



## Consolidated Financial Results for the First Quarter of FY 2024 [Japanese GAAP]

August 2, 2024

Listed company name EDION Corporation Listed on the Prime Market of Tokyo Stock Exchange  
 Ticker code 2730 URL <https://www.edion.com/>  
 Representative Masataka Kubo, Chairman and CEO  
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 Scheduled date of dividend payment --  
 Preparation of supplementary explanatory documents for financial results : Yes  
 Holding analyst meeting for financial results : Yes (For institutional investors and security analysts)

(Figures rounded down to nearest million yen.)  
 (Figures in parentheses are negative.)

### 1. Consolidated financial results for the first quarter of FY 2024 (April 1, 2024 to June 30, 2024)

#### (1) Consolidated financial results (cumulative)

(% change from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 of FY 2024	174,457	8.4	3,342	88.6	3,647	92.7	2,280	108.5
Q1 of FY 2023	160,941	(2.4)	1,771	(43.2)	1,893	(36.3)	1,093	(49.6)

(Note) Comprehensive income Q1 of FY 2024 2,537 million yen (81.6%)  
 Q1 of FY 2023 1,397 million yen (36.9%)

	Profit per share – Basic	Profit per share – Diluted
	Yen	Yen
Q1 of FY 2024	21.70	20.54
Q1 of FY 2023	11.11	9.87

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Q1 of FY 2024	440,594	215,042	48.7	2,043.26
FY 2023	431,694	214,921	49.7	2,042.40

(Reference) Equity Q1 of FY 2024 214,698 million yen FY 2023 214,607 million yen

### 2. Dividend information

	Dividend per share				
	1st quarter	2nd quarter	3rd quarter	End of year	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2023	–	22.00	–	23.00	45.00
FY 2024	–	–	–	–	–
FY 2024 (forecast)	–	22.00	–	23.00	45.00

(Note) Revision of the latest dividend forecast: No

### 3. Forecast of consolidated financial results for FY 2024 (April 1, 2024 to March 31, 2025)

(% change from previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim (1st six months)	369,000	4.7	10,800	0.2	11,100	0.4	7,100	(1.6)	67.57
Full Year	750,000	4.0	19,000	12.2	19,500	12.5	11,000	21.9	104.69

(Note) Revision of the latest forecasts of financial results: No

\* Notes

(1) Major changes in the scope of consolidation during the period: No

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, financial estimates and restatement

(i) Changes in accounting policies due to revisions of accounting standards: Yes

(ii) Changes in accounting policies by other than (i) above: No

(iii) Changes in financial estimates: No

(iv) Restatements of financial statements: No

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (4) Notes to quarterly consolidated financial statements (Notes on change in accounting policies)" on page 9 of the attachment.

(4) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury share)

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

(iii) Average number of shares outstanding during the period (quarterly consolidated accumulated period)

Q1 of FY 2024	112,005,636 shares	FY 2023	112,005,636 shares
Q1 of FY 2024	6,929,287 shares	FY 2023	6,929,139 shares
Q1 of FY 2024	105,076,425 shares	Q1 of FY 2023	98,440,815 shares

\* Review of the attached quarterly consolidated financial statements by a certified public accountant or an independent auditor: No

\* Explanation on adequate use of forecast and/or special issues

The forward-looking statements in this document concerning forecasting of performance, etc., are based on currently available information and assumptions considered by the Company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from the forecast due to various factors. Concerning assumptions used as a basis for forecasting business performance and precautionary statements when using the forecast of performance, please refer to "1. Overview of Business Results, etc. (3) Explanation of future forecast information, such as the forecast of consolidated financial results" on page 3 of the attachment.

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## 1. Overview of Business Results, etc.

### (1) Overview of quarterly business results

During the first quarter of the current fiscal year (April 1, 2024 to June 30, 2024), the outlook for the Japanese economy continued to be uncertain due to the ongoing conflicts in Ukraine and the Middle East, a slowdown in the Chinese economy, a rise in prices caused by soaring raw material and energy prices, and the rapid fluctuation of the yen.

However, there are signs of a recovery of the domestic consumer market. This is not only because private consumption is expected to rebound, supported by a rise in capital expenditures mainly by large companies and the improvement of the income environment due to wage increases, but also because inbound tourist demand is likely to expand further, backed by a rise in the number of overseas visitors to Japan against the backdrop of the weakening yen and end of COVID-19 related restrictions.

In this environment, the EDION Group worked hard to improve corporate governance, with the aim of strengthening its organizational structure to flexibly cope with the rapidly changing business environment and to raise its corporate value.

In accordance with the resolution on a change in Articles of Incorporation adopted at the Ordinary General Meeting of Shareholders held on June 27, 2024, EDION Corporation transitioned from a company with Audit & Supervisory Board to a company with Audit & Supervisory Committee. In addition, the Company resolved the change of representative directors at a meeting of its Board of Directors held on the same day.

Through the transition to a company with Audit & Supervisory Committee and change of representative directors, the Company will enhance its supervision over the Board of Directors' intensive deliberation on the formulation of the Company's policies and strategies and execution of business to further strengthen and upgrade corporate governance.

Additionally, flexible delegation of authority to execute business from the Board of Directors to individual directors has become possible. As this is expected to improve agility and speed in decision making for business operations, the management team is determined to strive to enhance corporate value.

Looking at sales by product in the first quarter of the current consolidated fiscal year, sales of seasonal appliances, such as air conditioners, were robust, since temperatures were generally higher than normal.

In addition, sales of housing equipment for home improvement grew steadily, including replacement demand related to high-efficiency water heaters, supported by subsidies under the Ministry of Economy, Trade and Industry's introduction promotion program (under the Energy-Saving Water Heater Project in 2024) and installation of double-glazed windows with high thermal insulation performance in preparation for hot weather.

Furthermore, sales of audio-visual appliances, such as television sets and cameras, and hairdressing & beauty and healthcare devices exceeded those in the previous year, and sales of large household appliances, such as washing machines, were also strong.

As to the opening of directly operated home electrical appliance retail stores during the first quarter of the current fiscal year, the EDION Group opened four stores and closed one store. In addition, the Group opened and closed four franchise stores each, leaving the number of stores unchanged (net). Thus, the number of stores at the end of the first quarter of the current consolidated fiscal year totaled 1,205, including 748 franchise stores.

#### Opening and closing of EDION Group's directly operated stores

Year and month	Names of stores	Prefecture	Category
April 2024	EDION Sasaoka Store	Fukuoka	Opened
	EDION Gardens Chihaya Higashi Store	Fukuoka	Opened
May 2024	EDION Nara Sanjooji Store	Nara	Opened
June 2024	EDION AEON Ueda Store	Nagano	Closed
	EDION Oji Ekimae Store	Nara	Opened

Consequently, in the first quarter of the current consolidated fiscal year, the EDION Group's net sales increased to 174,457 million yen (108.4% of the previous year). In addition, the Group saw operating income, ordinary income, and profit attributable to owners of parent grow as follows: operating income of 3,342 million yen (188.6% of the previous year), ordinary income of 3,647 million yen (192.7% of the previous year), and profit attributable to owners of parent of 2,280 million yen (208.5% of the previous year).

(2) Overview of quarterly financial position

(i) Analysis of assets, liabilities, and net assets

Total assets amounted to 440,594 million yen, up 8,899 million yen from the end of the previous fiscal year. This was due to an increase in current assets of 9,771 million yen caused by a rise in inventories-merchandise and products of 14,918 million yen to secure the inventory of goods for the summer sales campaign, despite a decrease in accounts receivable - other of 7,643 million yen, which was included in Other of current assets, and a decline in noncurrent assets of 871 million yen caused by a fall in deferred tax assets of 1,008 million yen.

Liabilities stood at 225,551 million yen, up 8,778 million yen from the end of the previous year. This was due to an increase in current liabilities of 15,706 million yen caused by a rise in notes and accounts payable - trade of 9,273 million yen associated with a move to obtain the inventory of goods for the summer sales campaign and the transfer of current portion of bonds with subscription rights to shares of 6,520 million yen from noncurrent liabilities and to a decline in noncurrent liabilities of 6,927 million yen caused by the transfer of convertible bond-type bonds with subscription rights to shares of 6,520 million yen to current liabilities.

Net assets totaled 215,042 million yen, up 120 million yen from the end of the previous year. This was mainly due to increases caused by the posting of profit attributable to owners of parent of 2,280 million yen and a growth in net unrealized gain on other securities of 183 million yen, despite a decrease caused by cash dividends of surplus of 2,416 million yen.

(ii) Consolidated cash flows

Cash and cash equivalents on a consolidated basis ("funds") at the end of the first quarter of the current fiscal year amounted to 12,627 million yen, up 616 million yen from the end of the previous fiscal year. A summary of the cash flow situation during the first quarter of the current fiscal year and the reasons for the changes are as follows:

(Cash flows from operating activities)

Funds provided by operating activities amounted to 1,667 million yen (versus 4,983 million yen used in the previous year). This was attributable to profit before income taxes of 3,545 million yen, depreciation and amortization of 2,671 million yen, a decline in funds of 2,767 million yen due to a decrease in provision for bonuses, a fall in funds of 14,972 million yen due to an increase in inventories, a growth in funds of 7,643 million yen due to a decrease in accounts receivable - other, a rise in funds of 9,273 million yen due to an increase in notes and accounts payable, and income taxes paid of 2,781 million yen.

(Cash flows from investing activities)

Funds used in investing activities amounted to 3,591 million yen (versus 2,801 million yen used in the previous year). This was attributable to purchases of property and equipment of 2,948 million yen, purchase of intangible assets of 377 million yen, and payments for guarantee deposits of 213 million yen.

(Cash flows from financing activities)

Funds provided by financing activities amounted to 2,540 million yen (versus 3,607 million yen provided in the previous year). This was attributable to a net increase in short-term debt of 5,360 million yen, repayments of long-term debt of 459 million yen, and cash dividends paid of 2,117 million yen.

(3) Explanation of future forecast information, such as the forecast of consolidated financial results

The Group did not revise the forecast of its consolidated financial results for the interim and the full year of the fiscal year ending March 31, 2025 announced on May 10, 2024.

The estimates are based on currently available information by the Group. Actual performance may differ from the forecast due to various factors in the future.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Consolidated quarterly balance sheet

(Unit: Millions of yen)

	FY 2023 (As of March 31, 2024)	Q1 of FY 2024 (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	12,011	12,627
Notes receivable – trade	9	3
Accounts receivable – trade	40,812	41,161
Inventories-merchandise and products	117,902	132,821
Other	19,196	13,044
Allowance for doubtful accounts	(165)	(120)
Total current assets	189,766	199,537
Noncurrent assets		
Property and equipment, at cost		
Buildings and structures, net	61,982	64,764
Tools, furniture and fixtures, net	6,184	6,440
Land	101,737	101,736
Leased assets, net	4,200	4,029
Construction in progress	3,070	307
Other, net	647	646
Total property and equipment, at cost	177,824	177,924
Intangible assets		
Goodwill	1,845	1,771
Other	9,102	8,895
Total intangible assets	10,948	10,666
Investments and other assets		
Investment securities	4,925	5,199
Guarantee deposits	27,320	27,402
Deferred tax assets	18,235	17,227
Other	2,926	2,920
Allowance for doubtful accounts	(251)	(284)
Total investments and other assets	53,156	52,466
Total noncurrent assets	241,928	241,056
<b>Total assets</b>	<b>431,694</b>	<b>440,594</b>

(Unit: Millions of yen)

	FY 2023 (As of March 31, 2024)	Q1 of FY 2024 (As of June 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	43,136	52,410
Short-term debt	38,591	43,951
Current portion of long-term debt	10,113	10,059
Current portion of bonds with subscription rights to shares	—	6,520
Lease obligations	920	930
Income taxes payable	3,397	591
Accrued consumption taxes	1,672	759
Provision for bonuses	5,655	2,888
Contract liabilities	30,643	30,652
Other	15,327	16,401
Total current liabilities	149,458	165,165
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	6,526	—
Long-term debt	31,243	30,805
Lease obligations	3,817	3,628
Deferred tax liabilities	242	209
Deferred tax liabilities for land revaluation	1,584	1,584
Net defined benefit liability	6,817	6,743
Asset retirement obligations	11,628	11,986
Other	5,454	5,428
Total noncurrent liabilities	67,314	60,386
Total liabilities	216,773	225,551
<b>Net assets</b>		
Shareholders' equity		
Capital stock	11,940	11,940
Capital surplus	85,020	85,020
Retained earnings	129,363	129,226
Treasury shares	(7,657)	(7,657)
Total shareholders' equity	218,666	218,530
Accumulated other comprehensive income (loss)		
Net unrealized gain on other securities	827	1,011
Revaluation reserve for land	(4,446)	(4,446)
Remeasurements of defined benefit plans	(440)	(396)
Total accumulated other comprehensive income (loss)	(4,059)	(3,832)
Non-controlling interests	314	344
Total net assets	214,921	215,042
<b>Total liabilities and net assets</b>	<b>431,694</b>	<b>440,594</b>

(2) Consolidated quarterly statements of income and comprehensive income  
(Consolidated quarterly statement of income)  
(The first quarter of FY 2024)

(Unit: Millions of yen)

	1st quarter of FY 2023 (April 1, 2023 to June 30, 2023)	1st quarter of FY 2024 (April 1, 2024 to June 30, 2024)
Net sales	160,941	174,457
Cost of sales	112,443	122,186
Gross profit	48,498	52,270
Selling, general and administrative expenses	46,726	48,927
Operating income	1,771	3,342
Non-operating income		
Interest and dividend income	69	77
Commission income	141	6
Other	247	373
Total non-operating income	458	457
Non-operating expenses		
Interest expenses	52	104
Equity in loss of affiliates	99	—
Donations	150	—
Other	35	48
Total non-operating expenses	337	153
Ordinary income	1,893	3,647
Extraordinary income		
Gain on sales of noncurrent assets	19	0
Other	2	—
Total extraordinary income	21	0
Extraordinary loss		
Loss on sales or disposal of property and equipment	80	71
Other	28	29
Total extraordinary losses	109	101
Profit before income taxes	1,805	3,545
Income taxes – current	147	382
Income taxes – deferred	564	853
Total income taxes	711	1,235
Profit	1,093	2,310
Profit attributable to non-controlling interests	—	30
Profit attributable to owners of parent	1,093	2,280



(Consolidated quarterly statement of comprehensive income)  
(The first quarter of FY 2024)

(Unit: Millions of yen)

	1st quarter of FY 2023 (April 1, 2023 to June 30, 2023)	1st quarter of FY 2024 (April 1, 2024 to June 30, 2024)
Profit	1,093	2,310
Other comprehensive income		
Valuation difference on other securities	265	183
Remeasurements of defined benefit plans, net of tax	38	43
Total other comprehensive income (loss)	303	227
Comprehensive income	1,397	2,537
Comprehensive income attributable to:		
Owners of parent	1,397	2,507
Non-controlling interests	—	30

## (3) Consolidated quarterly statement of cash flows

(Unit: Millions of yen)

	1st quarter of FY 2023 (April 1, 2023 to June 30, 2023)	1st quarter of FY 2024 (April 1, 2024 to June 30, 2024)
Net cash provided by (used in) operating activities		
Profit before income taxes	1,805	3,545
Depreciation and amortization	2,491	2,671
Amortization of goodwill	59	85
Increase (decrease) in allowance for doubtful accounts	(8)	(11)
Increase (decrease) in provision for bonuses	(2,749)	(2,767)
Increase (decrease) in net defined benefit liability	(73)	(74)
Interest and dividend income	(69)	(77)
Interest expenses	52	104
Equity in losses (earnings) of affiliates	99	—
Loss on sales or disposal of property and equipment	80	71
Decrease (increase) in notes and accounts receivable	1,361	(343)
Decrease (increase) in inventories	(20,549)	(14,972)
Decrease (increase) in accounts receivable - other	7,410	7,643
Increase (decrease) in notes and accounts payable	12,051	9,273
Increase (decrease) in contract liabilities	(1,962)	9
Other	(741)	(680)
Subtotal	(740)	4,478
Interest and dividend income received	53	60
Interest expenses paid	(46)	(94)
Subsidies received	6	3
Donations paid	(150)	—
Income taxes refund	42	0
Income taxes paid	(4,149)	(2,781)
Net cash provided by (used in) operating activities	(4,983)	1,667
Net cash provided by (used in) investing activities		
Purchases of property and equipment	(2,009)	(2,948)
Proceeds from sales of property and equipment	20	10
Purchase of intangible assets	(703)	(377)
Purchase of investment securities	(0)	(0)
Payments for guarantee deposits	(146)	(213)
Other	38	(61)
Net cash provided by (used in) investing activities	(2,801)	(3,591)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	6,040	5,360
Repayments of long-term debt	(339)	(459)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(1,862)	(2,117)
Other	(230)	(242)
Net cash provided by (used in) financing activities	3,607	2,540
Effect of exchange rate change on cash and cash equivalents	0	—
Net increase (decrease) in cash and cash equivalents	(4,177)	616
Cash and cash equivalents at beginning of period	13,235	12,011
Cash and cash equivalents at end of period	9,058	12,627

(4) Notes on quarterly consolidated financial statements

(Notes on change in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

EDION Corporation has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, the "Revised Accounting Standard 2022"), etc. since the beginning of the first quarter of the current consolidated fiscal year ending March 31, 2025.

With regard to the revisions concerning the classification of income taxes (taxes on other comprehensive income), the Company has followed the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "Revised Implementation Guidance 2022"). This change in accounting policies had no impact on the quarterly consolidated financial statements.

As for the revisions related to the change in the treatment in consolidated financial statements when gains or losses on sales of shares of subsidiaries, etc. between consolidated companies are deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 since the beginning of the first quarter of the current consolidated fiscal year ending March 31, 2025. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the first quarter and full year of the fiscal year ended March 31, 2024 have been restated accordingly. This change in accounting policies had no impact on the consolidated financial statements for the first quarter and full year of the fiscal year ended March 31, 2024.

(Notes on segment information, etc.)

[Segment information]

The first quarter of FY 2023 (April 1, 2023 to June 30, 2023) and the first quarter of FY 2024 (April 1, 2024 to June 30, 2024)

Reporting segments of the Group consist of the "Home electric appliances sales" business and "Other" businesses. Since the "Other" businesses segment was immaterial in relation to the total, the disclosure of segment information was omitted.

(Notes on significant changes in shareholders' equity)

Not applicable

(Notes on assumption of going concern)

Not applicable

(Notes on significant subsequent events)

Purchase of treasury shares

EDION Corporation resolved, at a meeting of its Board of Directors held on August 2, 2024, to purchase treasury shares pursuant to Article 156 of the Companies Act as applied mutatis mutandis to Article 165, paragraph 3 of the Act.

1. Reason for the purchase of treasury shares

Through the improvement of capital efficiency, the Company aims to further increase profit distribution to shareholders and execute its capital policy responsively and adaptively.

2. Details of the resolution on the purchase of treasury shares at a meeting of its Board of Directors

- |  |   |
|--|---|
| (1) Class of shares to be purchased  | : the Company's common stock                  |
| (2) Number of shares to be purchased   | : 5,500,000 shares (maximum)                  |
| (The percentage to total number of shares issued excluding treasury shares: 5.23%) |   |
| (3) Total value of shares to be purchased  | : 10,000 million yen (maximum)                |
| (4) Purchase period  | : August 5, 2024 to July 31, 2025             |
| (5) Purchase method  | : Market purchase on the Tokyo Stock Exchange |

(Reference)

Ownership of treasury shares as of June 30, 2024

Total number of shares issued (excluding treasury shares)	: 105,076,349 shares
Number of treasury shares	: 6,929,287 shares