



Consolidated Financial Results for the First Six Months (Interim Period) of FY 2024 [Japanese GAAP]

November 1, 2024

Listed company name EDION Corporation Listed on first sections of Tokyo Stock Exchange
 Code number 2730 URL: <https://www.edion.com/>
 Representative (Title) Chairman and CEO (Name) Masataka Kubo
 Responsible contact (Title) General Manager of Financial & Accounting (Name) Yasuhiro Asanoma TEL +81-6-6202-6011
 Division
 Scheduled date of filing interim report: November 8, 2024 Scheduled date of dividend payment: December 2, 2024
 Preparation of supplementary explanatory documents for financial results: Yes
 Holding analyst meeting for financial results: Yes (For institutional investors and securities analysts)

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

1. Consolidated financial results for the first six months (interim period) of FY 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated financial results (cumulative) (% change from interim period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period of FY2024	380,500	7.9	14,498	34.5	15,027	36.0	10,031	39.0
Interim period of FY2023	352,577	0.4	10,779	4.3	11,052	8.7	7,216	2.1

(Note) Comprehensive income Interim period of FY2024 10,132 million yen [31.1%]
 Interim period of FY2023 7,727 million yen [7.9%]

	Profit per share – Basic	Profit per share – Diluted
	Yen	Yen
Interim period of FY2024	95.35	90.50
Interim period of FY2023	73.30	65.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Interim period of FY2024	418,041	223,388	53.3	2,098.01
FY 2023	431,694	214,921	49.7	2,042.40

(Reference) Shareholders' equity Interim period of FY2024 223,023 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	-	23.00			
FY 2024 (forecast)			-	23.00	46.00

(Note) Revision of latest dividend forecast: Yes

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
Full Year	761,500	5.6	22,200	31.1	23,100	33.2	13,500	49.6	127.70

(Note) Revision of latest forecasts of financial results: Yes

* Notes

(1) Major changes in the scope of consolidation during the period: Yes

Newly consolidated: One (company name: Muroyama Logistics Co., Ltd.),

Eliminated from scope of consolidation: One (company name: Forest Shuhan Co., Ltd.)

(2) Adoption of special accounting methods for preparing interim 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 above: No

(iii) Changes in financial estimates: No

(iv) Restatements of financial statements: No

(4) Number of shares issued (common share)

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

Interim period of FY2024	112,005,636 shares	FY 2023	112,005,636 shares
Interim period of FY2024	5,702,914 shares	FY 2023	6,929,139 shares
Interim period of FY2024	105,207,839 shares	Interim period of FY2023	98,459,479 shares

(ii) Number of treasury shares at end of period

(iii) Average number of shares outstanding during
the period (interim period)

* This brief report of financial statements for the first six months (interim period) of FY2024 is not subject to audit procedures by a certified public accountant or an independent auditor.

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

Forward-looking statements in this document concerning forecasting of performance, etc., are based on currently available information and assumptions considered by Company to be reasonable. Such statements are neither promises nor guarantees of future performance. Actual performance may differ significantly from forecast due to various factors. Concerning assumptions used as the basis for forecasting business performance and precautionary statements when using forecasts of performance, please refer to “1. Qualitative Information on Interim Results, (3) Explanation of future forecast information, such as forecast of consolidated financial results” on page 3 of attachment.

○ Table of Contents of Attachment

1. Qualitative Information on Interim Results	2
(1) Explanation of financial results	2
(2) Explanation of financial position	3
(3) Explanation of future forecast information, such as forecast of consolidated financial results	3
2. Interim Consolidated Financial Statements and Primary Notes	4
(1) Interim consolidated balance sheet	4
(2) Interim consolidated statements of income and comprehensive income	6
Interim consolidated statements of income	6
Interim consolidated statements of comprehensive income	7
(3) Interim consolidated statements of cash flows	8
(4) Notes on interim consolidated financial statements	9
(Notes on assumption of going concern)	9
(Notes on significant changes in shareholders' equity)	9
(Notes on change in accounting policies)	9
(Notes on segment information, etc.)	9

1. Qualitative Information on Interim Results

(1) Explanation of financial results

During the interim period of the current fiscal year (April 1, 2024 to September 30, 2024), the outlook for the Japanese economy remained uncertain due to ongoing conflicts in Ukraine, escalating tensions in the Middle East, a slowdown in the Chinese economy, price rises driven by soaring raw material and energy prices, and rapid fluctuations of the yen.

On the other hand, despite the effects of prolonged rising prices for food and daily necessities, the domestic consumer market began to recover. This recovery was due not only to a rebound in private consumption, supported by a rise in capital expenditures mainly by large companies and an improved income environment due to wage hikes, but also to an expansion in inbound tourist demand, backed by a rise in the number of overseas visitors to Japan amid a weakening yen and the end of COVID-19 related restrictions.

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

Therefore, in accordance with the resolution to amend the 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. Additionally, the Company resolved to change its representative directors at a meeting of its Board of Directors held on the same day.

These changes enable the Company to flexibly delegate business execution authority from the Board of Directors to individual directors, with the expectation of boosting agility and speed in decision-making. The management team is committed to further enhancing corporate value.

Furthermore, as of August 1, 2024, the Company acquired 100% of the shares of Muroyama Logistics Co., Ltd. and made it a consolidated subsidiary.

Muroyama Logistics has been involved in the logistics industry for many years, particularly in the Kinki and Chugoku-Shikoku regions. EDION and Muroyama have established a strong business partnership. The management team believes integrating Muroyama Logistics Co., Ltd. as a consolidated subsidiary of EDION Corporation will help resolve various challenges in the logistic industry, including the so-called 2024 issue, while also driving progressive growth.

Looking at sales by product in the interim period of the current consolidated fiscal year, sales of seasonal appliances, such as air conditioners, significantly contributed to overall sales growth. This was because extreme heat continued across the country, with Japan's average monthly temperature in July 2024 reaching the highest level since statistics began in 1898. Moreover, sales of cellular phones, chiefly iPhones, have remained strong since last year.

In addition, sales of housing equipment for home improvement grew steadily, including 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, which attracted attention due to the aforementioned hot weather and other factors.

Furthermore, sales of hairdressing & beauty and healthcare devices, household appliances, such as microwave ovens and cooking appliances, and audio-visual appliances, such as television sets, were solid, exceeding those of the previous year.

Regarding the situation of directly operated home electrical appliance retail stores during the interim period of the current consolidated fiscal year, the EDION Group opened five stores, relocated one store, and closed three stores. In addition, the Group opened and closed seven franchise stores each, leaving the number of stores unchanged (net). Thus, the number of stores at the end of the interim period of the current consolidated fiscal year totaled 1,204, 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
August 2024	EDION Ozu Store	Ehime	Closed
	EDION LuVit TOWN Nakatsugawa Store	Gifu	Relocated
September 2024	EDION Yatsushiro Store	Kumamoto	Opened
	EDION Mi Nara Store	Nara	Closed

Consequently, in the interim period of the current consolidated fiscal year, the EDION Group's net sales increased to 380,500 million yen (107.9% 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 14,498 million yen (134.5% of the previous year), ordinary income of 15,027 million yen (136.0% of the previous year), and profit attributable to owners of parent of 10,031 million yen (139.0% of the previous year).

(2) Explanation of financial position

(i) Analysis of assets, liabilities and net assets

Total assets amounted to 418,041 million yen, down 13,653 million yen from the end of the previous fiscal year. This decline was due to a decrease in current assets of 14,630 million yen driven by declines in cash and cash equivalents of 2,661 million yen, accounts receivable – trade of 5,612 million yen, and other classified in current assets of 6,546 million yen mainly due to a fall in accounts receivable – other. On the other hand, noncurrent assets increased by 976 million yen due to a rise in other categorized in investments and other assets of 1,224 million yen, resulting from investments mainly in a CVC fund, “Brand New Retail Initiative Fund,” despite decreases in intangible assets of 285 million yen and deferred tax assets of 234 million yen.

Liabilities totaled 194,652 million yen, down 22,120 million yen from the end of the previous fiscal year. This was due to a decrease in current liabilities of 21,793 million yen caused by declines in short-term debt of 18,097 million yen and current portion of long-term debt of 6,974 million yen owing to repayments, despite an increase in current portion of convertible bond-type bonds with subscription rights to shares of 4,290 million yen, which was transferred from noncurrent liabilities. On the other hand, noncurrent liabilities decreased by 326 million yen due to a fall in lease obligations of 420 million yen.

Net assets amounted to 223,388 million yen, up 8,466 million yen from the end of the previous fiscal year. This was mainly due to an increase in the profit attributable to owners of parent, which totaled 10,031 million yen, despite a decrease resulting from 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 interim period of the current fiscal year amounted to 9,349 million yen, down 2,661 million yen from the end of the previous fiscal year. A summary of the cash flow situation during the interim period of the current fiscal year and the reasons for the changes are as follows:

(Net cash provided (used in) operating activities)

Funds provided by operating activities amounted to 28,301 million yen (versus 12,668 million yen provided in the previous year).

This was attributable to profit before income taxes of 14,842 million yen, depreciation and amortization of 5,471 million yen, an increase in funds of 5,707 million yen due to a decrease in notes and accounts receivable, a rise in funds of 7,170 million yen due to a decline in accounts receivable - other, a fall in funds of 1,750 million yen due to a decrease in notes and accounts payable, and income taxes paid of 2,782 million yen.

(Net cash provided by (used in) investing activities)

Funds used in investing activities amounted to 7,287 million yen (versus 5,131 million yen used in the previous year).

This was attributable to purchases of property and equipment of 5,172 million yen and purchase of intangible assets of 921 million yen.

(Net cash provided by (used in) financing activities)

Funds used in financing activities amounted to 23,675 million yen (versus 3,447 million yen used in the previous year).

This was attributable to a decrease in funds of 18,547 million yen due to a net decline in short-term debt, proceeds from long-term debt of 8,000 million yen, repayments of long-term debt of 8,395 million yen, purchase of treasury shares of 1,578 million yen, and cash dividends paid of 2,225 million yen.

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

Concerning the forecast of consolidated financial results for the full year of the fiscal year ending March 31, 2025, please refer to “Notice Regarding Difference between the Forecast of Consolidated Financial Results and Actual Results for the First Six Months (Interim Period) of the Fiscal Year Ending March 31, 2025, Revision of the Forecast, and Dividend of Surplus (Interim Dividend)” announced on November 1, 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. Interim Consolidated Financial Statements and Primary Notes

(1) Interim consolidated balance sheet

(Unit: Million yen)

	FY 2023 (As of March 31, 2024)	Interim period of FY2024 (As of September 30, 2024)
Assets		
Current assets		
Cash and cash equivalents	12,011	9,349
Notes receivable - trade	9	2
Accounts receivable - trade	40,812	35,200
Inventories-merchandise and products	117,902	118,051
Other	19,196	12,649
Allowance for doubtful accounts	(165)	(116)
Total current assets	189,766	175,135
Noncurrent assets		
Property and equipment, at cost		
Buildings and structures, net	61,982	64,139
Tools, furniture and fixtures, net	6,184	6,474
Land	101,737	101,846
Leased assets, net	4,200	3,811
Construction in progress	3,070	1,054
Other, net	647	695
Total property and equipment, at cost	177,824	178,021
Intangible assets		
Goodwill	1,845	1,721
Other	9,102	8,941
Total intangible assets	10,948	10,662
Investments and other assets		
Investment securities	4,925	4,886
Guarantee deposits	27,320	27,463
Deferred tax assets	18,235	18,000
Other	2,926	4,151
Allowance for doubtful accounts	(251)	(282)
Total investments and other assets	53,156	54,220
Total noncurrent assets	241,928	242,905
Total assets	431,694	418,041

(Unit: Million yen)

	FY 2023 (As of March 31, 2024)	Interim period of FY2024 (As of September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	43,136	41,412
Short-term debt	38,591	20,493
Current portion of long-term debt	10,113	3,139
Current portion of bonds with subscription rights to shares	—	4,290
Lease obligations	920	931
Income taxes payable	3,397	5,410
Accrued consumption taxes	1,672	3,091
Provision for bonuses	5,655	6,160
Contract liabilities	30,643	28,876
Other	15,327	13,859
Total current liabilities	149,458	127,665
Noncurrent liabilities		
Convertible bond-type bonds with subscription rights to shares	6,526	—
Long-term debt	31,243	37,847
Lease obligations	3,817	3,397
Deferred tax liabilities	242	206
Deferred tax liabilities for land revaluation	1,584	1,577
Net defined benefit liability	6,817	6,645
Asset retirement obligations	11,628	12,013
Other	5,454	5,300
Total noncurrent liabilities	67,314	66,987
Total liabilities	216,773	194,652
Net assets		
Shareholders' equity		
Capital stock	11,940	11,940
Capital surplus	85,020	84,876
Retained earnings	129,363	136,995
Treasury shares	(7,657)	(6,762)
Total shareholders' equity	218,666	227,049
Accumulated other comprehensive income (loss)		
Net unrealized gain on other securities	827	791
Revaluation reserve for land	(4,446)	(4,463)
Remeasurements of defined benefit plans	(440)	(353)
Total accumulated other comprehensive income (loss)	(4,059)	(4,025)
Non-controlling interests	314	364
Total net assets	214,921	223,388
Total liabilities and net assets	431,694	418,041

(2) Interim consolidated statements of income and comprehensive income
(Interim consolidated statements of income)

(Unit: Million yen)

	Interim period of FY2023 (April 1, 2023 to September 30, 2023)	Interim period of FY2024 (April 1, 2024 to September 30, 2024)
Net sales	352,577	380,500
Cost of sales	246,032	265,720
Gross profit (loss)	106,544	114,779
Selling, general and administrative expenses	95,765	100,281
Operating income	10,779	14,498
Non-operating income		
Interest and dividend income	74	82
Commission income	156	9
Administrative service fee income	149	167
Other	472	562
Total non-operating income	852	822
Non-operating expenses		
Interest expenses	102	210
Donations	300	—
Equity in losses of affiliates	99	—
Commission fee	62	43
Other	16	39
Total non-operating expenses	580	293
Ordinary income	11,052	15,027
Extraordinary income		
Gain on sales of noncurrent assets	19	66
Gain on sales of investment securities	2	—
Gain on step acquisitions	112	—
Other	6	8
Total extraordinary income	141	74
Extraordinary loss		
Loss on sales of noncurrent assets	—	13
Loss on sales or disposal of property and equipment	161	195
Impairment loss	180	—
Loss on valuation of investment securities	—	12
Loss on cancellation of leasehold contracts	8	0
Other	44	37
Total extraordinary losses	395	259
Profit before income taxes	10,798	14,842
Income taxes - current	3,362	4,658
Income taxes - deferred	219	102
Total income taxes	3,581	4,760
Profit	7,216	10,082
Profit attributable to non-controlling interests	—	50
Profit attributable to owners of parent	7,216	10,031

Brief report of financial statements for the first six months (interim period) of FY2024

(Interim consolidated statements of comprehensive income)

(Unit: Million yen)

	Interim period of FY2023 (April 1, 2023 to September 30, 2023)	Interim period of FY2024 (April 1, 2024 to September 30, 2024)
Profit	7,216	10,082
Other comprehensive income		
Valuation difference on other securities	434	(36)
Remeasurements of defined benefit plans, net of tax	76	86
Total other comprehensive income	510	50
Comprehensive income	7,727	10,132
Comprehensive income attributable to:		
Owners of parent	7,727	10,082
Non-controlling interests	–	50

(3) Interim consolidated statements of cash flows

(Unit: Million yen)

	Interim period of FY2023 (April 1, 2023 to September 30, 2023)	Interim period of FY2024 (April 1, 2024 to September 30, 2024)
Net cash provided by (used in) operating activities		
Profit before income taxes	10,798	14,842
Depreciation and amortization	5,044	5,471
Amortization of goodwill	119	171
Impairment loss	180	—
Increase (decrease) in allowance for doubtful accounts	(19)	(19)
Increase (decrease) in provision for bonuses	51	501
Increase (decrease) in net defined benefit liability	(174)	(171)
Interest and dividend income	(74)	(82)
Interest expenses	102	210
Equity in losses (earnings) of affiliates	99	—
Loss (gain) on step acquisitions	(112)	—
Loss on sales or disposal of property and equipment	161	195
Decrease (increase) in notes and accounts receivable	4,119	5,707
Decrease (increase) in accounts receivable - other	7,274	7,170
Decrease (increase) in inventories	(6,193)	(274)
Increase (decrease) in notes and accounts payable	(5,070)	(1,750)
Increase (decrease) in contract liabilities	(2,192)	(1,767)
Other	2,850	878
Subtotal	16,964	31,083
Interest and dividend income received	53	61
Interest expenses paid	(98)	(212)
Subsidies received	12	4
Donations paid	(300)	—
Income taxes refund	183	145
Income taxes paid	(4,148)	(2,782)
Net cash provided by (used in) operating activities	12,668	28,301
Net cash provided by (used in) investing activities		
Purchases of property and equipment	(4,319)	(5,172)
Proceeds from sales of property and equipment	22	764
Purchase of intangible assets	(1,347)	(921)
Purchase of investment securities	(0)	(0)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(78)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	759	—
Payments for guarantee deposits	(355)	(767)
Other	110	(1,112)
Net cash provided by (used in) investing activities	(5,131)	(7,287)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term debt	30	(18,547)
Proceeds from long-term debt	—	8,000
Repayments of long-term debt	(1,038)	(8,395)
Purchase of treasury shares	(0)	(1,578)
Decrease (increase) in segregated deposits for purchase of treasury shares	—	(418)
Cash dividends paid	(1,975)	(2,225)
Other	(462)	(509)
Net cash provided by (used in) financing activities	(3,447)	(23,675)
Effect of exchange rate change on cash and cash equivalents	0	—
Net increase (decrease) in cash and cash equivalents	4,089	(2,661)
Cash and cash equivalents at beginning of period	13,235	12,011
Cash and cash equivalents at end of period	17,325	9,349

(4) Notes on interim consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on significant changes in shareholders' equity)

In accordance with the resolution made at a meeting of its Board of Directors on August 2, 2024, the Company purchased 869,800 shares of the Company's treasury shares during the interim period of the current fiscal year.

In addition, the number of the Company's treasury shares decreased by 2,096,554 shares during the interim period of the current fiscal year due to the exercise of subscription rights to shares of convertible bond-type bonds with subscription rights to shares.

Consequently, the Company's treasury shares fell by 895 million yen during the interim period of the current fiscal year, amounting to 6,762 million yen at the end of the interim consolidated accounting period of the current fiscal year.

(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 interim consolidated accounting period of the current fiscal year.

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 interim 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 interim period of the current consolidated fiscal year. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the interim period and full year of the previous fiscal year have been restated accordingly. This change in accounting policies had no impact on the consolidated financial statements for the interim period and full year of the previous fiscal year.

(Notes on segment information, etc.)

[Segment information]

The interim consolidated accounting period of the previous fiscal year (April 1, 2023 to September 30, 2023) and the interim consolidated accounting period of the current fiscal year (April 1, 2024 to September 30, 2024)

Reportable segments of the Group consist of the "Sales of home electric appliances" and "Others." Since the "Others" segment was immaterial in relation to the total, the disclosure of segment information was omitted.