

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: Kamigumi Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9364 URL <https://www.kamigumi.co.jp/>
 Representative: President & Representative Director Yoshihiro Fukai
 Executive Officer and Director of Financial
 Inquiries: Yasuhiro Kishino TEL 078-271-5119
 HQ
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 6, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		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, 2022	139,558	8.2	16,242	13.3	18,327	18.9	12,367	13.3
Six months ended September 30, 2021	128,968	12.1	14,342	28.5	15,411	28.7	10,919	33.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	109.73	—
Six months ended September 30, 2021	94.01	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	437,104	363,018	82.6
As of March 31, 2022	434,734	367,917	84.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	27.00	—	46.00	73.00
Year ending March 31, 2023	—	40.00			
Year ending March 31, 2023 (Forecast)			—	43.00	83.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Operating revenue		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	272,800	4.2	30,500	6.9	33,600	8.8	23,000	10.2	206.04

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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, 2022	120,726,837 shares	As of March 31, 2022	127,496,837 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2022	10,172,262 shares	As of March 31, 2022	12,828,055 shares
--------------------------	-------------------	----------------------	-------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	112,705,660 shares	Six months ended September 30, 2021	116,158,225 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	45,897	48,625
Trade notes and accounts receivable, and contract assets	47,075	48,445
Electronically recorded monetary claims - operating	748	898
Securities	10,500	10,600
Inventories	764	794
Other	6,975	6,431
Allowance for doubtful accounts	(56)	(58)
Total current assets	111,904	115,736
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	104,779	105,034
Land	100,265	100,229
Other, net	27,040	26,306
Total property, plant and equipment	232,086	231,570
Intangible assets	6,649	6,638
Investments and other assets		
Investment securities	75,101	72,794
Other	9,309	10,681
Allowance for doubtful accounts	(316)	(317)
Total investments and other assets	84,094	83,158
Total non-current assets	322,829	321,367
Total assets	434,734	437,104
Liabilities		
Current liabilities		
Trade notes and accounts payable	27,107	25,247
Income taxes payable	5,817	5,837
Provision for bonuses	177	188
Other	13,528	12,348
Total current liabilities	46,631	43,622
Non-current liabilities		
Long-term borrowings	–	10,000
Provision for retirement benefits for directors (and other officers)	66	69
Provision for special repairs for ships and vessels	20	23
Retirement benefit liability	18,324	18,708
Provision for loss on business of subsidiaries and associates	267	267
Other	1,507	1,394
Total non-current liabilities	20,185	30,463
Total liabilities	66,816	74,086

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	321,928	315,728
Treasury shares	(25,034)	(22,699)
Total shareholders' equity	355,390	351,525
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,708	9,056
Foreign currency translation adjustment	336	929
Remeasurements of defined benefit plans	(294)	(279)
Total accumulated other comprehensive income	10,750	9,706
Non-controlling interests	1,776	1,785
Total net assets	367,917	363,018
Total liabilities and net assets	434,734	437,104

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, 2021	Six months ended September 30, 2022
Operating revenue	128,968	139,558
Operating costs	104,778	113,198
Operating gross profit	24,190	26,360
Selling, general and administrative expenses	9,847	10,117
Operating profit	14,342	16,242
Non-operating income		
Interest income	14	12
Dividend income	561	1,109
Foreign exchange gains	4	199
Share of profit of entities accounted for using equity method	287	617
Other	216	193
Total non-operating income	1,083	2,133
Non-operating expenses		
Interest expenses	–	6
Other	14	42
Total non-operating expenses	14	48
Ordinary profit	15,411	18,327
Extraordinary income		
Gain on sale of non-current assets	228	24
Gain on sale of investment securities	627	6
Total extraordinary income	856	30
Extraordinary losses		
Loss on sale and retirement of non-current assets	499	363
Loss on valuation of shares of subsidiaries and associates	–	224
Total extraordinary losses	499	587
Profit before income taxes	15,767	17,769
Income taxes - current	5,078	5,555
Income taxes - deferred	(78)	(166)
Total income taxes	5,000	5,389
Profit	10,767	12,380
Profit (loss) attributable to non-controlling interests	(152)	12
Profit attributable to owners of parent	10,919	12,367

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	10,767	12,380
Other comprehensive income		
Valuation difference on available-for-sale securities	1,669	(1,486)
Foreign currency translation adjustment	128	401
Remeasurements of defined benefit plans, net of tax	79	69
Share of other comprehensive income of entities accounted for using equity method	135	(29)
Total other comprehensive income	2,014	(1,046)
Comprehensive income	12,782	11,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,932	11,323
Comprehensive income attributable to non-controlling interests	(150)	10

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	15,767	17,769
Depreciation	6,289	6,563
Increase (decrease) in allowance for doubtful accounts	(2)	2
Increase (decrease) in retirement benefit liability	397	453
Interest and dividend income	(575)	(1,122)
Interest expenses	–	6
Share of loss (profit) of entities accounted for using equity method	(287)	(617)
Loss (gain) on sale of investment securities	(627)	(6)
Loss on valuation of shares of subsidiaries and associates	–	224
Loss (gain) on sale and retirement of non-current assets	270	339
Decrease (increase) in trade receivables	1,350	(1,344)
Decrease (increase) in inventories	16	(29)
Increase (decrease) in trade payables	(486)	(1,977)
Other, net	(405)	725
Subtotal	21,709	20,986
Interest and dividends received	1,087	1,450
Interest paid	–	(8)
Payments associated with disaster loss	(450)	–
Income taxes paid	(4,698)	(5,539)
Net cash provided by (used in) operating activities	17,647	16,889
Cash flows from investing activities		
Net decrease (increase) in time deposits	10,287	(6,500)
Purchase of securities	(10,000)	(10,000)
Proceeds from sale of securities	10,000	10,000
Proceeds from redemption of securities	900	–
Purchase of non-current assets	(6,672)	(7,225)
Proceeds from sale of non-current assets	322	56
Payments for retirement of non-current assets	(498)	(363)
Purchase of investment securities	(11)	(314)
Proceeds from sale and redemption of investment securities	1,689	309
Purchase of shares of subsidiaries and associates	(117)	–
Other, net	64	15
Net cash provided by (used in) investing activities	5,963	(14,021)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	10,000
Dividends paid	(3,136)	(5,274)
Purchase of treasury shares	(0)	(11,000)
Other, net	(45)	(102)
Net cash provided by (used in) financing activities	(3,182)	(6,377)
Effect of exchange rate change on cash and cash equivalents	75	237
Net increase (decrease) in cash and cash equivalents	20,503	(3,271)
Cash and cash equivalents at beginning of period	22,780	46,364
Cash and cash equivalents at end of period	43,284	43,092