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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

April 30, 2024

Company name: KOEI TECMO HOLDINGS CO., LTD.

Stock exchange listing: Tokyo

Code number: 3635

URL: <https://www.koeitecmo.co.jp/>

Representative: Yoichi Erikawa

President & CEO (Representative Director)

Contact: Kenjiro Asano

Director, Senior Executive Officer & CFO

Phone: +81-45-562-8111

Scheduled date of Annual General Meeting of Shareholders: June 20, 2024

Scheduled date of commencing dividend payments: June 21, 2024

Scheduled date of filing annual securities report: June 21, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	84,584	7.9	28,494	(27.2)	45,741	14.6	33,792	9.2
March 31, 2023	78,417	7.8	39,133	13.3	39,899	(18.1)	30,935	(12.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 48,011 million [131.9%]
Fiscal year ended March 31, 2023: ¥ 20,703 million [(19.3)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	107.06	99.73	21.3	20.0	33.7
March 31, 2023	98.20	91.22	22.1	18.5	49.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	245,802	175,552	71.1	553.59
March 31, 2023	210,889	142,684	67.4	450.72

(Reference) Equity: As of March 31, 2024: ¥ 174,844 million
As of March 31, 2023: ¥ 142,143 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 the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	36,603	(24,859)	(15,475)	10,452
March 31, 2023	29,692	(21,394)	(16,588)	11,733

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	50.00	50.00	15,768	50.9	11.3
March 31, 2024	-	0.00	-	54.00	54.00	17,055	50.4	10.8
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	48.00	48.00		50.5	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	38,000	(4.3)	8,000	(42.3)	13,000	(44.0)	10,000	(40.5)	31.68
Full year	90,000	6.4	30,000	5.3	40,000	(12.6)	30,000	(11.2)	95.04

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
Exclusion: - (Company name:)

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

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: Yes
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2024: 336,096,924 shares
March 31, 2023: 336,096,924 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 20,258,636 shares
March 31, 2023: 20,727,352 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 315,652,752 shares
Fiscal Year ended March 31, 2023: 315,035,577 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	21,508	4.8	18,617	4.9	20,092	6.0	18,884	3.2
March 31, 2023	20,530	(61.0)	17,750	(64.5)	18,950	(62.5)	18,302	(63.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	59.83	54.99
March 31, 2023	58.10	53.28

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	153,140	105,081	68.2	330.47
March 31, 2023	149,227	100,976	67.3	318.47

(Reference) Equity: As of March 31, 2024: ¥ 104,374 million
As of March 31, 2023: ¥ 100,434 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	12,529	11,702
Accounts receivable - trade, and contract assets	21,650	15,041
Securities	8,076	58,393
Merchandise and finished goods	94	50
Work in process	29	104
Raw materials and supplies	67	100
Other	6,684	7,561
Allowance for doubtful accounts	(17)	(1)
Total current assets	49,113	92,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,432	19,760
Land	13,974	14,624
Construction in progress	68	366
Other, net	1,461	1,725
Total property, plant and equipment	36,936	36,477
Intangible assets		
Other	245	231
Total intangible assets	245	231
Investments and other assets		
Investment securities	112,766	106,590
Deferred tax assets	5,622	933
Retirement benefit asset	1,805	4,466
Other	4,535	4,833
Allowance for doubtful accounts	(135)	(681)
Total investments and other assets	124,594	116,141
Total non-current assets	161,775	152,851
Total assets	210,889	245,802

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,169	1,046
Current portion of convertible-bond-type bonds with share acquisition rights	-	46,536
Accounts payable - other	4,573	7,459
Income taxes payable	4,112	6,538
Provision for bonuses	1,697	1,730
Provision for bonuses for directors (and other officers)	344	259
Other	8,121	5,358
Total current liabilities	20,019	68,928
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	47,341	-
Deferred tax liabilities	132	391
Other	711	930
Total non-current liabilities	48,185	1,322
Total liabilities	68,204	70,250
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	27,844	27,428
Retained earnings	145,046	163,070
Treasury shares	(38,639)	(37,765)
Total shareholders' equity	149,251	167,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,870)	4,157
Revaluation reserve for land	(3,115)	(3,115)
Foreign currency translation adjustment	3,034	4,792
Remeasurements of defined benefit plans	(157)	1,275
Total accumulated other comprehensive income	(7,108)	7,110
Share acquisition rights	541	707
Total net assets	142,684	175,552
Total liabilities and net assets	210,889	245,802

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	78,417	84,584
Cost of sales	21,317	29,289
Gross profit	57,099	55,294
Selling, general and administrative expenses	17,966	26,799
Operating profit	39,133	28,494
Non-operating income		
Interest income	13,951	14,592
Dividend income	734	725
Gain on sale of investment securities	1,732	9,885
Foreign exchange gains	139	736
Gain on redemption of securities	514	655
Gain on valuation of derivatives	4,298	8,908
Other	942	222
Total non-operating income	22,313	35,726
Non-operating expenses		
Loss on valuation of investment securities	-	91
Loss on sale of investment securities	2,759	8,962
Loss on redemption of securities	13,976	6,342
Loss on valuation of derivatives	4,643	1,042
Other	167	2,041
Total non-operating expenses	21,547	18,479
Ordinary profit	39,899	45,741
Extraordinary income		
Gain on sale of shares of subsidiaries	63	-
Total extraordinary income	63	-
Extraordinary losses		
Impairment losses	-	411
Total extraordinary losses	-	411
Profit before income taxes	39,963	45,330
Income taxes - current	8,979	11,887
Income taxes - deferred	48	(349)
Total income taxes	9,028	11,537
Profit	30,935	33,792
Profit attributable to owners of parent	30,935	33,792

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	30,935	33,792
Other comprehensive income		
Valuation difference on available-for-sale securities	(10,418)	11,027
Foreign currency translation adjustment	616	1,758
Remeasurements of defined benefit plans, net of tax	(428)	1,433
Total other comprehensive income	(10,231)	14,218
Comprehensive income	20,703	48,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,703	48,011

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,000	28,006	130,954	(39,393)	134,567
Changes during period					
Dividends of surplus			(17,008)		(17,008)
Profit attributable to owners of parent			30,935		30,935
Purchase of treasury shares				(11)	(11)
Disposal of treasury shares		(162)		765	603
Change in scope of consolidation			165		165
Net changes in items other than shareholders' equity					
Total changes during period	-	(162)	14,092	754	14,684
Balance at end of period	15,000	27,844	145,046	(38,639)	149,251

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,548	(3,115)	2,418	271	3,122	411	138,101
Changes during period							
Dividends of surplus							(17,008)
Profit attributable to owners of parent							30,935
Purchase of treasury shares							(11)
Disposal of treasury shares							603
Change in scope of consolidation							165
Net changes in items other than shareholders' equity	(10,418)		616	(428)	(10,231)	130	(10,101)
Total changes during period	(10,418)	-	616	(428)	(10,231)	130	4,583
Balance at end of period	(6,870)	(3,115)	3,034	(157)	(7,108)	541	142,684

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,000	27,844	145,046	(38,639)	149,251
Changes during period					
Dividends of surplus			(15,768)		(15,768)
Profit attributable to owners of parent			33,792		33,792
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		(415)		878	462
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(415)	18,024	873	18,482
Balance at end of period	15,000	27,428	163,070	(37,765)	167,733

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(6,870)	(3,115)	3,034	(157)	(7,108)	541	142,684
Changes during period							
Dividends of surplus							(15,768)
Profit attributable to owners of parent							33,792
Purchase of treasury shares							(4)
Disposal of treasury shares							462
Change in scope of consolidation							-
Net changes in items other than shareholders' equity	11,027		1,758	1,433	14,218	166	14,385
Total changes during period	11,027	-	1,758	1,433	14,218	166	32,867
Balance at end of period	4,157	(3,115)	4,792	1,275	7,110	707	175,552

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	39,963	45,330
Depreciation	1,643	1,813
Impairment losses	-	411
Increase (decrease) in allowance for doubtful accounts	6	(16)
Increase (decrease) in provision for bonuses for directors (and other officers)	(44)	(85)
Increase (decrease) in provision for bonuses	(235)	18
Interest and dividend income	(14,685)	(15,318)
Loss (gain) on valuation of investment securities	-	91
Loss (gain) on sale of investment securities	1,026	(922)
Loss (gain) on redemption of securities	13,462	5,686
Loss (gain) on valuation of derivatives	345	(7,866)
Loss (gain) on sale of property, plant and equipment	16	(7)
Foreign exchange losses (gains)	480	(895)
Decrease (increase) in trade receivables	(8,479)	6,794
Decrease (increase) in inventories	38	(59)
Decrease (increase) in accounts receivable - other	(853)	936
Increase (decrease) in trade payables	599	(179)
Increase (decrease) in accounts payable - other	2,403	550
Increase (decrease) in accrued consumption taxes	(77)	227
Increase (decrease) in deposits received	16	172
Other, net	(61)	2,247
Subtotal	35,562	38,928
Interest and dividends received	5,210	8,270
Interest paid	(8)	(10)
Income taxes refund	9,829	2,742
Income taxes paid	(20,902)	(13,327)
Net cash provided by (used in) operating activities	29,692	36,603
Cash flows from investing activities		
Payments into time deposits	(940)	(2,227)
Proceeds from withdrawal of time deposits	881	1,845
Purchase of short-term and long-term investment securities	(81,749)	(121,564)
Proceeds from sale and redemption of short-term and long-term investment securities	60,750	98,241
Purchase of property, plant and equipment	(837)	(1,789)
Proceeds from sale of property, plant and equipment	238	782
Purchase of intangible assets	(53)	(16)
Subsidies received	294	294
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	77	-
Other, net	(56)	(426)
Net cash provided by (used in) investing activities	(21,394)	(24,859)
Cash flows from financing activities		
Proceeds from short-term borrowings	28,000	15,000
Repayments of short-term borrowings	(28,000)	(15,000)
Proceeds from disposal of treasury shares	520	409
Purchase of treasury shares	(11)	(4)
Dividends paid	(16,987)	(15,749)
Other, net	(110)	(130)
Net cash provided by (used in) financing activities	(16,588)	(15,475)
Effect of exchange rate change on cash and cash equivalents	330	2,450
Net increase (decrease) in cash and cash equivalents	(7,959)	(1,281)
Cash and cash equivalents at beginning of period	19,503	11,733
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	190	-
Cash and cash equivalents at end of period	11,733	10,452