



Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results for the Six Months Ended March 31, 2023
[Japanese GAAP]

May 15, 2023

Company name: Amifa Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7800

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

Representative: Yuzo Fujii, President and CEO

Contact: Yasuo Kawakami, Executive Officer

Phone: +81-3-9432-9500

Scheduled date of filing securities report: May 15, 2023

Availability of supplementary briefing material on financial results: Yes

Schedule of financial results briefing session: No

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

1. Financial Results for Six Months Ended March 31, 2023 (October 1, 2022 to March 31, 2023)

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

	Net sales		Operating income		Ordinary income		Net income	
For the Six months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
March 31, 2023	4,668	41.4	265	(22.1)	306	(7.2)	191	(7.1)
March 31, 2022	3,301	17.7	341	15.4	330	12.4	206	16.3

	Net income per share	Diluted net income per share
For the Six months ended	Yen	Yen
March 31, 2023	59.22	—
March 31, 2022	63.72	—

(2) Financial Position

	Total assets	Net assets	Equity Ratio
	Million Yen	Million Yen	%
As of March 31, 2023	3,375	2,540	75.3
As of March 31, 2022	3,084	2,472	80.2

2. Dividend

	Cash dividend per share				
	1Q	2Q	3Q	4Q	Total annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30,2022	–	0.00	–	24.00	24.00
Fiscal year ended September 30,2023	–	0.00			
Fiscal year ending September 30,2023 (Forecast)			–	24.00	24.00

3. Financial Results Forecast for the Fiscal Year Ending September 30,2023(October 1,2022 to September 30,2023)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Full year	Million Yen %	Million Yen %	Million Yen %	Million Yen %	Yen
	6,650 12.3	164 (44.4)	164 (36.9)	102 (54.0)	31.53

(Note)The company does not make the six months forecast, because the Company's performance management system is based on full year.

* Notes:

- (1) Accounting policies adopted specially for the preparation of quarterly financial statements: Yes
- (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: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

(3) Number of issued shares (common shares)

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

As of March 31,2023	3,235,000 shares
As of September 30,2022	3,235,000 shares

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

As of March 31,2023	49 shares
As of September 30,2022	49 shares

- 3) Average number of shares outstanding during the period

As of March 31,2023	3,234,951 shares
As of March 31,2022	3,235,000 shares

* Information regarding review procedures

The financial information contained in this report is not subject to the review procedures by independent auditors.

* Explanation for the appropriate use of performance forecasts and other special notes

The performance forecasts and other statements on future events presented in this material are based on information that was available at the time of preparation of this material and based on certain assumptions considered to be reasonable. The actual performance, etc. may differ materially from these forecasts due to various factors.

1. Qualitative information on quarterly financial results

(1) Explanation of operating results

In the fiscal period under review (six months period from October 1, 2022 to March 31, 2023), the re-spread of the COVID-19 infection in the eighth wave has passed, But Japan's economy was lacking strength due to continued soaring prices.

In this environment, we responded to the new lifestyle of "With Corona" and actively worked on proposing new projects and products, including events such as Christmas and Valentine's Day, and as a result, sales increased significantly compared to the same period of the previous year. On the other hand, considering the soaring purchase prices of products due to the depreciation of the yen, we made effort to revise prices and efforts reduce costs by rationalizing logistics costs, and improving productivity, but the impact of the depreciation of the yen was significant, resulting in a year-on-year decrease in profit.

As a result, the operating results for the first half are as follows.

	Net sales	Operating income	Ordinary income	Net income
	Thousand yen	Thousand yen	Thousand yen	Thousand yen
Six months ended in March 31,2023	4,668,181	265,751	306,919	191,578
Six months ended in March 31,2022	3,301,997	341,116	330,848	206,147
Difference	1,366,183	(75,364)	(23,928)	(14,569)
Ratio (%)	41.4	(22.1)	(7.2)	(7.1)

Net sales increased ¥1,366,328 thousand (up 41.4%) year on year to ¥4,668,181 thousand. We analyze this as the result of consumers getting used to the new lifestyle after the pandemic and being able to afford to prefer our mainstay luxury goods, and as internal factors, the effect of deep marketing to the new consumer sentiment has appeared, and the product hit rate has improved significantly. Looking quarterly, in the first quarter, sales of stationery, kitchenware, lifestyle products, and other products were brisk, mainly in Christmas-related products, partly due to the success of "At-home Consumption" and the hit of the so-called "Takamie" product group, that is, the new product group that feels more expensive than the retail price of 100 yen. In the second quarter, sales increased significantly, mainly in the Valentine's Day product lineup, partly due to the expansion of licensed products.

As shown in the table below, cumulative sales of lifestyle miscellaneous goods by product group were 4,395,153 thousand yen for "one-price products" (up 42.8% from the same term last year) and 273,027 thousand yen for "petite price products" (up 21.3% increase from the same term last year).

	One price Products	One petite Products	Total
	Thousand yen	Thousand yen	Thousand yen
Six months ended in March 31,2023	4,395,153	273,027	4,668,181
Six months ended in March 31,2022	3,076,825	225,171	3,301,997
Difference	1,318,328	47,855	1,366,183
Ratio (%)	42.8	21.3	41.4

Operating income decreased ¥75,364 thousand (down 22.1%) year on year to ¥265,751 thousand. There was a significant increase in sales volume and an increase in profit through negotiations on price revisions, but we were unable to absorb the impact of the yen's depreciation on costs and increase of SG&A expenses which was due to mainly an increase in labor costs. In this situation we made efforts to reduce logistics costs and promote digital transformation effect.

Ordinary income decreased 23,928 thousand yen (down 7.2%) year on year to 306,919 thousand yen. This was due to a foreign exchange loss of 10,293 thousand yen on non-operating expenses in the previous second quarter, but a foreign exchange gain of 40,713 thousand yen on non-operating income during the second quarter.

As a result, net income for the quarter decreased ¥14,569 thousand (down 7.1%) year on year to ¥191,578 thousand.

Since our business is a single segment of the lifestyle goods business, we do not list any segments.

(2) Explanation of financial position

Assets

Current assets at the end of the second quarter were 3,191,860 thousand yen, an increase of 257,528 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 280,298 thousand yen in notes and accounts receivable and 114,688 thousand yen in inventories, but cash and deposits decreased by 52,161 thousand yen. Fixed assets were 183,286 thousand yen, an increase of 32,879 thousand yen from the end of the previous fiscal year. This was mainly due to an increase in investments and other assets of 23,351 thousand yen.

As a result, total assets were 3,375,146 thousand yen, an increase of 290,407 thousand yen from the end of the previous fiscal year.

Liabilities

Current liabilities at the end of the second quarter were 546,918 thousand yen, an increase of 217,782 thousand yen from the end of the previous fiscal year. This was mainly due to an increase in accounts payable of 83,753 thousand yen and income taxes payable by 115,340 thousand yen. Fixed liabilities were 287,394 thousand yen, an increase of 4,710 thousand yen from the end of the previous fiscal year. This was due to an increase in retirement benefit allowances of 4,710 thousand yen.

As a result, total liabilities amounted to 834,313 thousand yen, an increase of 222,493 thousand yen from the end of the previous fiscal year.

Net Assets

Total net assets at the end of the second quarter were 2,540,833 thousand yen, an increase of 67,914 thousand yen from the end of the previous fiscal year. This was mainly due to net income of 191,578 thousand yen, dividend payments of 77,638 thousand yen, and a decrease in deferred gains or losses on hedge of 46,025 thousand yen. As a result, the equity ratio decreased by 4.9 percentage points from the end of the previous fiscal year to 75.3%.

(3) Explanation of cash flow

The balance of cash and cash equivalents at the end of the second quarter was 845,974 thousand yen, a decrease of 52,161 thousand yen from the end of the previous fiscal year.

Cash Flow from operating activities

Net cash provided by operating activities was 53,337 thousand yen (compared to 359,877 thousand yen in the same period of the previous year). This was mainly due to net income before income taxes of 306,919 thousand yen, an increase in trade receivables of 280,819 thousand yen, an increase in inventories of 114,688 thousand yen, and an increase in purchase payables of 83,753 thousand yen.

Cash Flow from investing activities.

Net cash used in investing activities amounted to 10,417 thousand yen (compared to 6,853 thousand yen in the same period of the previous year). This was mainly due to expenditures of 11,751 thousand yen from the acquisition of property, plant and equipment.

Cash Flow from financing activities

Net cash used in financing activities amounted to 95,081 thousand yen (compared to 96,413 thousand yen in the same period of the previous year). This was due to the repayment of long-term loans of 17,500 thousand yen and dividends of 77,581 thousand yen.

2. Explanation of forward looking information such as performance forecasts

There is no change to the figures in the forecast announced on February 14, 2023.

2. Financial Statements
(1) Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	898,135	845,974
Notes and accounts receivable - trade	556,416	836,714
Electronically recorded monetary claims - operating	3,698	4,219
Inventories	1,315,296	1,429,985
Other	160,914	74,966
Allowance for doubtful accounts	△130	—
Total current assets	2,934,331	3,191,860
Non-current assets		
Property, plant and equipment	46,691	52,222
Intangible assets	41,385	45,382
Investments and other assets	62,330	85,681
Total non-current assets	150,406	183,286
Total assets	3,084,738	3,375,146
Liabilities		
Current liabilities		
Accounts payable - trade	32,693	116,446
Current portion of long-term borrowings	17,500	—
Accounts payable - other	212,630	259,260
Income taxes payable	—	115,340
Provision for bonuses	36,837	17,008
Other	29,475	38,862
Total current liabilities	329,136	546,918
Non-current liabilities		
Provision for retirement benefits	28,348	33,059
Long-term obligations to directors	254,335	254,335
Total non-current liabilities	282,683	287,394
Total liabilities	611,820	834,313
Net assets		
Shareholders' equity		
Share capital	37,220	37,220
Capital surplus	273,468	273,468
Retained earnings	2,121,713	2,235,653
Treasury shares	△31	△31
Total shareholders' equity	2,432,370	2,546,310
Valuation and translation adjustments		
Deferred gains or losses on hedges	40,548	△5,476
Total valuation and translation adjustments	40,548	△5,476
Total net assets	2,472,918	2,540,833
Total liabilities and net assets	3,084,738	3,375,146

(2) Income Statements

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	3,301,997	4,668,181
Cost of sales	1,906,753	3,104,125
Gross profit	1,395,243	1,564,055
Selling, general and administrative expenses	1,054,127	1,298,303
Operating income	341,116	265,751
Non-operating income		
Interest income	3	2
Foreign exchange gains	–	40,713
Gain on sale of non-current assets	–	1,038
Compensation income	360	249
Other	40	412
Total non-operating income	404	42,416
Non-operating expenses		
Interest expenses	253	780
Foreign exchange losses	10,293	–
Loss on retirement of non-current assets	–	428
Other	125	39
Total non-operating expenses	10,672	1,249
Ordinary income	330,848	306,919
Profit before income taxes	330,848	306,919
Income taxes	124,700	115,340
Net income	206,147	191,578

(3) Cash Flow Statements

(Thousands of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	330,848	306,919
Depreciation	13,434	12,602
Increase (decrease) in allowance for doubtful accounts	345	△130
Increase (decrease) in provision for bonuses	△7,963	△19,829
Increase (decrease) in provision for retirement benefits	2,209	4,710
Interest and dividend income	△3	△2
Interest expenses	253	780
Loss (gain) on sale of non-current assets	—	△1,038
Decrease (increase) in trade receivables	△96,435	△280,819
Decrease (increase) in inventories	110,566	△114,688
Increase (decrease) in trade payables	△13,136	83,753
Other, net	57,118	61,856
Subtotal	397,239	54,113
Interest and dividends received	3	2
Interest paid	△253	△780
Income taxes refund (paid)	△37,111	1
Net cash provided by (used in) operating activities	359,877	53,337
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,653	△11,751
Proceeds from sale of property, plant and equipment	—	3,454
Purchase of intangible assets	△3,200	△2,120
Net cash provided by (used in) investing activities	△6,853	△10,417
Cash flows from financing activities		
Repayments of long-term borrowings	△35,000	△17,500
Dividends paid	△61,413	△77,581
Net cash provided by (used in) financing activities	△96,413	△95,081
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	256,610	△52,161
Cash and cash equivalents at beginning of period	1,279,016	898,135
Cash and cash equivalents at end of period	1,535,626	845,974