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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 8, 2023

Company name: IMURAYA GROUP CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Code number: 2209
 URL: <https://www.imuraya-group.com/>
 Representative: Yasuki Onishi, President and Representative Director
 Contact: Jiro Tominaga, Executive Vice President and Chief Financial Officer
 Phone: 050-1791-2014
 Scheduled date of filing quarterly securities report: November 8, 2023
 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, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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	22,979	6.9	1,104	(3.4)	1,378	(9.7)	954	(28.6)
September 30, 2022	21,493	10.1	1,143	82.7	1,526	103.7	1,337	189.8

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 1,157 million [(7.8)%]
 Six months ended September 30, 2022: ¥ 1,255 million [155.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	72.91	-
September 30, 2022	102.19	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	40,485	19,474	48.0
March 31, 2023	34,107	18,684	54.7

(Reference) Equity: As of September 30, 2023: ¥ 19,448 million
 As of March 31, 2023: ¥ 18,653 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, 2023	-	0.00	-	28.00	28.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	28.00	28.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	46,500	4.1	2,000	0.4	2,100	(8.1)	1,400	(13.1)	107.00

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(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: No

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, 2023: 13,086,200 shares

March 31, 2023: 13,086,200 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 2,096 shares

March 31, 2023: 1,919 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 13,084,170 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,689,190	1,105,297
Accounts receivable - trade	5,506,881	10,413,039
Merchandise and finished goods	3,109,594	3,799,448
Work in process	339,849	404,197
Raw materials and supplies	993,321	1,002,674
Other	1,098,141	1,181,015
Allowance for doubtful accounts	(1,189)	(1,744)
Total current assets	12,735,789	17,903,928
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,245,265	19,989,142
Accumulated depreciation	(11,204,371)	(11,395,410)
Buildings and structures, net	8,040,893	8,593,732
Machinery, equipment and vehicles	18,689,994	19,242,654
Accumulated depreciation	(14,660,478)	(14,887,068)
Machinery, equipment and vehicles, net	4,029,516	4,355,585
Land	4,253,858	4,351,538
Other	3,193,792	2,975,423
Accumulated depreciation	(1,171,013)	(1,265,130)
Other, net	2,022,779	1,710,293
Total property, plant and equipment	18,347,048	19,011,149
Intangible assets		
Leased assets	127,051	117,418
Other	42,700	32,690
Total intangible assets	169,751	150,109
Investments and other assets		
Investment securities	1,482,989	1,910,417
Retirement benefit asset	917,445	918,176
Other	466,979	603,184
Allowance for doubtful accounts	(12,756)	(11,576)
Total investments and other assets	2,854,658	3,420,202
Total non-current assets	21,371,458	22,581,460
Total assets	34,107,247	40,485,389

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,739,475	3,650,700
Electronically recorded obligations - operating	1,864,294	2,155,787
Short-term borrowings	2,600,000	5,800,000
Current portion of long-term borrowings	100,536	50,670
Accounts payable - other	3,746,564	4,460,565
Income taxes payable	626,512	651,787
Provision for bonuses	601,187	742,922
Other	642,227	851,317
Total current liabilities	12,920,797	18,363,752
Non-current liabilities		
Provision for officer' retirement benefits	56,580	56,916
Retirement benefit liability	38,472	39,276
Asset retirement obligations	142,055	142,634
Other	2,264,910	2,407,820
Total non-current liabilities	2,502,018	2,646,647
Total liabilities	15,422,816	21,010,399
Net assets		
Shareholders' equity		
Share capital	2,576,539	2,576,539
Capital surplus	3,810,519	3,809,656
Retained earnings	9,841,358	10,429,886
Treasury shares	(4,221)	(4,621)
Total shareholders' equity	16,224,196	16,811,461
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	201,956	508,868
Revaluation reserve for land	1,930,419	1,930,419
Foreign currency translation adjustment	13,953	(55,426)
Remeasurements of defined benefit plans	282,571	253,466
Total accumulated other comprehensive income	2,428,901	2,637,329
Non-controlling interests	31,333	26,198
Total net assets	18,684,431	19,474,989
Total liabilities and net assets	34,107,247	40,485,389

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	21,493,196	22,979,400
Cost of sales	13,710,938	15,018,283
Gross profit	7,782,258	7,961,116
Selling, general and administrative expenses	6,639,183	6,856,944
Operating profit	1,143,075	1,104,172
Non-operating income		
Dividend income	26,374	31,368
Rental income from buildings	17,566	16,707
Foreign exchange gains	308,649	206,515
Other	46,478	47,126
Total non-operating income	399,069	301,717
Non-operating expenses		
Interest expenses	10,514	26,031
Other	4,788	1,050
Total non-operating expenses	15,303	27,081
Ordinary profit	1,526,840	1,378,808
Extraordinary income		
Gain on sale of investment securities	7,413	-
Subsidy income	442,169	42,969
Other	3	-
Total extraordinary income	449,586	42,969
Extraordinary losses		
Loss on retirement of non-current assets	7,635	344
Total extraordinary losses	7,635	344
Profit before income taxes	1,968,791	1,421,433
Income taxes - current	764,144	576,907
Income taxes - deferred	(126,388)	(104,264)
Total income taxes	637,756	472,643
Profit	1,331,034	948,790
Loss attributable to non-controlling interests	(6,020)	(5,234)
Profit attributable to owners of parent	1,337,055	954,025

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,331,034	948,790
Other comprehensive income		
Valuation difference on available-for-sale securities	(43,260)	306,912
Deferred gains or losses on hedges	3,554	-
Foreign currency translation adjustment	(1,145)	(69,280)
Remeasurements of defined benefit plans, net of tax	(34,611)	(29,104)
Total other comprehensive income	(75,462)	208,527
Comprehensive income	1,255,572	1,157,317
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,259,467	1,162,452
Comprehensive income attributable to non-controlling interests	(3,895)	(5,135)

Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,968,791	1,421,433
Depreciation	823,609	955,326
Increase (decrease) in allowance for doubtful accounts	190	555
Interest and dividend income	(31,450)	(36,487)
Interest expenses	10,514	26,031
Foreign exchange losses (gains)	(186,087)	(126,215)
Loss (gain) on sale and retirement of non-current assets	7,632	344
Subsidy income	(437,266)	(42,969)
Loss (gain) on sale of investment securities	(7,413)	-
Decrease (increase) in trade receivables	(1,828,095)	(4,892,520)
Decrease (increase) in inventories	(578,153)	(702,028)
Increase (decrease) in trade payables	677,318	1,118,883
Increase (decrease) in accounts payable - other	820,431	872,602
Increase (decrease) in accrued consumption taxes	(98,842)	86,848
Increase (decrease) in provision for bonuses	145,865	141,677
Increase (decrease) in provision for bonuses for directors (and other officers)	(35,000)	(35,000)
Increase (decrease) in retirement benefit liability	(49,439)	(41,328)
Decrease (increase) in retirement benefit asset	(3,115)	(730)
Increase(decrease) in provision for officers' retirement benefits	4,344	336
Other, net	(213,434)	115,548
Subtotal	990,398	(1,137,693)
Interest and dividends received	31,450	36,487
Interest paid	(10,003)	(25,996)
Subsidies received	-	3,835
Income taxes paid	(414,634)	(484,675)
Net cash provided by (used in) operating activities	597,211	(1,608,042)
Cash flows from investing activities		
Purchase of property, plant and equipment	(919,619)	(1,720,595)
Proceeds from sale of property, plant and equipment	550	-
Purchase of intangible assets	-	(233)
Purchase of investment securities	(2,279)	(2,377)
Proceeds from sale of investment securities	18,397	40
Other, net	-	7,445
Net cash provided by (used in) investing activities	(902,951)	(1,715,720)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	600,000	3,200,000
Repayments of long-term borrowings	(132,992)	(49,866)
Repayments of lease liabilities	(57,718)	(89,472)
Purchase of treasury shares	(6)	(399)
Dividends paid	(338,104)	(370,483)
Net cash provided by (used in) financing activities	71,178	2,689,777
Effect of exchange rate change on cash and cash equivalents	62,804	50,092
Net increase (decrease) in cash and cash equivalents	(171,757)	(583,892)
Cash and cash equivalents at beginning of period	1,069,855	1,689,190
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	109,709	-
Cash and cash equivalents at end of period	1,007,808	1,105,297