

FY 2025/9 Q2 (Interim Period) Summary of Financial Results [IFRS] (Consolidated)

May 14, 2025

Name of issuing company: RECOMM Co., Ltd.

Listed on:

TSE

Code: 3323

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

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Planned date of submittal of
Interim Report May 14, 2025

Planned date of commencement
of payment of dividends —

Supplementary materials prepared on
financial results : Y

Briefing planned on financial results: : Y

(Figures rounded down to the nearest million yen)

1. FY 2025/9 Q2 (interim period) consolidated results (October 1, 2024, to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate YoY changes)

	Sales revenue		Operating profit		Profit before tax		Net income		Net income attributable to owners of the Parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Interim period ending September 30, 2025	6,617	20.3	193	8.3	255	20.3	193	43.9	154	20.8	18	(92.6)
Interim period ending September 30, 2024	5,501	20.3	178	30.7	212	59.7	134	38.4	128	68.7	255	697.9

	EBITDA *1		Basic earnings per share		Diluted earnings per share	
	million yen	%	Yen		Yen	
Interim period ending September 30, 2025	289	10.7	1.91		1.91	
Interim period ending September 30, 2024	261	25.5	1.57		1.57	

(Note) *1. EBITDA (earnings before interest, taxes, depreciation, and amortization) is calculated as operating profit + depreciation and amortization

(2) Consolidated financial standing

	Total assets	Total equity	Equity attributable to owners of the Parent	Percentage of equity attributable to owners of the Parent
	million yen	million yen	million yen	%
Interim period ending September 30, 2025	12,487	5,148	4,777	38.3
FY 2024/9	12,645	5,294	4,963	39.3

2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2024/9	—	0.00	—	1.60	1.60
FY 2025/9	—	0.00	—	—	—
2025/9 (projected)	—	—	—	1.60	1.60

(Note) Revision from most recently announced dividends forecasts : N

3. FY 2025/9 consolidated financial results forecasts (October 1, 2024, to September 30, 2025)

(Percentages indicate YoY changes)

	Sales revenue		Operating profit		Profit before tax		Net income		Net income attributable to owners of the Parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year	14,800	26.6	700	159.8	700	127.9	500	249.7	430	412.3	5.29

(Note) Revision from most recently dividends forecasts of financial results : N

* Notes:

(1) Material changes to scope of consolidation during current interim period : N

New —company/ies (Name) , Removed —company/ies (Name)

(2) Changes to accounting policies/changes to accounting estimates

(i) Changes to accounting policies required by IFRS : N

(ii) Changes to accounting policies other than those under (i) : N

(iii) Changes to accounting estimates : N

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding at end of period (including treasury shares)	Interim period ending September 30, 2025	82,630,255shares	FY 2024/9	82,630,255shares
(ii) Number of treasury shares at end of period	Interim period ending September 30, 2025	1,938,900shares	FY 2024/9	1,410,600shares
(iii) Average number of shares during period (interim)	Interim period ending September 30, 2025	81,102,197shares	Interim period ending September 30, 2024	81,219,655shares

* The Summary of the Second Quarter (Interim Period) Financial Results is not subject to review by a certified public accountant or audit firm.

* Explanation of appropriate use of performance forecasts and other notes

Performance forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time of preparation and certain assumptions considered reasonable. Actual results may differ considerably because of various factors.

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1. Qualitative information on current interim financial results

(1) Description of business results

(1) Overview of business results etc.

In the current interim consolidated accounting period under review, Japan's economy showed a gentle recovery trend. Future prospects, however, remained uncertain because of such factors as the impact of US tariffs, exchange-rate fluctuations, and inflation. Future prospects for the global economy also remained uncertain due to such factors such as the impact of US President Trump's tariffs, exchange rate fluctuations, concerns about the outlook for the Chinese economy, and rising geopolitical risks in Ukraine, the Middle East, and elsewhere.

In the ICT industry in which the Company operates, leasing volume for ICT devices and office machines improved from a decreasing trend to a gradual recovery over the past few years.

Under these conditions, the Group identified a growth strategy based on its vision as a global specialized trading company, striving to strengthen sales through means that included growing its overseas solutions business, promoting digital transformation (DX) including use of AI, and developing decarbonized materials.

As a result, financial results in the current interim consolidated accounting period under review show an increase of 20.3% YoY in sales 6,617 million yen and an increase of 8.3% YoY in operating profit to 193 million yen, thanks to sharp growth in the overseas solutions business. Income attributable to equity of the parent was up 20.8% YoY to 154 million yen.

(I) Domestic solutions businesses

In the directly operated branch sales channel, the company strived to implement efficient operating activities using customer databases and focused on new customer acquisition. The Group strengthened sales of LED lighting and commercial air conditioning in response to corporate clients' efforts toward carbon neutrality, while also enhancing security solutions to strengthen networks. As a result, sales revenue in this channel were up 9.3% YoY to 1,244 million yen.

In the franchise channel, in addition to horizontal deployment of the method of sales through directly operated stores and sharing selling methods with franchises, we also provided sales support to franchises. As a result of these measures, sales revenue in this channel was down 30.0% YoY to 358 million yen, due in part to the effects of the sale of the business of one franchise in the same period last year.

In the agent channel, we secured sales of LED lighting, an important product that helps to reduce electricity charges. As a result, sales revenue in this channel were down 16.7% YoY to 432 million yen.

As a result, the domestic solutions business recorded sales revenue that was down 6.2% YoY to 2,035 million yen, while segment profit was down 82.0% YoY to 43 million yen due to factors such as the effects of the sale of one franchise in the previous period.

(ii) Overseas solutions businesses

In the overseas solutions business, we focused on selling energy-saving solutions to companies seeking to decarbonize with the addition of SPACECOOL, introduced in the second half of the previous year, to such products as LED lighting and commercial air conditioners. In Singapore, TAKNET SYSTEMS PTE LTE (TAKNET), which sells AI servers, also contributed to revenue. As a result, sales revenue in this segment was up 40.1% YoY to 4,263 million yen, while segment profit doubled YoY to 237 million yen.

(iii) BPR business

The BPR business strived to acquire new customers while also securing orders for robotic process automation (RPA) and AI-OCR and for business process outsourcing (BPO) services through consulting sales. Its BPO centers strived to improve business efficiency by promoting automation of business processes. As a result, sales revenue were up 10.2% YoY to 319 million yen. Segment income was down 42.8% YoY to 14 million yen as revenue was unable to absorb higher hiring costs for core personnel.

Segment		Current interim consolidated accounting period (From October 1, 2024 to March 31, 2025)	YoY (%)
Domestic solutions businesses	Directly operated branches (thousand yen)	1,244,353	109.3
	Franchises (thousand yen)	358,052	70.0
	Agents (thousand yen)	432,807	83.3
	Total (thousand yen)	2,035,213	93.8
Overseas solutions businesses (thousand yen)		4,263,518	140.1
BPR business (thousand yen)		319,057	110.2
Total (thousand yen)		6,617,788	120.3

(Note) 1. Transactions between segments have been eliminated through offsetting.

2. The amounts above do not include consumption tax etc.

(2) Description of financial standing

(1) Analysis of financial standing

Equity in the current interim consolidated accounting period under review decreased 157 million yen from the end of the previous consolidated fiscal year to 12,487 million yen. This was due mainly to a decrease of 535 million yen in cash and cash equivalents caused by such factors as the efficient use of funds on hand through group finance.

Liabilities in the current interim consolidated accounting period under review decreased 11 million yen from the end of the previous consolidated fiscal year to 7,339 million yen. This was due mainly to decreases of 36 million yen in income tax payable and 24 million yen in contract liabilities, while the increase in loans payable associated with increasing working funds was kept to 38 million yen through group finance.

Equity in the current interim consolidated accounting period under review decreased 146 million yen from the end of the previous consolidated fiscal year to 5,148 million yen. This was due to a decrease of 175 million yen in other components of equity.

(2) Consolidated cash flows

Cash and cash equivalents ("funds") in the current interim consolidated accounting period under review decreased by 228 million yen from the previous consolidated fiscal year to 2,439 million yen. Cash of 138 million yen was used in operating activities, cash of 236 million yen was used in investing activities, and cash of 151 million yen was used in financing activities.

Cash flow in the current interim consolidated accounting period under review is reviewed below.

(Cash flow from/used in operating activities)

Funds used in operating activities totaled 138 million yen (vs. 456 million yen in funds from operating activities in the first half of the previous year). This was due mainly to increases of 255 million yen in profit before tax, 139 million yen in trade rights, and 98 million yen in inventories, along with payment of 146 million yen in income tax.

(Cash flow from/used in investing activities)

Funds used in investing activities totaled 236 million yen (vs. 17 million yen used in the first half of the previous year). This was due mainly to transfer of short-term surplus to time deposits.

(Cash flow from/used in financing activities)

Funds used in financing activities totaled 151 million yen (vs. 409 million yen used in the same interim period of the previous fiscal year). This was due mainly to payment of 131 million yen in dividends and use of 35 million yen to acquire treasury stock.

(3) Explanation of forecasts of consolidated financial results and other forward-looking information

Forecasts of consolidated financial results remain unchanged from those announced in the FY 2024/9 Summary of Financial Results issued on November 14, 2024.

2. Summary consolidated financial statements and major notes

(1) Summary interim consolidated statement of financial position

(Unit: thousand yen)

	Notes	Previous consolidated fiscal year (September 30, 2024)	Current interim consolidated accounting period (March 31, 2025)
Assets			
Current assets			
Cash and cash equivalents		2,975,680	2,439,957
Trade and other receivables		2,703,169	2,805,346
Inventories		2,351,585	2,397,597
Securities and other financial assets		82,200	301,861
Other current assets		251,874	312,616
Total current assets		8,364,511	8,257,378
Non-current assets			
Investments accounted for using the equity method		420,700	411,895
Securities and other financial assets		181,556	176,785
Property, plant and equipment		654,901	639,062
Right-of-use asset		393,290	399,136
Goodwill		2,376,309	2,368,461
Customer-related assets		9,201	220
Other intangible assets		112,576	98,640
Deferred tax assets		131,861	135,090
Other non-current assets		721	1,253
Total non-current assets		4,281,119	4,230,546
Total assets		12,645,630	12,487,924

(Unit: thousand yen)			
	Notes	Previous consolidated fiscal year (September 30, 2024)	Current interim consolidated accounting period (March 31, 2025)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		1,450,399	1,449,530
Loan payable		2,788,272	3,041,407
Lease liability		78,828	88,056
Income tax payable		158,212	121,468
Contract liabilities		213,094	188,799
Other current liabilities		324,153	286,016
Total current liabilities		5,012,960	5,175,279
Non-current liabilities			
Loan payable		1,636,525	1,421,526
Lease liability		323,548	323,432
Provisions		7,625	7,625
Other non-current liabilities		244,960	265,019
Deferred tax liabilities		125,077	146,676
Total non-current liabilities		2,337,738	2,164,280
Total liabilities		7,350,699	7,339,560
Equity			
Share capital		2,447,952	2,447,952
Equity surplus		2,498,488	2,498,488
Retained earnings		(514,286)	(489,261)
Treasury stock		(110,548)	(146,053)
Other components of equity		642,037	466,276
Equity attributable to owners of the parent		4,963,643	4,777,403
Non-controlling interests		331,288	370,961
Total equity		5,294,931	5,148,364
Total liabilities and equity		12,645,630	12,487,924

(2) Summary interim consolidated statement of profit and loss and summary of interim consolidated statement of comprehensive income

Summary interim consolidated statement of profit or loss

		(Unit: thousand yen)	
	Notes	Previous interim consolidated accounting period (From October 1, 2023 to March 31, 2024)	Current interim consolidated accounting period (From October 1, 2024 to March 31, 2025)
Sales revenue		5,501,367	6,617,788
Cost of sales		4,167,012	5,109,504
Gross profit		1,334,354	1,508,284
Selling, general and administrative expenses		1,369,758	1,363,990
Other income		215,698	51,008
Other expenses		1,692	1,823
Operating profit		178,602	193,479
Financial income		16,325	91,598
Financial costs		33,903	41,615
Gain/loss from investment in affiliates		51,583	12,287
Profit before tax		212,608	255,749
Corporate income tax expense		77,825	61,778
Net income		134,782	193,970
Net income attributable to			
Interests of owners of the parent		128,281	154,975
Non-controlling interests		6,501	38,995
Net income		134,782	193,970
Earnings per share			
Basic earnings per share (yen)		1.57	1.91
Diluted earnings per share (yen)		1.57	1.91

Summary Interim Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	Notes	Previous interim consolidated accounting period (From October 1, 2023 to March 31, 2024)	Current interim consolidated accounting period (From October 1, 2024 to March 31, 2025)
Net income		134,782	193,970
Other comprehensive income			
Items not transferred to net income			
Fluctuations in fair values of financial assets measured through other comprehensive income		—	—
Total items not transferred to net income		—	—
Items transferable to net income			
Difference on conversion from sales units abroad		124,724	(175,362)
Amount equivalent to equity in other comprehensive income of affiliates		(3,519)	279
Total items transferable to net income		121,204	(175,082)
Total other comprehensive income		121,204	(175,082)
Comprehensive income		255,987	18,888
Comprehensive income attributable to			
Interests of owners of the parent		266,904	(20,785)
Non-controlling interests		(10,917)	39,673
Total comprehensive income		255,987	18,888

(3) Summary interim consolidated statement of changes in equity

Previous interim consolidated accounting period (October 1, 2023, to March 31, 2024)

(Unit: thousand yen)

	Notes	Equity attributable to owners of the Parent						Non-controlling interests	Total equity
		Share capital	Equity surplus	Retained earnings	Treasury stock	Other components of equity	Total		
Balance on October 1, 2023		2,447,952	2,498,118	(461,276)	(110,548)	315,793	4,690,038	263,808	4,953,847
Net income				128,281			128,281	6,501	134,782
Other comprehensive income						138,623	138,623	(17,418)	121,204
Comprehensive income		—	—	128,281	—	138,623	266,904	(10,917)	255,987
Amounts of changes									
Dividends of surplus (cash)				(129,951)			(129,951)		(129,951)
Other increase/decrease			370	(7,001)			(6,631)	(370)	(7,001)
Total amount of changes		-	370	(136,953)	-	-	(136,582)	(370)	(136,953)
Balance on March 31, 2024		2,447,952	2,498,488	(469,948)	(110,548)	454,416	4,820,360	252,521	5,072,881

Current interim consolidated accounting period (October 1, 2024, to March 31, 2025)

(Unit: thousand yen)

	Notes	Equity attributable to owners of the Parent						Non-controlling interests	Total equity
		Share capital	Equity surplus	Retained earnings	Treasury stock	Other components of equity	Total		
Balance on October 1, 2024		2,447,952	2,498,488	(514,286)	(110,548)	642,037	4,963,643	331,288	5,294,931
Net income				154,975			154,975	38,995	193,970
Other comprehensive income						(175,760)	(175,760)	678	(175,082)
Comprehensive income		—	—	154,975	—	(175,760)	(20,785)	39,673	18,888
Amounts of changes									
Dividends of surplus (cash)				(129,950)			(129,950)		(129,950)
Other increase/decrease					(35,504)		(35,504)		(35,504)
Total amount of changes		—	—	(129,950)	(35,504)	—	(165,454)	—	(165,454)
Balance on March 31, 2025		2,447,952	2,498,488	(489,261)	(146,053)	466,276	4,777,403	370,961	5,148,364

(4) Summary interim statement of consolidated cash flows

	(Unit: thousand yen)	
Notes	Previous interim consolidated accounting period (From October 1, 2023 to March 31, 2024)	Current interim consolidated accounting period (From October 1, 2024 to March 31, 2025)
Cash flow from/used in operating activities		
Profit before tax	212,608	255,749
Depreciation and amortization	82,695	95,746
Financial income	(16,325)	(91,598)
Financial costs	33,903	41,615
Decrease (increase) in trade and other receivables	70,991	(139,913)
Decrease (increase) in inventories	142,021	(98,950)
Increase (decrease) in trade and other payables	(104,710)	9,670
Decrease (increase) in other current assets	183,534	7,947
Increase (decrease) in other current liabilities	(117,106)	(59,569)
Increase (decrease) in other non-current liabilities	(10,671)	20,647
Other	27,642	(17,958)
Subtotal	504,582	23,386
Interest received	25,739	30,899
Interest paid	(22,837)	(46,369)
Income tax paid or refunded	(50,564)	(146,319)
Cash flow from/used in operating activities	456,919	(138,402)
Cash flow from/used in investing activities		
Expenditure on acquisition of property, plant and equipment, and intangible assets	(17,800)	(13,153)
Proceeds from sale of property, plant and equipment, and intangible assets	263	31
Expenditure on pledge of deposits and guarantees	(1,284)	(747)
Proceeds from recovery of deposits and guarantees	1,487	2,701
Expenditure on placement of time deposits	—	(225,925)
Other	126	1,072
Cash flow from/used in investing activities	(17,208)	(236,020)
Cash flow from/used in financing activities		
Increase (decrease) in short-term loan payable	(59,883)	57,111
Expenditure on repayment of long-term loan payable	(182,613)	—
Expenditure on repayment of lease liability	(38,384)	(42,067)
Expenditure on acquisition of treasury stock	—	(35,504)
Dividends paid	(128,967)	(131,476)
Cash flow from/used in financing activities	(409,847)	(151,936)
Conversion difference on cash and cash equivalents	13,126	(9,363)
Increase (decrease) in cash and cash equivalents	42,990	(535,723)
Starting balance of cash and cash equivalents	2,625,888	2,975,680
Ending balance of cash and cash equivalents	2,668,879	2,439,957

(5) Notes to the summary interim consolidated statement of financial position

(Notes on the going-concern assumption)

Not applicable.

(Segment information etc.)

(1) Summary of reporting segments

The Company's reporting segments represent Group business units for which separate financial information is available. They are subject to periodic review by the Board of Directors to make decision on allocation of management resources and assess performance.

The Group operates the domestic solutions businesses, overseas solutions businesses, and the BPR business. Consolidated subsidiaries are independent management units that formulate competitive business strategies and deploy business activities autonomously in each business.

Accordingly, the Company consists of business segments based on consolidated subsidiaries. It has identified the three reporting segments of domestic solutions businesses, overseas solutions businesses, and the BPR business.

Domestic solutions businesses mainly sell LED lighting and other products to support decarbonization, RPA services, business telephones, digital multifunction printers, ReSPR, other office equipment, etc.

The overseas solutions business sells LED lighting and other products to support decarbonization, ICT devices, and ReSPR in China, India, and ASEAN.

The business process reengineering (BPR) business handles contracted administrative operations for other organizations within the Group and provides consulting services on proposal of outsourcing and business reforms for customers outside of the Group.

(2) Reporting segment information

Reporting segment income figures are based on operating profit. Transactions between segments are conducted under the same conditions as general commercial transactions.

Previous interim consolidated accounting period (October 1, 2023, to March 31, 2024)

(Unit: thousand yen)

	Reporting segment				Adjustments (Note 1)	Amount on summary interim consolidated statement of financial position
	Domestic solutions businesses	Overseas solutions businesses	BPR business	Total		
Sales revenue						
Sales revenue to external customers	2,169,570	3,042,209	289,587	5,501,367	—	5,501,367
Internal sales and transfers between segments	819	16,840	53,801	71,461	(71,461)	—
Total	2,170,389	3,059,050	343,388	5,572,828	(71,461)	5,501,367
Segment profit (loss)	240,258	118,953	25,370	384,582	(205,980)	178,602
Financial income	2,326	12,510	9,022	23,859	(7,533)	16,325
Financial costs	8,900	35,125	2,534	46,560	(12,657)	33,903
Equity in earnings of affiliates	(3,718)	55,301	—	51,583	—	51,583
Profit (loss) before tax	229,966	151,640	31,857	413,464	(200,856)	212,608

(Note) 1. Adjustments to Segment profit include elimination of transactions between segments and Company-wide costs not allocated to individual reporting segments.

Current interim consolidated accounting period (October 1, 2024, to March 31, 2025)

(Unit: thousand yen)

	Reporting segment				Adjustments (Note 1)	Amount on summary interim consolidated statement of financial position
	Domestic solutions businesses	Overseas solutions businesses	BPR business	Total		
Sales revenue						
Sales revenue to external customers	2,035,213	4,263,518	319,057	6,617,788	—	6,617,788
Internal sales and transfers between segments	2,407	18,131	55,506	76,045	(76,045)	—
Total	2,037,620	4,281,650	374,563	6,693,834	(76,045)	6,617,788
Segment profit (loss)	43,165	237,773	14,516	295,455	(101,976)	193,479
Financial income	511	18,478	101,461	120,451	(28,852)	91,598
Financial costs	14,339	48,856	1,131	64,327	(22,711)	41,615
Equity in earnings of affiliates	(4,306)	16,594	—	12,287	—	12,287
Profit (loss) before tax	25,030	223,989	114,845	363,866	(108,117)	255,749

(Note) 1. Adjustments to Segment profit include elimination of transactions between segments and Company-wide costs not allocated to individual reporting segments.

3. Other

Important matters concerning the going-concern assumption

Not applicable.