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

November 8, 2023

Company name: Mie Kotsu Group Holdings, Inc.

Stock exchange listing: Tokyo, Nagoya

Securities code: 3232

URL: <https://holdings.sanco.co.jp/>

Representative: Kenichi Takeya, President and Representative Director

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: November 21, 2023

Availability of supplementary briefing material on quarterly financial results: None

Holding of quarterly financial results briefing: Yes (for securities analysts and institutional investors)

(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 (% represents increase from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
Six months ended September 30, 2023	43,770	11.0	3,486	80.8	3,617	58.6	2,704	60.5
September 30, 2022	39,449	10.6	1,928	-	2,280	410.6	1,684	503.6

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 3,731 million [21.3%]
Six months ended September 30, 2022: ¥ 3,075 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	27.07	-
September 30, 2022	16.90	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million of yen	Million of yen	%
September 30, 2023	173,719	56,057	32.1
March 31, 2023	167,901	52,777	31.2

(Reference) Equity: As of September 30, 2023: ¥ 55,740 million
As of March 31, 2023: ¥ 52,467 million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	5.00	-	5.00	10.00
Fiscal year ending March 31, 2024	-	6.00			
Fiscal year ending March 31, 2024 (Forecast)			-	6.00	12.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the annual dividend for the fiscal year ended March 31, 2024 :Ordinary dividend of ¥11.00, and commemorative dividend of ¥1.00 (80th anniversary commemorative dividend)

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

(% represents increase (decrease) from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%	Yen
Full year	100,000	7.4	6,800	6.7	6,800	(1.7)	4,400	16.7	44.05

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

* 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): None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(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: 107,301,583 shares

March 31, 2023: 107,301,583 shares

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

September 30, 2023: 7,258,600 shares

March 31, 2023: 7,462,274 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 99,888,289 shares

Six months ended September 30, 2022: 99,712,813 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions of the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,333,177	10,535,039
Notes and accounts receivable - trade	7,733,103	7,523,092
Merchandise and finished goods	3,304,832	3,878,060
Real estate for sale	22,795,771	23,598,374
Work in process	299,335	525,265
Raw materials and supplies	273,028	285,476
Other	2,572,624	2,680,964
Allowance for doubtful accounts	(7,726)	(9,362)
Total current assets	46,304,145	49,016,909
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,204,211	23,080,420
Machinery, equipment and vehicles, net	20,358,918	19,590,443
Land	54,654,604	55,808,427
Other, net	2,195,545	2,862,493
Total property, plant and equipment	100,413,279	101,341,784
Intangible assets		
Other	543,873	529,332
Total intangible assets	543,873	529,332
Investments and other assets		
Other	20,750,544	22,940,317
Allowance for doubtful accounts	(110,233)	(109,271)
Total investments and other assets	20,640,311	22,831,046
Total non-current assets	121,597,463	124,702,163
Total assets	167,901,609	173,719,073
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,646,768	3,966,839
Short-term borrowings	11,020,000	14,400,000
Current portion of long-term borrowings	24,893,889	27,473,362
Income taxes payable	1,748,877	1,964,216
Provisions	1,033,401	1,082,322
Other	8,208,438	7,869,656
Total current liabilities	53,551,374	56,756,395
Non-current liabilities		
Long-term borrowings	43,606,491	41,806,622
Provisions	439,314	457,205
Retirement benefit liability	1,983,793	1,910,439
Asset retirement obligations	1,780,758	1,787,876
Other	13,762,071	14,942,938
Total non-current liabilities	61,572,429	60,905,082
Total liabilities	115,123,804	117,661,478

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	10,488,281	10,517,432
Retained earnings	31,092,032	33,296,906
Treasury shares	(681,593)	(663,104)
Total shareholders' equity	43,898,720	46,151,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,916,159	5,828,410
Revaluation reserve for land	3,282,401	3,282,401
Remeasurements of defined benefit plans	370,083	478,233
Total accumulated other comprehensive income	8,568,645	9,589,046
Non-controlling interests	310,439	317,315
Total net assets	52,777,804	56,057,595
Total liabilities and net assets	167,901,609	173,719,073

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Operating revenue	39,449,112	43,770,370
Operating expenses		
Operating expenses and cost of sales of transportation	28,247,225	30,945,717
Selling, general and administrative expenses	9,273,598	9,338,279
Total operating expenses	37,520,824	40,283,997
Operating profit	1,928,288	3,486,373
Non-operating income		
Dividend income	120,446	169,877
Other	426,102	149,192
Total non-operating income	546,549	319,069
Non-operating expenses		
Interest expenses	161,650	155,257
Other	32,417	32,843
Total non-operating expenses	194,067	188,100
Ordinary profit	2,280,770	3,617,342
Extraordinary income		
Subsidy income	11,239	55,699
Other	826	1,060
Total extraordinary income	12,065	56,759
Extraordinary losses		
Loss on disposal of non-current assets	34,273	18,619
Loss on tax purpose reduction entry of non-current assets	11,116	53,076
Cancellation penalty	-	20,366
Other	416	122
Total extraordinary losses	45,807	92,184
Profit before income taxes	2,247,028	3,581,918
Income taxes	554,243	872,266
Profit	1,692,785	2,709,651
Profit attributable to non-controlling interests	8,123	5,581
Profit attributable to owners of parent	1,684,661	2,704,070

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

(Thousand of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,692,785	2,709,651
Other comprehensive income		
Valuation difference on available-for-sale securities	1,414,931	913,976
Remeasurements of defined benefit plans, net of tax	(31,794)	108,150
Total other comprehensive income	1,383,137	1,022,126
Comprehensive income	3,075,922	3,731,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,070,147	3,724,471
Comprehensive income attributable to non-controlling interests	5,775	7,306

Quarterly Consolidated Statements of Cash Flows

(Thousand 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	2,247,028	3,581,918
Depreciation	2,433,123	2,325,610
Interest and dividend income	(121,799)	(171,137)
Interest expenses	161,650	155,257
Loss (gain) on sale of non-current assets	(800)	(60)
Loss (gain) on disposal of non-current assets	34,273	18,619
Decrease (increase) in trade receivables	497,209	323,839
Decrease (increase) in inventories	(3,856,841)	(1,645,658)
Increase (decrease) in trade payables	(2,353,538)	(2,669,307)
Increase (decrease) in accrued consumption taxes	(375,761)	(265,594)
Decrease (increase) in other current assets	(115,230)	(213,359)
Increase (decrease) in other current liabilities	(69,298)	(194,479)
Other, net	95,761	128,271
Subtotal	(1,424,223)	1,373,918
Interest and dividends received	121,528	170,887
Interest paid	(147,592)	(136,041)
Income taxes refund (paid)	(1,131,346)	(671,138)
Net cash provided by (used in) operating activities	(2,581,633)	737,626
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	200,000	-
Purchase of non-current assets	(835,320)	(3,278,954)
Proceeds from sale of non-current assets	1,737	660
Purchase of investment securities	(2,493)	(2,660)
Investments and loan advances	(112,513)	(85,543)
Proceeds from divestments and collection of loans receivable	39,493	250,584
Refund of guarantee deposits received	(267,710)	(265,074)
Guarantee deposits received	86,803	186,734
Other, net	69,277	7,356
Net cash provided by (used in) investing activities	(820,725)	(3,186,896)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(786,000)	3,380,000
Proceeds from long-term borrowings	17,950,000	12,125,000
Repayments of long-term borrowings	(11,218,474)	(11,345,396)
Purchase of treasury shares	(108)	(134)
Dividends paid	(398,693)	(499,196)
Dividends paid to non-controlling interests	(430)	(430)
Other, net	(11,984)	(8,709)
Net cash provided by (used in) financing activities	5,534,308	3,651,132
Net increase (decrease) in cash and cash equivalents	2,131,948	1,201,862
Cash and cash equivalents at beginning of period	5,323,312	7,473,177
Cash and cash equivalents at end of period	7,455,260	8,675,039