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May 15, 2024

Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

Company name: Alpha Purchase Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 7115
URL: <https://www.alphapurchase.co.jp/>
Representative: Masayuki Tada, Representative Director, President and CEO
Inquiries: Masahiro Saito, Director and CFO
Telephone: +81-3-6628-8453
Scheduled date to file quarterly securities report: May 15, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes (for individual investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2024	13,566	10.7	289	(14.9)	273	(17.9)	192	(18.8)
March 31, 2023	12,258	-	340	-	332	-	236	-

Note: Comprehensive income For the three months ended March 31, 2024: ¥192 million [(18.8%)]
For the three months ended March 31, 2023: ¥236 million [-%]

The company did not prepare quarterly financial statements for the three months ended March 31, 2022, accordingly the corresponding year-on-year percentage changes for March 31, 2023 are not presented in the above table.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2024	19.97	19.53
March 31, 2023	25.10	24.61

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2024	16,819	5,353	31.8
December 31, 2023	17,115	5,370	31.4

Reference: Equity
As of March 31, 2024: ¥5,353 million
As of December 31, 2023: ¥5,370 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	0.00	-	22.00	22.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		0.00	-	27.00	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of March 31, 2024	9,631,000 shares
As of December 31, 2023	9,624,500 shares

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

As of March 31, 2024	49 shares
As of December 31, 2023	49 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2024	9,628,237 shares
Three months ended March 31, 2023	9,437,567 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this report, such as forecast, are based on information currently available and certain assumptions that the Company believes to be reasonable and should not be construed as a guarantee that the Company will achieve these projections. Actual results may differ from the aforementioned forecasts depending on various factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31,2023	As of March 31,2024
Assets		
Current assets		
Cash and deposits	4,169,591	4,685,526
Account receivable-trade	9,527,667	8,158,334
Contract assets	80,139	224,657
Electronically recorded monetary claims	52,992	50,455
Merchandise	613,688	1,043,029
Work in process	4,915	955
Supplies	297	789
Costs on construction contracts in progress	79,231	62,494
Other	167,716	193,104
Allowance for doubtful accounts	-	(844)
Total current assets	14,696,240	14,418,502
Non-current assets		
Property, plant and equipment		
Buildings and structures	84,656	84,656
Accumulated depreciation	(48,097)	(49,746)
Buildings and structures, net	36,558	34,909
Tools furniture and fixtures	268,238	273,932
Accumulated depreciation	(192,668)	(200,006)
Tools furniture and fixtures, net	75,569	73,925
Construction in progress	3,373	-
Total property, plant and equipment	115,501	108,835
Intangible assets		
Software	1,520,877	1,443,392
Software in progress	361,559	482,136
Total intangible assets	1,882,437	1,925,529
Investments and other assets		
Stocks of subsidiaries and affiliates	4,386	4,386
Guarantee deposit	252,677	252,677
Deferred tax assets	159,040	105,418
Other	5,412	4,599
Allowance for doubtful accounts	(308)	(308)
Total investments and other assets	421,209	366,774
Total non-current assets	2,419,148	2,401,139
Total assets	17,115,388	16,819,641

(Thousands of yen)

	As of December 31,2023	As of March 31,2024
Liabilities		
Current liabilities		
Accounts payable-trade	10,663,412	10,795,411
Current portion of long-term borrowings	53,320	44,986
Accounts payable - other	252,514	271,366
Income taxes payable	207,560	36,044
Accrued consumption taxes	208,312	22,244
Contract liabilities	34,033	68,796
Provision for bonuses	156,312	29,745
Other	115,125	148,261
Total current liabilities	11,690,592	11,416,855
Non-current liabilities		
Long-term borrowings	23,364	18,366
Asset retirement obligations	30,701	30,701
Other	557	557
Total non-current liabilities	54,622	49,624
Total liabilities	11,745,214	11,466,479
Net assets		
Shareholders' equity		
Share capital	556,806	558,066
Capital surplus	759,527	760,788
Retained earnings	4,053,806	4,034,317
Treasury shares	(65)	(65)
Total shareholders' equity	5,370,074	5,353,107
Share acquisition rights	99	55
Total net assets	5,370,174	5,353,162
Total liabilities and net assets	17,115,388	16,819,641

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Thousands of yen)

	The three months ended March 31, 2023	The three months ended March 31, 2024
Net sales	12,258,818	13,566,712
Cost of sale	11,051,366	12,357,095
Gross profit	1,207,452	1,209,617
Selling, general and administrative expenses	897,131	919,933
Operating profit	340,320	289,684
Non-operating income		
Interest income	6	13
Other	426	61
Total non-operating income	433	74
Non-operating expenses		
Interest expenses	97	44
Foreign exchange losses	7,655	16,153
Other	85	192
Total non-operating expenses	7,839	16,389
Ordinary profit	332,914	273,368
Profit before income taxes	332,914	273,368
Income taxes-current	45,371	27,497
Income taxes-deferred	50,659	53,622
Total income tax	96,031	81,119
Profit	236,883	192,248
Profit attributable to owners of parent	236,883	192,248

(Quarterly Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	The three months ended March 31, 2023	The three months ended March 31, 2024
Profit	236,883	192,248
Comprehensive income	236,883	192,248
Comprehensive income attributable to owners of parent	236,883	192,248

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	The three months ended March 31, 2023	The three months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	332,914	273,368
Depreciation and amortization	141,706	151,926
Increase (decrease) in allowance for doubtful accounts	(767)	844
Increase (decrease) in provision for bonuses	(100,795)	(126,567)
Interest and dividend income	(6)	(13)
Interest expenses	97	44
Foreign exchange losses (gains)	(20)	(284)
Decrease (increase) in trade receivables	183,720	(1,227,352)
Decrease (increase) in inventories	(200,246)	409,135
Increase (decrease) in trade payables	(1,608,663)	131,999
Increase (decrease) in accounts payables - other	19,196	16,920
Increase (decrease) in accrued consumption tax	18,394	(186,068)
Other	101,792	51,872
Sub-total	(1,112,675)	1,132,259
Interest and dividends received	6	13
Interest paid	(127)	(44)
Income taxes paid	(203,795)	(207,562)
Net cash provided by (used in) operating activities	(1,316,592)	924,665
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,155)	(2,253)
Purchase of intangible assets	(165,713)	(184,153)
Payments of guarantee deposits	(428)	-
Cash flows from investing activities	(222,258)	(186,406)
Cash flows from financing activities		
Repayments of long-term borrowings	(102,440)	(13,332)
Proceeds from issuance of shares	1,920	2,476
Payments of listing expenses	(16,726)	-
Payments of dividends	(141,547)	(211,752)
Cash flows from financing activities	(258,793)	(222,607)
Effect of exchange rate change on cash and cash equivalents	20	284
Net increase (decrease) in cash and cash equivalents	(1,797,624)	515,935
Cash and cash equivalents at beginning of period	3,896,783	4,169,591
Cash and cash equivalents at end of period	2,099,159	4,685,526

(4) Note to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable

(Notes to Significant Changes in the amount of Shareholder's Equity)

Not applicable

(Segment Information)

Information regarding Net Sales and Profit or Loss by the reportable Segments, and disaggregation of revenue from contracts with customers

I. For three months ended March 31, 2023 (From January 1, 2023 to March 31, 2023)

(Thousands of yen)

	Reportable Segment			Other (Note)	Total	Adjustments	Posted amount to the quarterly consolidated statements of income
	MRO Business	FM Business	Total				
Net Sales							
Goods or services transferred at a point in time	9,195,198	2,636,402	11,831,601	4,228	11,835,830	-	11,835,830
Goods or services transferred over time	68,753	338,188	406,941	16,046	422,988	-	422,988
Revenue from contracts with customers	9,263,952	2,974,591	12,238,543	20,275	12,258,818	-	12,258,818
Sales to external customers	9,263,952	2,974,591	12,238,543	20,275	12,258,818	-	12,258,818
Intersegment sales and transfer	-	-	-	54,360	54,360	(54,360)	-
Total	9,263,952	2,974,591	12,238,543	74,636	12,313,179	(54,360)	12,258,818
Segment profit (loss)	182,333	138,094	320,427	19,892	340,320	-	340,320

(Notes)

The "Other" category is a business segment not included in the reported segments and includes software-related businesses.

II. For three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

(Thousands of yen)

	Reportable Segment			Other (Note)	Total	Adjustments	Posted amount to the quarterly consolidated statements of income
	MRO Business	FM Business	Total				
Net Sales							
Goods or services transferred at a point in time	10,280,634	2,762,615	13,043,250	41	13,043,291	-	13,043,291
Goods or services transferred over time	82,710	430,927	513,638	9,782	523,420	-	523,420
Revenue from contracts with customers	10,363,345	3,193,543	13,556,889	9,823	13,566,712	-	13,566,712
Sales to external customers	10,363,345	3,193,543	13,556,889	9,823	13,566,712	-	13,566,712
Intersegment sales and transfer	-	-	-	59,539	59,539	(59,539)	-
Total	10,363,345	3,193,543	13,556,889	69,363	13,626,252	(59,539)	13,566,712
Segment profit (loss)	182,045	93,197	275,242	14,441	289,684	-	289,684

(Notes)

The "Other" category is a business segment not included in the reported segments and includes software-related businesses.