

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 12, 2024

Company name: MELCO HOLDINGS INC.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6676 URL <https://melco-hd.jp/>
 Representative: President and CEO Hiroyuki Maki
 Inquiries: General Manager, CEO's Office Hideto Fukaya TEL 03-4213-1122
 Scheduled date to file Semi-annual Securities Report: November 13, 2024
 Scheduled date to commence dividend payments: December 4, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 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	%
Six months ended September 30, 2024	73,896	5.5	3,008	67.3	3,203	94.5	1,942	52.3
Six months ended September 30, 2023	70,050	2.0	1,798	(45.7)	1,647	(50.4)	1,275	(41.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	120.83		-	
Six months ended September 30, 2023	75.83		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	90,677	59,501	65.6	3,913.13
As of March 31, 2024	95,936	63,922	66.6	3,826.71

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	-	60.00	-	60.00	120.00
Year ending March 31, 2025	-	60.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	40.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	133,000	(8.8)	5,200	100.2	5,200	101.9	3,400	12.9	217.35

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2024	15,300,000 shares	As of March 31, 2024	16,937,873 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	94,303 shares	As of March 31, 2024	233,526 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	16,079,895 shares	Six months ended September 30, 2023	16,819,570 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	29,958	22,468
Notes and accounts receivable - trade, and contract assets	20,531	22,239
Merchandise and finished goods	14,784	16,545
Raw materials and supplies	6,896	6,510
Other	3,465	2,791
Allowance for doubtful accounts	(8)	(9)
Total current assets	75,627	70,546
Non-current assets		
Property, plant and equipment	11,080	10,674
Intangible assets	3,705	3,471
Investments and other assets		
Investment securities	3,741	4,003
Other	1,924	2,124
Allowance for doubtful accounts	(142)	(141)
Total investments and other assets	5,523	5,985
Total non-current assets	20,308	20,131
Total assets	95,936	90,677
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,213	13,959
Electronically recorded obligations - operating	1,263	1,173
Accounts payable - other	3,451	3,253
Accrued expenses	3,943	2,898
Income taxes payable	748	1,508
Contract liabilities	4,680	4,654
Provision for bonuses for directors (and other officers)	7	13
Provision for product warranties	67	73
Other	692	733
Total current liabilities	29,068	28,267
Non-current liabilities		
Retirement benefit liability	1,708	1,690
Provision for retirement benefits for directors (and other officers)	790	755
Provision for recycles	139	138
Other	307	322
Total non-current liabilities	2,945	2,907
Total liabilities	32,014	31,175

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	250	250
Retained earnings	62,097	57,363
Treasury shares	(756)	(326)
Total shareholders' equity	62,590	58,286
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,030	1,200
Deferred gains or losses on hedges	150	(108)
Foreign currency translation adjustment	(4)	(41)
Remeasurements of defined benefit plans	155	165
Total accumulated other comprehensive income	1,332	1,215
Total net assets	63,922	59,501
Total liabilities and net assets	95,936	90,677

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	70,050	73,896
Cost of sales	51,942	54,885
Gross profit	18,107	19,010
Selling, general and administrative expenses	16,309	16,001
Operating profit	1,798	3,008
Non-operating income		
Interest income	0	1
Royalty income	35	35
Dividend income	57	82
Other	56	126
Total non-operating income	149	246
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	149	38
Share of loss of entities accounted for using equity method	111	–
Commission expenses	2	–
Other	36	13
Total non-operating expenses	300	51
Ordinary profit	1,647	3,203
Extraordinary income		
Gain on sale of non-current assets	–	16
Gain on sale of investment securities	76	0
Total extraordinary income	76	16
Extraordinary losses		
Loss on sale of non-current assets	–	43
Loss on retirement of non-current assets	9	19
Total extraordinary losses	9	63
Profit before income taxes	1,714	3,156
Income taxes - current	657	1,432
Income taxes - deferred	(218)	(218)
Total income taxes	439	1,213
Profit	1,275	1,942
Profit attributable to owners of parent	1,275	1,942

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,275	1,942
Other comprehensive income		
Valuation difference on available-for-sale securities	271	169
Deferred gains or losses on hedges	219	(259)
Foreign currency translation adjustment	70	(37)
Remeasurements of defined benefit plans, net of tax	30	10
Share of other comprehensive income of entities accounted for using equity method	37	–
Total other comprehensive income	629	(116)
Comprehensive income	1,904	1,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,904	1,826

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,714	3,156
Depreciation	1,404	1,418
Interest and dividend income	(57)	(84)
Share of loss (profit) of entities accounted for using equity method	111	–
Interest expenses	0	0
Loss (gain) on sale of investment securities	(76)	(0)
Decrease (increase) in trade receivables	(2,665)	(2,267)
Decrease (increase) in inventories	(1,270)	(1,411)
Increase (decrease) in trade payables	(542)	44
Decrease (increase) in accounts receivable - other	449	(110)
Increase (decrease) in accounts payable - other	51	(91)
Other, net	1,090	(596)
Subtotal	209	57
Interest and dividends received	259	84
Interest paid	(0)	(0)
Income taxes paid	(1,793)	(684)
Income taxes refund	2,208	218
Net cash provided by (used in) operating activities	883	(323)
Cash flows from investing activities		
Purchase of property, plant and equipment	(898)	(913)
Proceeds from sale of property, plant and equipment	–	248
Purchase of intangible assets	(1,298)	(310)
Purchase of investment securities	(16)	(17)
Proceeds from sale of investment securities	81	0
Other, net	4	109
Net cash provided by (used in) investing activities	(2,127)	(883)
Cash flows from financing activities		
Repayments of long-term borrowings	(99)	–
Purchase of treasury shares	(292)	(5,244)
Dividends paid	(1,011)	(1,002)
Net cash provided by (used in) financing activities	(1,403)	(6,247)
Effect of exchange rate change on cash and cash equivalents	57	(35)
Net increase (decrease) in cash and cash equivalents	(2,590)	(7,490)
Cash and cash equivalents at beginning of period	20,506	29,958
Cash and cash equivalents at end of period	17,916	22,468