

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 08, 2022

Company name: IMURAYA GROUP CO., LTD.

Stock exchange listing: Tokyo, Nagoya

Code number: 2209

URL: <https://www.imuraya-group.com/>

Representative: Nobuko Nakajima, President and Representative Director

Contact: Jiro Tominaga, Senior Managing Director and Chief Financial Officer

Phone: 059-234-2146

Scheduled date of filing quarterly securities report: November 08, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	21,493	10.1	1,143	82.7	1,526	103.7	1,337	189.8
September 30, 2021	19,527	-	625	190.5	749	183.5	461	196.8

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,255 million [155.0%]
Six months ended September 30, 2021: ¥ 492 million [105.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2022	Yen 102.19	Yen -
September 30, 2021	35.27	-

(Note) As the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the previous fiscal year, the figures for the second quarter of the fiscal year ended March 31, 2022 are after the application of the said accounting standard, etc., and the percentage change from the same quarter of the previous year is not stated for net sales.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2022	Million yen 32,803	Million yen 18,299	55.7
March 31, 2022	29,422	17,392	59.0

(Reference) Equity: As of September 30, 2022: ¥ 18,261 million
As of March 31, 2022: ¥ 17,347 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	26.00	26.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	26.00	26.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	43,000	2.0	1,650	(3.2)	1,750	(15.7)	1,150	(21.9)	87.89

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2022: 13,086,200 shares

March 31, 2022: 13,086,200 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 1,803 shares

March 31, 2022: 1,800 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 13,084,398 shares

Six months ended September 30, 2021: 13,084,476 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,069,855	1,007,808
Accounts receivable - trade	5,188,868	7,046,883
Merchandise and finished goods	2,471,511	3,012,235
Work in process	273,492	348,123
Raw materials and supplies	927,417	970,619
Other	809,299	1,537,644
Allowance for doubtful accounts	(1,201)	(1,391)
Total current assets	10,739,243	13,921,923
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,399,475	18,601,840
Accumulated depreciation	(10,588,597)	(10,926,509)
Buildings and structures, net	7,810,878	7,675,331
Machinery, equipment and vehicles	17,179,394	17,727,723
Accumulated depreciation	(14,053,958)	(14,559,207)
Machinery, equipment and vehicles, net	3,125,436	3,168,516
Land	4,225,372	4,234,328
Other	2,228,472	2,241,279
Accumulated depreciation	(1,578,766)	(1,350,841)
Other, net	649,705	890,438
Total property, plant and equipment	15,811,391	15,968,613
Intangible assets		
Leased assets	49,842	100,309
Other	70,116	56,479
Total intangible assets	119,959	156,788
Investments and other assets		
Investment securities	1,367,050	1,297,116
Retirement benefit asset	889,219	892,335
Other	520,694	592,229
Allowance for doubtful accounts	(25,061)	(25,061)
Total investments and other assets	2,751,903	2,756,620
Total non-current assets	18,683,254	18,882,022
Total assets	29,422,498	32,803,946

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,615,246	3,127,912
Electronically recorded obligations - operating	1,678,485	1,933,829
Short-term borrowings	1,400,000	2,000,000
Current portion of long-term borrowings	267,228	184,102
Accounts payable - other	2,715,407	3,515,114
Income taxes payable	488,065	782,554
Provision for bonuses	527,959	674,135
Other	685,955	605,203
Total current liabilities	10,378,347	12,822,852
Non-current liabilities		
Long-term borrowings	100,536	50,670
Provision for officer' retirement benefits	39,864	44,208
Retirement benefit liability	36,079	36,731
Asset retirement obligations	135,246	135,818
Other	1,340,232	1,414,220
Total non-current liabilities	1,651,958	1,681,648
Total liabilities	12,030,305	14,504,500
Net assets		
Shareholders' equity		
Share capital	2,576,539	2,576,539
Capital surplus	3,810,519	3,810,519
Retained earnings	8,580,110	9,567,044
Treasury shares	(3,952)	(3,959)
Total shareholders' equity	14,963,217	15,950,144
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104,151	60,891
Deferred gains or losses on hedges	-	3,554
Revaluation reserve for land	1,930,419	1,930,419
Foreign currency translation adjustment	13,835	14,805
Remeasurements of defined benefit plans	336,031	301,419
Total accumulated other comprehensive income	2,384,438	2,311,091
Non-controlling interests	44,536	38,209
Total net assets	17,392,192	18,299,445
Total liabilities and net assets	29,422,498	32,803,946

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	19,527,365	21,493,196
Cost of sales	12,649,382	13,710,938
Gross profit	6,877,982	7,782,258
Selling, general and administrative expenses	6,252,208	6,639,183
Operating profit	625,774	1,143,075
Non-operating income		
Dividend income	36,866	26,374
Rental income from buildings	19,546	17,566
Foreign exchange gains	18,993	308,649
Subsidy income related to COVID	33,179	7,899
Other	35,456	38,579
Total non-operating income	144,042	399,069
Non-operating expenses		
Interest expenses	14,678	10,514
Other	5,504	4,788
Total non-operating expenses	20,183	15,303
Ordinary profit	749,633	1,526,840
Extraordinary income		
Gain on sale of investment securities	-	7,413
Subsidy income	3,255	442,169
Income insurance	2,000	-
Other	-	3
Total extraordinary income	5,255	449,586
Extraordinary losses		
Loss on retirement of non-current assets	4,906	7,635
Total extraordinary losses	4,906	7,635
Profit before income taxes	749,982	1,968,791
Income taxes - current	364,902	764,144
Income taxes - deferred	(84,433)	(126,388)
Total income taxes	280,469	637,756
Profit	469,513	1,331,034
Profit (loss) attributable to non-controlling interests	8,077	(6,020)
Profit attributable to owners of parent	461,436	1,337,055

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	469,513	1,331,034
Other comprehensive income		
Valuation difference on available-for-sale securities	21,589	(43,260)
Deferred gains or losses on hedges	-	3,554
Foreign currency translation adjustment	39,370	(1,145)
Remeasurements of defined benefit plans, net of tax	(38,157)	(34,611)
Total other comprehensive income	22,801	(75,462)
Comprehensive income	492,314	1,255,572
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	481,335	1,259,467
Comprehensive income attributable to non-controlling interests	10,979	(3,895)

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	749,982	1,968,791
Depreciation	916,075	823,609
Increase (decrease) in allowance for doubtful accounts	131	190
Interest and dividend income	(41,919)	(31,450)
Interest expenses	14,678	10,514
Foreign exchange losses (gains)	(13,500)	(186,087)
Loss (gain) on sale and retirement of non-current assets	4,906	7,632
Subsidy income	-	(437,266)
Loss (gain) on sale of investment securities	-	(7,413)
Decrease (increase) in trade receivables	(1,575,758)	(1,828,095)
Decrease (increase) in inventories	(308,025)	(578,153)
Increase (decrease) in trade payables	413,629	677,318
Increase (decrease) in accounts payable - other	876,218	820,431
Increase (decrease) in accrued consumption taxes	85,797	(98,842)
Increase (decrease) in provision for bonuses	109,505	145,865
Increase (decrease) in provision for bonuses for directors (and other officers)	(15,000)	(35,000)
Increase (decrease) in retirement benefit liability	(54,298)	(49,439)
Decrease (increase) in retirement benefit asset	(7,567)	(3,115)
Increase(decrease) in provision for officers' retirement benefits	10,116	4,344
Other, net	(288,559)	(213,434)
Subtotal	876,411	990,398
Interest and dividends received	41,935	31,450
Interest paid	(14,498)	(10,003)
Income taxes paid	(194,613)	(414,634)
Net cash provided by (used in) operating activities	709,236	597,211
Cash flows from investing activities		
Purchase of property, plant and equipment	(636,917)	(919,619)
Proceeds from sale of property, plant and equipment	19,360	550
Purchase of intangible assets	(583)	-
Purchase of investment securities	(2,228)	(2,279)
Proceeds from sale of investment securities	-	18,397
Proceeds from sale of investments in capital	3,250	-
Net cash provided by (used in) investing activities	(617,119)	(902,951)

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	550,000	600,000
Repayments of long-term borrowings	(199,644)	(132,992)
Repayments of lease liabilities	(93,717)	(57,718)
Purchase of treasury shares	-	(6)
Dividends paid	(312,650)	(338,104)
Net cash provided by (used in) financing activities	(56,011)	71,178
Effect of exchange rate change on cash and cash equivalents	30,650	62,804
Net increase (decrease) in cash and cash equivalents	66,755	(171,757)
Cash and cash equivalents at beginning of period	1,099,980	1,069,855
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	109,709
Cash and cash equivalents at end of period	1,166,736	1,007,808