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Feb 13, 2025

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

Company name: TRIAL Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 141A
 URL: <https://trial-holdings.inc/en/>
 Representative: Koichi Kameda, Representative Director and President
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 Scheduled date to file semi-annual securities report: February 13, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	403,741	11.1	9,700	(16.2)	10,624	(11.3)	6,132	(11.7)
December 31, 2023	363,304	—	11,568	—	11,978	—	6,943	—

Note: Comprehensive income For the Six months ended December 31, 2024: ¥6,169 million [(13.4%)]
 For the Six months ended December 31, 2023: ¥7,120 million [— %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2024	50.27	49.86
December 31, 2023	71.35	—

Note 1: Since semi-annual consolidated financial statements have not been prepared for the six months ended December 31, 2022, percentage change from the same period of the previous year for the six months ended December 31, 2023 is not shown.

Note 2: Diluted net income per share for the six months ended December 31, 2023 is not shown in the above table, because although there are residual shares, the Company's shares are unlisted and the average share price during the period cannot be determined.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	314,627	122,705	38.1
June 30, 2024	283,627	118,187	40.8

Reference: Equity
 As of December 31, 2024: ¥119,966 million
 As of June 30, 2024: ¥115,684 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 June 30, 2024	—	0.00	—	15.00	15.00
Fiscal year ending June 30, 2025	—	0.00			
Fiscal year ending June 30, 2025 (Forecast)			—	16.00	16.00

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

3. Forecast of Consolidated Financial Results for the Year Ending June 30, 2025 (July 1, 2024 - June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending June 30, 2025	808,866	12.7	22,986	20.0	23,810	20.3	13,756	20.3	112.46

Note: Revisions to the most recently announced earnings forecasts: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: 2 companies (TRIAL GO, Inc. , TRIAL FOOD PARK, Inc.)
 Excluded: — companies
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (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: Yes
 - (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 December 31, 2024	122,318,300 shares
As of June 30, 2024	122,318,300 shares

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

As of December 31, 2024	232,324 shares
As of June 30, 2024	370,900 shares

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

Six months ended December 31, 2024	121,989,525 shares
Six months ended December 31, 2023	97,319,500 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement Concerning Forward-Looking Statements)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.

(How to obtain supplementary information on financial results and the contents of the financial results briefing)

The Company plans to hold a financial results presentation for institutional investors and securities analysts on Friday, February 14, 2025, and the financial results presentation materials to be used on that day will be posted on the Company's website.

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2024	As of December 31, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	91,947	97,696
Accounts receivable - trade	1,170	1,666
Inventories	46,440	55,222
Other	12,743	15,002
Allowance for doubtful accounts	(0)	(0)
Total current assets	152,300	169,586
Non – current assets		
Property, plant and equipment		
Buildings and structures	120,310	133,556
Accumulated depreciation	(46,539)	(49,708)
Buildings and structures, net	73,771	83,847
Machinery, equipment and vehicles	15,143	16,167
Accumulated depreciation	(8,993)	(9,208)
Machinery, equipment and vehicles, net	6,150	6,958
Land	21,474	22,253
Construction in progress	2,416	2,136
Other	38,208	41,691
Accumulated depreciation	(28,324)	(30,063)
Other, net	9,883	11,627
Total property, plant and equipment	113,694	126,823
Intangible assets		
Other	1,879	2,614
Total intangible assets	1,879	2,614
Investments and other assets		
Investment securities	5,777	5,589
Deferred tax assets	2,880	2,656
Construction assistance fund receivables	1,747	1,684
Leasehold and guarantee deposits	5,282	5,614
Other	64	58
Total investments and other assets	15,752	15,603
Total non – current assets	131,327	145,041
Total assets	283,627	314,627

	(Millions of yen)	
	As of June 30, 2024	As of December 31, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable – trade	101,838	126,577
Current portion of long-term bank loans	3,949	3,585
Accounts payable - other	7,449	10,198
Income taxes payable	5,370	4,190
Accrued consumption taxes	2,927	705
Contract liabilities	9,644	11,382
Provision for bonuses	732	929
Provision for point card certificates	723	802
Other	10,374	12,062
Total current liabilities	143,010	170,434
Non – current liabilities		
Long – term bank loans	12,195	10,579
Asset retirement obligations	8,466	9,051
Other	1,767	1,855
Total non – current liabilities	22,429	21,487
Total liabilities	165,440	191,921
Net assets		
Shareholders' equity		
Share capital	19,777	19,777
Capital surplus	23,242	23,261
Retained earnings	71,952	76,255
Treasury shares	(529)	(331)
Total shareholders' equity	114,443	118,963
Accumulated other comprehensive income		
Valuation difference on available – for – sale securities	711	521
Deferred gains or losses on hedges	10	10
Foreign currency translation adjustment	517	470
Total accumulated other comprehensive income	1,240	1,003
Non – controlling interests	2,503	2,739
Total net assets	118,187	122,705
Total liabilities and net assets	283,627	314,627

Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
	Amount	Amount
Net sales	363,304	403,741
Cost of sales	291,744	323,657
Gross profit	71,560	80,084
Other operating revenue	1,258	1,351
Operating gross profit	72,818	81,435
Selling, general and administrative expenses	61,249	71,735
Operating profit	11,568	9,700
Non - operating income		
Interest and dividend income	10	62
Share of profit of entities accounted for using equity method	385	301
Gain on receipt of donated non-current assets	—	347
Other	229	349
Total non - operating income	625	1,060
Non - operating expense		
Interest expenses	46	38
Foreign exchange losses	52	21
Loss on retirement of non-current assets	65	13
Loss on cancellation of rental contracts	—	18
Other	50	45
Total non - operating expense	215	136
Ordinary profit	11,978	10,624
Profit before income taxes	11,978	10,624
Income taxes - current	5,205	3,951
Income taxes - deferred	(413)	267
Total income taxes	4,791	4,218
Profit	7,187	6,406
Profit attributable to non - controlling interests	244	273
Profit attributable to owners of parent	6,943	6,132

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
	Amount	Amount
Profit	7,187	6,406
Other comprehensive income		
Valuation difference on available-for-sale securities	(68)	(124)
Foreign currency translation adjustment	(1)	(16)
Share of other comprehensive income of entities accounted for using equity method	2	(96)
Total other comprehensive income	(67)	(236)
Comprehensive income	7,120	6,169
Comprehensive income attributable to:		
Owners of parent	6,876	5,895
Non - controlling interests	244	273

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended December 31, 2023	For the six months ended December 31, 2024
	Amount	Amount
Cash flows from operating activities		
Profit before income taxes	11,978	10,624
Depreciation	5,621	6,283
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for point card certificates	39	79
Increase (decrease) in provision for bonuses	311	194
Interest and dividend income	(10)	(62)
Interest expenses	46	38
Share of loss (profit) of entities accounted for using equity method	(385)	(301)
Gain on receipt of donated non-current assets	—	(347)
Decrease (increase) in trade receivables	(440)	(500)
Decrease (increase) in inventories	(1,713)	(8,915)
Increase (decrease) in trade payables	41,426	25,062
Other, net	2,255	(1,549)
Subtotal	59,130	30,605
Interest and dividends received	10	62
Interest paid	(45)	(39)
Income taxes paid	(3,145)	(5,978)
Income taxes refund	338	856
Net cash provided by operating activities	56,288	25,506
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,797)	(15,054)
Proceeds from sale of property, plant and equipment	52	114
Purchase of intangible assets	(110)	(802)
Proceeds from sale of investment securities	168	398
Loan advances	(0)	(181)
Payments of construction assistance fund receivables	(200)	(1)
Proceeds from collection of construction assistance fund receivables	63	64
Payments of leasehold and guarantee deposits	(297)	(361)
Proceeds from refund of deposits and guarantees	75	21
Payments for acquisition of businesses	(618)	(143)
Purchase of shares of subsidiaries and associates	—	(116)
Other, net	(137)	(4)
Net cash used in investing activities	(12,801)	(16,067)
Cash flows from financing activities		
Repayments of long-term borrowings	(2,236)	(1,980)
Repayments of lease liabilities	(13)	(1)
Dividends paid	(1,265)	(1,829)
Dividends paid to non-controlling interests	(30)	(37)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3)	—
Proceeds from exercise of employee share options	—	160
Other, net	—	(0)
Net cash used in financing activities	(3,548)	(3,687)
Effect of exchange rate change on cash and cash equivalents	(0)	(1)
Net increase (decrease) in cash and cash equivalents	39,937	5,748
Cash and cash equivalents at beginning of period	23,898	91,947
Cash and cash equivalents at end of period	63,835	97,696