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Summary Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 [Japanese GAAP] (Consolidated)

November 8, 2023

Company Name	ASAHI KOGYOSHA CO., LTD.	Exchange listed on	Tokyo Stock Exchange
Securities Code	1975	URL	https://www.asahikogyosha.co.jp
Representative	(Title) President and Representative Director	(Name)	Yasutomo Takasu
Contact	(Title) Director, Vice President, Executive Officer, and General Manager of General Affairs Division	(Name)	Michiya Kameda (TEL) 03-6452-8181
Scheduled date for quarterly securities report filing:		November 8, 2023	
Scheduled date of commencement of dividend payments		December 4, 2023	
Supplementary materials prepared for quarterly financial results:		Yes	
Quarterly financial results briefing to be convened:		Yes	

(Amounts rounded down to the nearest millions of yen.)

1. Consolidated Results for Second Quarter of Fiscal Year Ending March 2024 (from April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate rates of change from the same quarter of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Q2 of fiscal year ending March 2024	41,997	33.8	2,211	—	2,395	—	1,615	—
Q2 of fiscal year ended March 2023	31,388	10.5	55	26.4	206	-9.0	106	-14.6

(Note) Comprehensive income:	Q2 of fiscal year ending March 2024	2,553 million yen	(803.4%)
	Q2 of fiscal year ended March 2023	282 million yen	(-%)

	Net income per share	Diluted net income per share
	yen	yen
Q2 of fiscal year ending March 2024	125.67	—
Q2 of fiscal year ended March 2023	8.29	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Q2 of fiscal year ending March 2024	76,126	37,260	48.9	2,896.63
Fiscal year ended March 2023	78,941	35,380	44.8	2,753.40

(Reference) Shareholders' equity	Q2 of fiscal year ending March 2024	37,260 million yen
	Fiscal year ended March 2023	35,380 million yen

2. Dividends

	Annual dividends				
	End of Q1	End of Q2	End of Q3	End of FY	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 2023	–	25.00	–	55.00	80.00
Fiscal year ending March 2024	–	40.00			
Fiscal year ending March 2024 (forecast)		–	–	40.00	80.00

(Notes) 1. Revision to most recently announced dividend forecast: None

2. Breakdown of dividends

End of Q2 of fiscal year ended March 2023	Ordinary dividends: 25.00 yen
Fiscal year ended March 2023, year end	Ordinary dividends: 25.00 yen; special dividends: 30.00 yen
End of Q2 for fiscal year ending March 2024	Ordinary dividends: 40.00 yen
Fiscal year ending March 2024, year end (forecast)	Ordinary dividends: 40.00 yen

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

(Percentages indicate rates of change from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	88,700	10.6	2,900	7.5	3,150	0.7	2,500	0.8	194.42

(Note) Revision to most recently announced forecast of results: None

* Notes

- (1) Changes in significant subsidiaries during cumulative consolidated quarter under review (changes in specified subsidiaries involving changes in the scope of consolidation): : None
- (2) Application of special account processing in preparation of quarterly consolidated financial statements: : None
- (3) Changes in accounting policies or accounting estimates, restatements
 - 1) Changes in accounting policies related to revision of accounting standards: : None
 - 2) Changes in accounting policies other than those under 1) above: : None
 - 3) Changes in accounting estimates: : None
 - 4) Restatements : None

(4) Number of shares issued (common shares)

1) Total shares issued and outstanding at the end of period (including treasury stock)	2Q, Fiscal year ending March 2024	13,600,000 shares	Fiscal year ended March 2023	13,600,000 shares
2) Shares of treasury stock at the end of period	2Q, Fiscal year ending March 2024	736,774 shares	Fiscal year ended March 2023	750,174 shares
3) Average shares during period (quarterly, cumulative)	2Q, Fiscal year ending March 2024	12,854,878 shares	2Q, Fiscal year ended March 2023	12,837,060 shares

* Quarterly summary financial results are not subject to audits by a certified public accountant or audit firm.

* Explanation of appropriate use of operating results forecasts and other special notes

The forward-looking statements contained in this document, including forecasts of operating results, are based on information available to the Company and certain assumptions deemed reasonable at the time. No guarantees are provided concerning their achievement. Actual results may differ substantially for various reasons.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheet

(Million yen)

	Previous consolidated fiscal year (March 31, 2023)	Second quarter of current consolidated fiscal year (September 30, 2023)
Assets		
Current assets		
Cash and deposits	17,667	17,527
Notes receivable, accounts receivable from completed construction contracts, and other	30,295	28,510
Electronically recorded monetary claims – operating	6,882	5,313
Finished goods	0	1
Costs on construction contracts in progress	1,472	1,776
Work in process	567	881
Raw materials and supplies	246	254
Other	2,071	887
Allowance for doubtful accounts	-1	-2
Total current assets	59,201	55,151
Non-current assets		
Property, plant, and equipment	6,321	6,432
Intangible assets	791	688
Investments and other assets		
Investment securities	11,305	12,509
Other	1,331	1,353
Allowance for doubtful accounts	-9	-9
Total investments and other assets	12,627	13,854
Total non-current assets	19,740	20,974
Total assets	78,941	76,126
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts, and other	20,024	16,527
Electronically recorded obligations – operating	14,235	12,859
Short-term borrowings	3,300	2,330
Income taxes payable	812	693
Advances received on construction contracts in progress	1,265	1,828
Provision for warranties for completed construction	86	117
Provision for loss on construction contracts	260	191
Other	1,657	1,655
Total current liabilities	41,642	36,202
Non-current liabilities		
Retirement benefit liability	1,282	1,373
Other	635	1,290
Total non-current liabilities	1,918	2,663
Total liabilities	43,561	38,866
Net assets		
Shareholders' equity		
Share capital	3,857	3,857
Capital surplus	3,777	3,798
Retained earnings	24,830	25,739
Treasury shares	-672	-660
Total shareholders' equity	31,792	32,734
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,034	4,887
Foreign currency translation adjustment	183	238
Remeasurements of defined benefit plans	-630	-599
Total accumulated other comprehensive income	3,588	4,525
Total net assets	35,380	37,260
Total liabilities and net assets	78,941	76,126

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(Cumulative consolidated second quarter)

	(Million yen)	
	Cumulative second quarter of previous consolidated fiscal year (April 1, 2022 – September 30, 2022)	Cumulative second quarter of current consolidated fiscal year (April 1, 2023 – September 30, 2023)
Net sales	31,388	41,997
Cost of sales	28,358	36,591
Gross profit	3,029	5,405
Selling, general and administrative expenses	2,973	3,194
Operating profit	55	2,211
Non-operating income		
Interest income	1	2
Dividend income	151	166
Other	46	38
Total non-operating income	199	207
Non-operating expenses		
Interest expenses	15	14
Commitment fees	30	7
Other	2	1
Total non-operating expenses	47	23
Ordinary profit	206	2,395
Extraordinary income		
Gain on sale of golf club membership	–	1
Gain on sale of investment securities	–	16
Gain on sale of businesses	70	–
Total extraordinary income	70	18
Extraordinary losses		
Loss on disposal of non-current assets	3	0
Loss on valuation of golf club membership	–	0
Loss on valuation of investment securities	15	9
Total extraordinary losses	18	10
Profit before income taxes	257	2,403
Income taxes – current	114	607
Income taxes – deferred	36	180
Total income taxes	151	788
Profit	106	1,615
Profit attributable to owners of parent	106	1,615

(Quarterly consolidated statement of comprehensive income)
(Cumulative consolidated second quarter)

	(Million yen)	
	Cumulative second quarter of previous consolidated fiscal year (April 1, 2022 – September 30, 2022)	Cumulative second quarter of current consolidated fiscal year (April 1, 2023 – September 30, 2023)
Profit	106	1,615
Other comprehensive income		
Valuation difference on available-for-sale securities	87	852
Foreign currency translation adjustment	51	54
Remeasurements of defined benefit plans, net of tax	36	31
Total other comprehensive income	176	937
Comprehensive income	282	2,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	282	2,553
Comprehensive income attributable to non-controlling interests	–	–