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

November 7, 2023

Company name: ST. COUSAIR Co., Ltd.

Stock exchange listing: Tokyo

Code number: 2937

URL: <https://www.stcousair.co.jp/company>

Representative: Ryota Kuze

President/CEO

Contact: Seiichi Kawahara

Director

Phone: +81-26-219-3902

Scheduled date of filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(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	9,018	11.0	746	11.8	816	19.2	524	13.7
September 30, 2022	8,127	-	667	-	684	-	461	-

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 571 million [(4.8) %]
Six months ended September 30, 2022: ¥ 599 million [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	57.67	55.99
September 30, 2022	60.45	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	8,959	4,486	50.0
March 31, 2023	9,174	4,226	46.0

(Reference) Equity: As of September 30, 2023: ¥ 4,483 million
As of March 31, 2023: ¥ 4,223 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	-	35.00	35.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	35.00	35.00

(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	19,711	10.3	1,681	5.1	1,661	2.5	1,096	3.5	118.47

(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

New - (Company name:)

Exclusion: - (Company name:)

(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: 9,153,600 shares

March 31, 2023: 9,068,200 shares

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

September 30, 2023: - shares

March 31, 2023: - shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 9,102,510 shares

Six months ended September 30, 2022: 7,640,000 shares

Explanation of Appropriate Use of Financial Results Forecasts, and Other Special Notes:

The descriptions regarding future performance forecasts and other matters contained in this document are based on certain assumptions that the company deems reasonable and on information currently available to us. However, these descriptions do not imply any commitment on the part of the company to guarantee their achievement. Additionally, actual performance and other related factors may vary significantly due to various factors.

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	3,317,671	2,728,716
Accounts receivable - trade	1,728,233	1,445,195
Merchandise and finished goods	1,234,512	1,358,895
Work in process	90,517	92,290
Raw materials and supplies	310,701	293,882
Other	132,815	98,098
Allowance for doubtful accounts	(92)	(58)
Total current assets	6,814,358	6,017,021
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,148,275	2,260,953
Accumulated depreciation	(1,427,495)	(1,483,147)
Buildings and structures, net	720,780	777,805
Other	1,603,541	1,731,774
Accumulated depreciation	(753,883)	(816,294)
Other, net	849,658	915,480
Total property, plant and equipment	1,570,439	1,693,285
Intangible assets		
Goodwill	102,459	189,348
Other	32,187	409,630
Total intangible assets	134,647	598,978
Investments and other assets		
Other	656,168	651,079
Allowance for doubtful accounts	(1,176)	(1,176)
Total investments and other assets	654,992	649,903
Total non-current assets	2,360,079	2,942,167
Total assets	9,174,438	8,959,189

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,328,604	938,761
Electronically recorded obligations - operating	128,687	143,761
Short-term borrowings	662,591	510,000
Current portion of bonds payable	100,000	100,000
Current portion of long-term borrowings	160,297	239,990
Income taxes payable	464,428	338,665
Provision for bonuses	85,382	86,634
Provision for bonuses for directors	18,340	8,868
Asset retirement obligations	9,000	9,000
Other	685,731	699,972
Total current liabilities	3,643,064	3,075,653
Non-current liabilities		
Long-term borrowings	908,474	983,064
Retirement benefit liability	68,174	76,570
Asset retirement obligations	129,241	140,532
Other	199,470	196,651
Total non-current liabilities	1,305,361	1,396,818
Total liabilities	4,948,426	4,472,472
Net assets		
Shareholders' equity		
Share capital	1,127,115	1,130,623
Capital surplus	1,292,086	1,295,568
Retained earnings	1,694,538	1,902,112
Total shareholders' equity	4,113,740	4,328,304
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1,949)	16,544
Foreign currency translation adjustment	111,550	138,848
Total accumulated other comprehensive income	109,600	155,393
Non-controlling interests	2,670	3,018
Total net assets	4,226,011	4,486,717
Total liabilities and net assets	9,174,438	8,959,189

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	8,127,233	9,018,999
Cost of sales	4,895,757	5,463,938
Gross profit	3,231,475	3,555,061
Selling, general and administrative expenses	2,563,515	2,808,592
Operating profit	667,960	746,468
Non-operating income		
Interest income	75	183
Dividend income	0	-
Foreign exchange gains	16,822	80,581
Gain on valuation of derivatives	2,475	-
Other	18,744	13,339
Total non-operating income	38,118	94,104
Non-operating expenses		
Interest expenses	17,976	24,118
Other	3,277	379
Total non-operating expenses	21,253	24,497
Ordinary profit	684,824	816,075
Extraordinary income		
Gain on sale of non-current assets	8,773	7,973
Total extraordinary income	8,773	7,973
Profit before income taxes	693,598	824,049
Income taxes - current	224,554	286,862
Income taxes - deferred	7,035	11,877
Total income taxes	231,590	298,739
Profit	462,008	525,310
Profit attributable to non-controlling interests	141	348
Profit attributable to owners of parent	461,866	524,961

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	462,008	525,310
Other comprehensive income		
Valuation difference on available-for-sale securities	27,584	18,494
Foreign currency translation adjustment	110,326	27,298
Total other comprehensive income	137,910	45,793
Comprehensive income	599,919	571,103
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	599,777	570,754
Comprehensive income attributable to non-controlling interests	141	348

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	693,598	824,049
Depreciation	111,479	112,112
Amortization of goodwill	10,970	12,733
Interest and dividend income	(76)	(183)
Interest expenses	17,976	24,118
Increase (decrease) in provision for bonuses	(3,133)	1,251
Increase (decrease) in provision for bonuses for directors (and other officers)	8,243	(9,472)
Decrease (increase) in trade receivables	5,397	293,824
Decrease (increase) in inventories	(143,313)	(68,125)
Increase (decrease) in trade payables	(300,094)	(385,054)
Increase (decrease) in retirement benefit liability	6,576	8,395
Decrease (increase) in other current assets	5,544	31,480
Increase (decrease) in other current liabilities	74,653	(3,044)
Other, net	(42,964)	(101,104)
Subtotal	444,858	740,982
Interest and dividends received	76	183
Interest paid	(17,330)	(16,377)
Income taxes paid	(328,298)	(428,516)
Net cash provided by (used in) operating activities	99,305	296,270
Cash flows from investing activities		
Purchase of property, plant and equipment	(134,137)	(171,824)
Purchase of intangible assets	(6,840)	(3,947)
Purchase of investment securities	(30,471)	-
Proceeds from refund of guarantee deposits	8,878	16,870
Payments for acquisition of businesses	-	(425,250)
Other, net	(3,486)	(2,777)
Net cash provided by (used in) investing activities	(166,057)	(586,929)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	400,000	(135,690)
Proceeds from long-term borrowings	-	989,000
Repayments of long-term borrowings	(248,628)	(857,800)
Repayments of finance lease liabilities	(14,729)	(6,979)
Proceeds from issuance of shares	-	6,989
Dividends paid	(267,400)	(317,387)
Net cash provided by (used in) financing activities	(130,757)	(321,868)
Effect of exchange rate change on cash and cash equivalents	30,158	23,571
Net increase (decrease) in cash and cash equivalents	(167,352)	(588,955)
Cash and cash equivalents at beginning of period	1,249,371	3,317,671
Cash and cash equivalents at end of period	1,082,019	2,728,716