

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 2023

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, IR Division Yasukazu Kouketsu TEL 03-4213-1122
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	70,050	2.0	1,798	(45.7)	1,647	(50.4)	1,275	(41.8)
Six months ended September 30, 2022	68,707	(2.0)	3,310	(51.7)	3,318	(54.3)	2,190	(56.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	75.83		-	
Six months ended September 30, 2022	129.80		-	

(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, 2023	93,674	63,064	67.3	3,761.95
As of March 31, 2023	93,410	62,463	66.9	3,705.70

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, 2023	-	60.00	-	60.00	120.00
Year ending March 31, 2024	-	60.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	148,000	3.8	1,800	(60.2)	1,600	(66.1)	1,200	(60.8)	71.35

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly 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: No
- 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, 2023	16,937,873 shares	As of March 31, 2023	16,937,873 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	173,946 shares	As of March 31, 2023	81,726 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, 2023	16,819,570 shares	Six months ended September 30, 2022	16,873,494 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	20,506	17,916
Notes and accounts receivable - trade, and contract assets	16,693	19,900
Merchandise and finished goods	15,284	15,796
Raw materials and supplies	7,136	7,968
Other	6,405	4,121
Allowance for doubtful accounts	(7)	(10)
Total current assets	66,020	65,693
Non-current assets		
Property, plant and equipment	11,236	10,976
Intangible assets	3,394	4,167
Investments and other assets		
Investment securities	10,395	10,539
Other	2,487	2,421
Allowance for doubtful accounts	(124)	(124)
Total investments and other assets	12,757	12,837
Total non-current assets	27,389	27,981
Total assets	93,410	93,674
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,588	14,332
Electronically recorded obligations - operating	742	946
Current portion of long-term borrowings	99	–
Accounts payable - other	3,117	2,776
Accrued expenses	2,920	3,315
Income taxes payable	303	742
Contract liabilities	4,432	4,537
Provision for bonuses for directors (and other officers)	15	14
Provision for product warranties	74	78
Other	1,646	784
Total current liabilities	27,941	27,529
Non-current liabilities		
Retirement benefit liability	2,173	2,184
Provision for retirement benefits for directors (and other officers)	501	603
Provision for recycles	140	139
Other	189	152
Total non-current liabilities	3,005	3,080
Total liabilities	30,946	30,609

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	250	250
Retained earnings	61,092	61,356
Treasury shares	(267)	(559)
Total shareholders' equity	62,075	62,047
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	611	884
Deferred gains or losses on hedges	31	250
Foreign currency translation adjustment	(31)	73
Remeasurements of defined benefit plans	(222)	(190)
Total accumulated other comprehensive income	388	1,017
Total net assets	62,463	63,064
Total liabilities and net assets	93,410	93,674

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, 2022	Six months ended September 30, 2023
Net sales	68,707	70,050
Cost of sales	49,884	51,942
Gross profit	18,823	18,107
Selling, general and administrative expenses	15,512	16,309
Operating profit	3,310	1,798
Non-operating income		
Interest income	0	0
Royalty income	35	35
Dividend income	91	57
Share of profit of entities accounted for using equity method	25	–
Other	76	56
Total non-operating income	228	149
Non-operating expenses		
Interest expenses	2	0
Foreign exchange losses	183	149
Share of loss of entities accounted for using equity method	–	111
Commission expenses	3	2
Other	31	36
Total non-operating expenses	221	300
Ordinary profit	3,318	1,647
Extraordinary income		
Gain on sale of investment securities	–	76
Total extraordinary income	–	76
Extraordinary losses		
Loss on retirement of non-current assets	13	9
Loss on litigation	415	–
Total extraordinary losses	428	9
Profit before income taxes	2,889	1,714
Income taxes - current	646	657
Income taxes - deferred	52	(218)
Total income taxes	699	439
Profit	2,190	1,275
Profit attributable to owners of parent	2,190	1,275

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,190	1,275
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	271
Deferred gains or losses on hedges	(13)	219
Foreign currency translation adjustment	97	70
Remeasurements of defined benefit plans, net of tax	48	30
Share of other comprehensive income of entities accounted for using equity method	60	37
Total other comprehensive income	139	629
Comprehensive income	2,329	1,904
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,329	1,904

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,889	1,714
Depreciation	1,016	1,404
Interest and dividend income	(91)	(57)
Share of loss (profit) of entities accounted for using equity method	(25)	111
Interest expenses	2	0
Loss on litigation	415	–
Loss (gain) on sale of investment securities	–	(76)
Decrease (increase) in trade receivables	2,066	(2,665)
Decrease (increase) in inventories	(3,319)	(1,270)
Increase (decrease) in trade payables	2,296	(542)
Decrease (increase) in accounts receivable - other	75	449
Increase (decrease) in accounts payable - other	(370)	51
Other, net	(947)	1,090
Subtotal	4,008	209
Interest and dividends received	293	259
Interest paid	(1)	(0)
Income taxes paid	(2,318)	(1,793)
Income taxes refund	124	2,208
Net cash provided by (used in) operating activities	2,106	883
Cash flows from investing activities		
Purchase of property, plant and equipment	(910)	(898)
Proceeds from sale of property, plant and equipment	2	–
Purchase of intangible assets	(1,506)	(1,298)
Purchase of short-term and long-term investment securities	(6,702)	(16)
Proceeds from sale and redemption of short-term and long-term investment securities	13,411	81
Other, net	11	4
Net cash provided by (used in) investing activities	4,305	(2,127)
Cash flows from financing activities		
Repayments of long-term borrowings	(449)	(99)
Purchase of treasury shares	(0)	(292)
Dividends paid	(1,012)	(1,011)
Net cash provided by (used in) financing activities	(1,462)	(1,403)
Effect of exchange rate change on cash and cash equivalents	82	57
Net increase (decrease) in cash and cash equivalents	5,031	(2,590)
Cash and cash equivalents at beginning of period	21,834	20,506
Cash and cash equivalents at end of period	26,866	17,916