

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



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

November 9, 2023

Company name: SHIKIBO LTD.

Stock exchange listing: Tokyo

Code number: 3109

URL: <https://www.shikibo.co.jp/>

Representative: Shiriya Masahiro

Contact: Itami Hidenori

Phone: +81-6-6268-5421

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

,Representative Director,President

,Executive Officer,Division Manager,Corporate Division

(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	19,351	4.6	561	(3.2)	551	(6.0)	401	(47.8)
September 30, 2022	18,500	8.0	580	(11.9)	586	28.0	767	89.7

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 850 million [(26.5)%]
Six months ended September 30, 2022: ¥ 1,157 million [98.1%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	34.60		-	
September 30, 2022	66.25		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	83,022	33,622	40.5
March 31, 2023	82,043	33,357	40.6

(Reference) Equity: As of September 30, 2023: ¥ 33,598 million
As of March 31, 2023: ¥ 33,337 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	-	50.00	50.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	50.00	50.00

(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	39,000	2.9	1,300	6.7	1,100	(2.3)	800	(49.0)	69.01

(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: 11,810,829 shares

March 31, 2023: 11,810,829 shares

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

September 30, 2023: 219,296 shares

March 31, 2023: 218,908 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 11,591,731 shares

Six months ended September 30, 2022: 11,587,644 shares

(Note) The Company has adopted a stock compensation plan (Board Benefit Trust). For the purpose of calculating basic earnings per share, the number of the shares of the Company remaining in the Board Benefit Trust that are recorded as treasury shares under shareholders' equity is included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period.

* These financial results are outside the scope of audits by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

Financial results forecast and other forward-looking statements included in this material are based on information currently available to the Company and certain assumptions deemed reasonable, and actual performance and other results may differ significantly from these forecasts due to various factors.

(How to obtain supplementary briefing materials on financial results and details of financial results briefing session)

The Company plans to stream a video of a financial results briefing (recording). In addition, materials for the financial results briefing session will be posted on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,996	5,383
Notes and accounts receivable - trade	7,101	7,151
Electronically recorded monetary claims - operating	1,938	1,791
Merchandise and finished goods	5,911	5,864
Work in process	1,926	1,873
Raw materials and supplies	1,843	1,688
Income taxes refund receivable	177	-
Other	861	861
Allowance for doubtful accounts	(21)	(11)
Total current assets	24,738	24,603
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,179	45,803
Accumulated depreciation and impairment	(33,666)	(34,243)
Buildings and structures, net	11,512	11,559
Machinery, equipment and vehicles	27,420	27,775
Accumulated depreciation and impairment	(25,369)	(25,539)
Machinery, equipment and vehicles, net	2,050	2,236
Tools, furniture and fixtures	1,647	1,640
Accumulated depreciation and impairment	(1,513)	(1,503)
Tools, furniture and fixtures, net	133	137
Land	38,270	38,282
Leased assets	1,886	2,045
Accumulated depreciation	(1,089)	(1,148)
Leased assets, net	797	896
Construction in progress	492	1,102
Total property, plant and equipment	53,256	54,214
Intangible assets	509	526
Investments and other assets		
Investment securities	889	1,034
Long-term loans receivable	-	200
Deferred tax assets	2,195	2,008
Other	505	485
Allowance for doubtful accounts	(51)	(51)
Total investments and other assets	3,539	3,676
Total non-current assets	57,305	58,418
Total assets	82,043	83,022

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,222	3,253
Electronically recorded obligations - operating	974	984
Short-term borrowings	9,257	9,125
Current portion of bonds payable	1,110	2,080
Accrued expenses	553	508
Income taxes payable	73	165
Accrued consumption taxes	-	209
Provision for bonuses	584	605
Provision for loss on fire	36	-
Other	1,296	1,582
Total current liabilities	17,109	18,514
Non-current liabilities		
Bonds payable	2,690	1,870
Long-term borrowings	11,021	11,093
Lease liabilities	688	809
Deferred tax liabilities	179	184
Deferred tax liabilities for land revaluation	6,216	6,216
Retirement benefit liability	6,266	6,176
Provision for retirement benefits for directors (and other officers)	54	55
Provision for repairs	81	93
Long-term leasehold and guarantee deposits received	4,145	4,143
Other	233	242
Total non-current liabilities	31,576	30,884
Total liabilities	48,686	49,399
Net assets		
Shareholders' equity		
Share capital	11,336	11,336
Capital surplus	896	896
Retained earnings	9,155	8,971
Treasury shares	(241)	(241)
Total shareholders' equity	21,146	20,962
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	180	303
Deferred gains or losses on hedges	(15)	44
Revaluation reserve for land	13,238	13,238
Foreign currency translation adjustment	(1,040)	(831)
Remeasurements of defined benefit plans	(171)	(118)
Total accumulated other comprehensive income	12,191	12,636
Non-controlling interests	19	24
Total net assets	33,357	33,622
Total liabilities and net assets	82,043	83,022

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	18,500	19,351
Cost of sales	15,204	15,988
Gross profit	3,296	3,363
Selling, general and administrative expenses	2,716	2,801
Operating profit	580	561
Non-operating income		
Interest income	1	5
Dividend income	15	13
Insurance claim income	-	18
Foreign exchange gains	106	56
Subsidy income	24	24
Miscellaneous income	38	44
Total non-operating income	187	162
Non-operating expenses		
Interest expenses	106	109
Miscellaneous expenses	74	63
Total non-operating expenses	180	172
Ordinary profit	586	551
Extraordinary income		
Insurance claim income	560	128
Other	0	7
Total extraordinary income	561	136
Extraordinary losses		
Loss on valuation of investment securities	-	29
Loss on retirement of non-current assets	1	14
Loss due to disaster	27	5
Loss on fire	92	-
Other	3	0
Total extraordinary losses	125	49
Profit before income taxes	1,022	638
Income taxes - current	206	126
Income taxes - deferred	41	109
Total income taxes	247	235
Profit	775	402
Profit attributable to non-controlling interests	7	1
Profit attributable to owners of parent	767	401

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	775	402
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	122
Deferred gains or losses on hedges	60	60
Foreign currency translation adjustment	301	211
Remeasurements of defined benefit plans, net of tax	30	53
Total other comprehensive income	381	448
Comprehensive income	1,157	850
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,147	845
Comprehensive income attributable to non-controlling interests	9	4

Quarterly Consolidated Statements of Cash Flows

(Millions 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	1,022	638
Depreciation	890	899
Amortization of long-term prepaid expenses	12	14
Increase (decrease) in retirement benefit liability	5	(188)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(11)	1
Increase (decrease) in provision for repairs	6	11
Increase (decrease) in allowance for doubtful accounts	1	(9)
Increase (decrease) in provision for bonuses	1	20
Interest and dividend income	(17)	(18)
Interest expenses	106	109
Foreign exchange losses (gains)	(30)	(23)
Insurance claim income	(560)	(128)
Loss on fire	92	-
Loss on disaster	27	5
Loss (gain) on disposal of non-current assets	1	14
Loss (gain) on sale of non-current assets	3	(0)
Loss (gain) on sale of investment securities	(0)	-
Loss (gain) on valuation of investment securities	-	29
Decrease (increase) in trade receivables	125	139
Decrease (increase) in inventories	(512)	384
Increase (decrease) in trade payables	59	(51)
Increase (decrease) in consumption taxes receivable payable	(362)	227
Other, net	(291)	70
Subtotal	568	2,146
Interest and dividends received	5	18
Interest paid	(106)	(108)
Income taxes refund (paid)	(336)	104
Proceeds from insurance income	560	191
Amount payment of loss on fire	(146)	(114)
Payments associated with disaster loss	(3)	(2)
Net cash provided by (used in) operating activities	540	2,236
Cash flows from investing activities		
Purchase of property, plant and equipment	(509)	(1,034)
Proceeds from sale of property, plant and equipment	1	0
Purchase of investment securities	(35)	(3)
Proceeds from sale of investment securities	29	1
Loan advances	-	(200)
Proceeds from withdrawal of time deposits	36	36
Payments into time deposits	(36)	(35)
Other, net	(59)	(48)
Net cash provided by (used in) investing activities	(573)	(1,284)

(Millions 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	1,088	(54)
Proceeds from long-term borrowings	1,700	2,140
Repayments of long-term borrowings	(2,109)	(2,153)
Proceeds from issuance of bonds	588	784
Redemption of bonds	(700)	(650)
Purchase of treasury shares	(0)	(0)
Dividends paid	(462)	(580)
Other, net	(98)	(98)
Net cash provided by (used in) financing activities	7	(612)
Effect of exchange rate change on cash and cash equivalents	111	46
Net increase (decrease) in cash and cash equivalents	85	386
Cash and cash equivalents at beginning of period	5,008	4,922
Cash and cash equivalents at end of period	5,094	5,308