerships	(158,407)	(119,020)
Decrease (increase) in trade receivables	20,172	(9,442)
Decrease (increase) in consumption taxes refund receivable	285,714	364,578
Decrease (increase) in inventories	(1,926,757)	(8,877,825)
Increase (decrease) in trade payables	(46,214)	11,901
Increase (decrease) in accrued consumption taxes	(15,296)	34,379
Other, net	(194,369)	(319,867)
Subtotal	745,211	(5,973,908)
Interest received	362	2,326
Interest paid	(336,212)	(391,126)
Income taxes paid	(1,464,770)	(437,804)
Income taxes refund	271,687	32,895
Net cash provided by (used in) operating activities	(783,721)	(6,767,618)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,825)	(403)
Proceeds from sale of tangible fixed assets	1,793	–
Purchase of intangible assets	(6,272)	(19,735)
Purchase of investment securities	(25,000)	–
Net cash provided by (used in) investing activities	(31,304)	(20,139)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(900,000)	1,977,300
Proceeds from long-term borrowings	23,242,380	20,548,650
Repayments of long-term borrowings	(19,516,470)	(16,240,442)
Redemption of bonds	(120,000)	(20,000)
Purchase of treasury shares	(188,881)	(169,592)
Dividends paid	(334,605)	(334,109)
Net cash provided by (used in) financing activities	2,182,423	5,761,806
Net increase (decrease) in cash and cash equivalents	1,367,397	(1,025,951)
Cash and cash equivalents at beginning of period	3,110,459	4,199,966
Cash and cash equivalents at end of period	4,477,856	3,174,015