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Financial Results for the Fiscal Year Ended September 30, 2023  
[Japanese GAAP]

November 14, 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

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Scheduled date of Ordinary general meeting of shareholders

Scheduled date of filing securities report: December 26, 2023

Scheduled date of commencing dividend payments: December 5, 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 the Fiscal Year Ended September 30, 2023 (October 1, 2022 to September 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Net income	
For the year ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
September 30,2023	8,131	37.4	181	(38.5)	202	(22.2)	147	(33.6)
September 30,2022	5,919	26.6	295	36.7	260	1.4	222	28.5

	Net income per share	Diluted net income per share
For the year ended	Yen	Yen
September 30,2023	46.89	—
September 30,2022	68.65	—

(2) Financial Position

	Total assets	Net assets	Equity Ratio
	Million Yen	Million Yen	%
As of September 30,2023	4,409	2,392	54.3
As of September 30,2022	3,084	2,472	80.2

(3) Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash & cash equivalent ay end of period
	Million Yen	Million Yen	Million Yen	Million Yen
As of September 30,2023	(1,033)	(35)	1,047	876
As of September 30,2022	(233)	(15)	(131)	898

## 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	–	24.00	24.00
Fiscal year ending September 31,2024 (Forecast)				24.00	24.00

## 3. Financial Results Forecast for the Fiscal Year Ending September 30,2024(December 1,2023 to September 30,2024)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Full year	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
	9,275	14.1	240	32.2	235	15.9	154	4.5	51.09

(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: No
- (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
    - ①Application of the accounting standards for Revenue Recognition.
    - ②Application of accounting standards for Fair Value Measurement.
  - 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 September 30,2023	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 September 30,2023	240,049 shares
As of September 30,2022	49 shares

#### 3) Average number of shares outstanding during the period

As of September 30,2023	3,144,211 shares
As of September 30,2022	3,234,986 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. Overview of Operating Results, etc.

### (1) Summary of operating results for the current fiscal year

The Japanese economy in the company's current fiscal year (from October 1, 2022, to September 30, 2023) saw a recovery in economic activity, centered on personal consumption, as restrictions on activities due to the impact of the new coronavirus infection were lifted and wage increases spread due to revisions to the minimum wage. However, on the other hand, the rapid depreciation of the yen and the continued rise in energy and raw material prices due to the Russia's invasion of Ukraine have led to soaring prices, and the situation remains uncertain for the future.

Under these circumstances, with the normalization of life with Corona and the revival of consumer preferences for luxury goods, our company has actively engaged in new products and new projects that capture consumer needs and seeds, achieving a significant increase in sales. In addition, considering the depreciation of the yen and the surge in resource prices, we have made efforts to aggressively reduce costs and improve productivity, including logistics costs. However, despite these efforts, the rapid depreciation of the yen has resulted in a tough situation in terms of profitability.

As a result, the operating results for the fiscal year under review are as follows.

	Net sales		Operating profit		Ordinary profit		Net income	
For the year ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
September 30,2023	8,131	37.4	181	(38.5)	202	(22.2)	147	(33.6)
September 30,2022	5,919	26.6	295	36.7	260	1.4	222	28.5

  

	Net income per share		Diluted net income per share	
For the year ended	Yen		Yen	
September 30,2023	46.89		—	
September 30,2022	68.65		—	

Net sales increased by 2,211,893 thousand yen (37.4% increase) from the same period of the previous year to 8,131,382 thousand yen. In the context of consumers getting used to new lifestyles and gradually regaining their daily routines, there has been a growing room for indulgence in the luxury goods that our company specializes in. Taking this into account, our company has been focusing on providing timely product offerings by deeply researching the changing consumer mindset. As consumers have become accustomed to new lifestyles and gradually regained their normal lives, our company has focused on timely product offerings by deeply researching the changing consumer mindset. The effect of this was seen in the success of products that accurately captured the demand for "home consumption (nesting consumption)" and "high-looking" products that seem more expensive than the retail price of 100 yen, and sales have been favorable. In addition, the increase in the number of sales of event-related products such as Christmas and Valentine's Day in the first half of the year led to an increase in sales. Furthermore, by focusing on the expansion of design licensed products and the planning, development, and sales of "year-round products" that can be sold throughout the year, our sales remained robust in the second half of the year, greatly exceeding the previous year's total. As shown in the table below, cumulative sales of the Company's lifestyle miscellaneous goods by product group for the fiscal year under review were 7,723,490 thousand yen (up 38.1% year-on-year) for one-price products and 407,891 thousand yen (up 25.2% from the same period of the previous year) for petit price products.

	One price Products	One petite Products	Total
	Thousand yen	Thousand yen	Thousand yen
Fiscal year ended ended September 30,2023	7,723,490	407,891	8,131,382
Fiscal year ended ended September 30,2022	5,593,608	325,880	5,919,488
Difference	2,129,882	82,011	2,211,893
Ratio (%)	38.1	25.2	37.4

Operating profit was 181,596 thousand yen, a decrease of 113,901 thousand yen (38.5% decrease) from the same period of the previous year. This is due to the fact that although there were profit-increasing effects such as a significant increase in sales volume and price revision negotiations, the cost of sales ratio increased by 7.0 points due to the impact of the yen's depreciation, and although there were certain results in logistics cost reduction efforts and DX initiatives in SG&A expenses, there were profit-decreasing factors such as an increase in labor costs.

Ordinary profit was 202,728 thousand yen, a decrease of 57,657 thousand yen (22.1% decrease) from the same period of the previous year. In non-operating profit and loss, there was a foreign exchange loss of 34,646 thousand yen in non-operating expenses in the previous fiscal year, but in this fiscal year, there was a foreign exchange gain of 21,173 thousand yen in non-operating income.

As a result, net profit for the current period was 147,436 thousand yen, a decrease of 74,635 thousand yen (33.6% decrease) from the previous fiscal year.

## (2) Overview of financial position for the fiscal year under review

### (Assets)

As of the end of the fiscal year, current assets amounted to 4,239,850 thousand yen, an increase of 1,305,518 thousand yen compared to the previous fiscal year. This was mainly due to a decrease of 21,928 thousand yen in cash and deposits, but an increase of 161,666 thousand yen in accounts receivable and 1,113,074 thousand yen in inventories. Fixed assets amounted to 169,278 thousand yen, an increase of 18,871 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 31,433 thousand yen in software in progress.

As a result, total assets amounted to 4,409,129 thousand yen, an increase of 1,324,390 thousand yen compared to the end of the previous fiscal year.

### (Liabilities)

As of the end of the fiscal year, current liabilities amounted to 1,728,526 thousand yen, an increase of 1,399,390 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 1,300,000 thousand yen in short-term loans payable, 72,685 thousand yen in accounts payable, and 35,590 thousand yen in unpaid corporate taxes. Fixed liabilities amounted to 287,897 thousand yen, an increase of 5,213 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 5,213 thousand yen in retirement benefit reserve.

As a result, total liabilities amounted to 2,016,424 thousand yen, an increase of 1,404,604 thousand yen compared to the end of the previous fiscal year.

### (Net Assets)

As of the end of the fiscal year, total net assets amounted to 2,392,704 thousand yen, a decrease of 80,213 thousand yen compared to the end of the previous fiscal year. This was mainly due to the current net income of 147,436 thousand yen, the acquisition of treasury stock of 157,200 thousand yen, and the payment of dividends of 77,638 thousand yen.

As a result, the equity ratio was 54.3% (80.2% at the end of the previous fiscal year).

### (3) Overview of Cash Flow for the Current Fiscal Year

The cash and cash equivalents (hereinafter referred to as "funds") for the current fiscal year decreased by 21,928 thousand yen compared to the previous fiscal year, resulting in 876,207 thousand yen at the end of the current fiscal year.

The status of each cash flow for the current fiscal year and the factors for them are as follows.

#### (Cash Flow from Operating Activities)

The funds used in operating activities amounted to 1,033,785 thousand yen (an expenditure of 233,923 thousand yen in the same period of the previous year). This is mainly due to the profit before income taxes of 202,728 thousand yen, but the expenditure of 162,870 thousand yen due to the increase in accounts receivable and the expenditure of 1,113,074 thousand yen due to the increase in inventory assets.

#### (Cash Flow from Investing Activities)

The funds used in investing activities amounted to 35,498 thousand yen (an expenditure of 15,460 thousand yen in the same period of the previous year). This is mainly due to the expenditure of 20,891 thousand yen for the acquisition of tangible fixed assets and the expenditure of 17,761 thousand yen for the acquisition of intangible fixed assets.

#### (Cash Flow from Financing Activities)

The funds acquired in financing activities amounted to 1,047,356 thousand yen (an expenditure of 131,496 thousand yen in the same period of the previous year). This is mainly due to the net increase of 1,300,000 thousand yen in short-term borrowings, the expenditure of 157,533 thousand yen for the acquisition of treasury stock, and the payment of 77,610 thousand yen in dividends.

### (4) Future outlook

The future of our Japanese economy is expected to continue its gradual recovery, centered on personal consumption, due to improvements in the employment and income environment, the effects of various policies, the recovery of leisure demand and inbound consumption, etc. However, concerns remain about the impact of global financial tightening on economic downturns, global raw material prices, rising energy prices, and the soaring prices of various goods due to the depreciation of the yen, and the situation remains uncertain.

Under such circumstances, our company is committed to further strengthening our product development capabilities, planning and proposal capabilities, and sales capabilities to meet consumer needs and seeds. As a result, we expect that our sales will continue to be strong, following the previous fiscal year, and that we will be able to further expand.

In addition, the about 95% of our products are imported from overseas in dollar terms, and we cannot avoid the impact of the yen's depreciation. While we are energetically negotiating price increases with our customers, the outlook for profits is severe. However, one of the goals of our medium-term management plan, DX reform, and the "productivity improvement" through the professionalization of all employees are steadily yielding results, and we expect to increase both sales and profits.

Based on the above, we expect sales of 9,275 million yen, operating profit of 240 million yen, ordinary profit of 235 million yen, and current net profit of 154 million yen for the fiscal year ending September 2024.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	898,135	876,207
Notes receivable - trade	913	2,756
Electronically recorded monetary claims - operating	3,698	3,060
Accounts receivable - trade	555,502	717,168
Inventories	1,315,296	2,428,371
Advance payments to suppliers	39,844	30,910
Prepaid expenses	30,861	37,440
Other	90,208	143,934
Allowance for doubtful accounts	(130)	-
Total current assets	2,934,331	4,239,850
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	74,041	74,437
Accumulated depreciation	(55,462)	(58,838)
Facilities attached to buildings, net	18,579	15,599
Vehicles	9,632	2,960
Accumulated depreciation	(7,240)	(2,959)
Vehicles, net	2,392	0
Tools, furniture and fixtures	136,926	151,415
Accumulated depreciation	(111,206)	(122,813)
Tools, furniture and fixtures, net	25,719	28,601
Total property, plant and equipment	46,691	44,200
Intangible assets		
Trademark right	2,313	2,274
Software	35,784	31,421
Software in progress	3,000	34,433
Other	288	288
Total intangible assets	41,385	68,418
Investments and other assets		
Long-term prepaid expenses	1,125	556
Deferred tax assets	9,897	6,061
Leasehold deposits	51,307	50,041
Total investments and other assets	62,330	56,659
Total non-current assets	150,406	169,278
<b>Total assets</b>	<b>3,084,738</b>	<b>4,409,129</b>

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	32,693	63,590
Short-term borrowings	-	1,300,000
Current portion of long-term borrowings	17,500	-
Accounts payable - other	212,630	285,315
Accrued expenses	16,550	14,708
Income taxes payable	-	35,590
Deposits received	10,695	11,175
Provision for bonuses	36,837	18,044
Other	2,229	101
Total current liabilities	329,136	1,728,526
Non-current liabilities		
Provision for retirement benefits	28,348	33,562
Long-term obligations to directors	254,335	254,335
Total non-current liabilities	282,683	287,897
<b>Total liabilities</b>	<b>611,820</b>	<b>2,016,424</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	37,220	37,220
Capital surplus		
Legal capital surplus	5,220	5,220
Other capital surplus	268,248	268,248
Total capital surplus	273,468	273,468
Retained earnings		
Legal retained earnings	8,000	8,000
Other retained earnings		
General reserve	400,000	400,000
Retained earnings brought forward	1,713,713	1,783,510
Total retained earnings	2,121,713	2,191,510
Treasury shares	(31)	(157,231)
Total shareholders' equity	2,432,370	2,344,967
Valuation and translation adjustments		
Deferred gains or losses on hedges	40,548	47,737
Total valuation and translation adjustments	40,548	47,737
<b>Total net assets</b>	<b>2,472,918</b>	<b>2,392,704</b>
<b>Total liabilities and net assets</b>	<b>3,084,738</b>	<b>4,409,129</b>

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Net sales	5,919,488	8,131,382
Cost of sales		
Beginning merchandise inventory	791,295	1,014,249
Cost of purchased goods	3,765,692	6,402,335
Total	4,556,987	7,416,585
Ending merchandise inventory	1,014,249	1,986,566
Cost of sales	3,542,737	5,430,019
Gross profit	2,376,751	2,701,363
Selling, general and administrative expenses	2,081,253	2,519,767
Operating profit	295,497	181,596
Non-operating income		
Interest income	7	4
Foreign exchange gains	-	21,173
Gain on sale of non-current assets	-	1,382
Compensation income	369	1,649
Other	40	440
Total non-operating income	418	24,650
Non-operating expenses		
Interest expenses	476	2,508
Foreign exchange losses	34,646	-
Loss on retirement of non-current assets	-	500
Commission for purchase of treasury shares	-	333
Other	406	174
Total non-operating expenses	35,529	3,518
Ordinary profit	260,386	202,728
Profit before income taxes	260,386	202,728
Income taxes - current	39,419	55,257
Income taxes - deferred	(1,105)	34
Total income taxes	38,314	55,292
Net income	222,071	147,436



Non-consolidated Statements of Changes in Equity

For the fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	37,220	5,220	268,248	273,468	8,000	400,000	1,553,106	1,961,106
Changes during period								
Dividends of surplus							(61,465)	(61,465)
Profit							222,071	222,071
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	160,606	160,606
Balance at end of period	37,220	5,220	268,248	273,468	8,000	400,000	1,713,713	2,121,713

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-	2,271,794	17,420	17,420	2,289,215
Changes during period					
Dividends of surplus		(61,465)			(61,465)
Profit		222,071			222,071
Purchase of treasury shares	(31)	(31)			(31)
Net changes in items other than shareholders' equity			23,127	23,127	23,127
Total changes during period	(31)	160,575	23,127	23,127	183,703
Balance at end of period	(31)	2,432,370	40,548	40,548	2,472,918

For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of period	37,220	5,220	268,248	273,468	8,000	400,000	1,713,713	2,121,713
Changes during period								
Dividends of surplus							(77,638)	(77,638)
Profit							147,436	147,436
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	-	69,797	69,797
Balance at end of period	37,220	5,220	268,248	273,468	8,000	400,000	1,783,510	2,191,510

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(31)	2,432,370	40,548	40,548	2,472,918
Changes during period					
Dividends of surplus		(77,638)			(77,638)
Profit		147,436			147,436
Purchase of treasury shares	(157,200)	(157,200)			(157,200)
Net changes in items other than shareholders' equity			7,188	7,188	7,188
Total changes during period	(157,200)	(87,402)	7,188	7,188	(80,213)
Balance at end of period	(157,231)	2,344,967	47,737	47,737	2,392,704

## Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	260,386	202,728
Depreciation	29,509	35,551
Increase (decrease) in allowance for doubtful accounts	(276)	(130)
Increase (decrease) in provision for bonuses	13,140	(18,793)
Increase (decrease) in provision for retirement benefits	4,570	5,213
Interest and dividend income	(7)	(4)
Interest expenses	476	2,508
Compensation income	369	(1,649)
Expenses for treasury stocks	-	333
Loss (gain) on sale of non-current assets	-	(1,382)
Loss on retirement of non-current assets	4	500
Decrease (increase) in trade receivables	(129,582)	(162,870)
Decrease (increase) in inventories	(360,926)	(1,113,074)
Increase (decrease) in trade payables	(1,959)	30,896
Other, net	27,290	8,427
<b>Subtotal</b>	<b>(157,007)</b>	<b>(1,011,744)</b>
Interest and dividends received	7	4
Interest paid	(476)	(2,508)
Proceeds from compensation	-	127
Income taxes paid	(76,447)	(19,664)
<b>Net cash provided by (used in) operating activities</b>	<b>(233,923)</b>	<b>(1,033,785)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,742)	(20,891)
Proceeds from sale of property, plant and equipment	-	3,454
Purchase of intangible assets	(9,988)	(17,761)
Payments for retirement of intangible assets	-	(428)
Proceeds from refund of leasehold and guarantee deposits	270	129
<b>Net cash provided by (used in) investing activities</b>	<b>(15,460)</b>	<b>(35,498)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-	1,300,000
Repayments of long-term borrowings	(70,000)	(17,500)
Purchase of treasury shares	(31)	(157,533)
Dividends paid	(61,464)	(77,610)
<b>Net cash provided by (used in) financing activities</b>	<b>(131,496)</b>	<b>1,047,356</b>
Effect of exchange rate change on cash and cash equivalents	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(380,880)</b>	<b>(21,928)</b>
Cash and cash equivalents at beginning of period	1,279,016	898,135
<b>Cash and cash equivalents at end of period</b>	<b>898,135</b>	<b>876,207</b>