

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

Company name: Kamigumi Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9364 URL <https://www.kamigumi.co.jp/>
 Representative: President & Representative Director Yoshihiro Fukai
 Senior Corporate Officer, General Manager of Financial Hq. Yasuhiro Kishino TEL 078-271-5119
 Inquiries: TEL 078-271-5119
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	134,502	(3.6)	15,433	(5.0)	17,440	(4.8)	12,617	2.0
Six months ended September 30, 2022	139,558	8.2	16,242	13.3	18,327	18.9	12,367	13.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	116.32		-	
Six months ended September 30, 2022	109.73		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	461,196	375,834	81.1
As of March 31, 2023	456,038	373,005	81.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	-	40.00	-	50.00	90.00
Year ending March 31, 2024	-	45.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	45.00	90.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	271,000	(1.1)	31,000	(1.8)	34,700	(1.0)	24,000	(2.5)	223.34

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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, 2023	116,376,837 shares	As of March 31, 2023	116,376,837 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	9,730,682 shares	As of March 31, 2023	6,307,262 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	108,465,529 shares	Six months ended September 30, 2022	112,705,660 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	65,680	54,329
Trade notes and accounts receivable, and contract assets	48,371	48,477
Electronically recorded monetary claims - operating	1,004	1,270
Securities	10,600	10,800
Inventories	816	803
Other	6,173	6,724
Allowance for doubtful accounts	(58)	(59)
Total current assets	132,587	122,345
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	106,864	102,909
Land	100,227	100,227
Other, net	22,644	24,441
Total property, plant and equipment	229,737	227,578
Intangible assets	6,586	6,704
Investments and other assets		
Investment securities	78,441	97,398
Other	9,002	7,484
Allowance for doubtful accounts	(317)	(315)
Total investments and other assets	87,126	104,566
Total non-current assets	323,451	338,850
Total assets	456,038	461,196
Liabilities		
Current liabilities		
Trade notes and accounts payable	25,831	25,152
Income taxes payable	5,760	5,757
Provision for bonuses	180	182
Other	11,133	13,553
Total current liabilities	42,906	44,644
Non-current liabilities		
Long-term borrowings	20,000	20,000
Provision for retirement benefits for directors (and other officers)	75	81
Provision for special repairs for ships and vessels	27	30
Retirement benefit liability	18,312	17,847
Provision for loss on business of subsidiaries and associates	267	267
Other	1,444	2,489
Total non-current liabilities	40,127	40,716
Total liabilities	83,033	85,361

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,867
Retained earnings	313,851	320,965
Treasury shares	(14,292)	(25,353)
Total shareholders' equity	358,055	354,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,146	18,002
Foreign currency translation adjustment	724	1,017
Remeasurements of defined benefit plans	318	929
Total accumulated other comprehensive income	13,189	19,949
Non-controlling interests	1,760	1,763
Total net assets	373,005	375,834
Total liabilities and net assets	456,038	461,196

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, 2022	Six months ended September 30, 2023
Operating revenue	139,558	134,502
Operating costs	113,198	108,810
Operating gross profit	26,360	25,691
Selling, general and administrative expenses	10,117	10,257
Operating profit	16,242	15,433
Non-operating income		
Interest income	12	14
Dividend income	1,109	1,059
Foreign exchange gains	199	89
Share of profit of entities accounted for using equity method	617	604
Other	193	286
Total non-operating income	2,133	2,053
Non-operating expenses		
Interest expenses	6	19
Other	42	27
Total non-operating expenses	48	47
Ordinary profit	18,327	17,440
Extraordinary income		
Gain on sale of non-current assets	24	22
Gain on sale of investment securities	6	590
Total extraordinary income	30	613
Extraordinary losses		
Loss on sale and retirement of non-current assets	363	43
Loss on valuation of shares of subsidiaries and associates	224	–
Total extraordinary losses	587	43
Profit before income taxes	17,769	18,010
Income taxes - current	5,555	5,512
Income taxes - deferred	(166)	(114)
Total income taxes	5,389	5,397
Profit	12,380	12,612
Profit (loss) attributable to non-controlling interests	12	(4)
Profit attributable to owners of parent	12,367	12,617

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	12,380	12,612
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,486)	5,748
Foreign currency translation adjustment	401	201
Remeasurements of defined benefit plans, net of tax	69	596
Share of other comprehensive income of entities accounted for using equity method	(29)	222
Total other comprehensive income	(1,046)	6,769
Comprehensive income	11,333	19,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,323	19,377
Comprehensive income attributable to non-controlling interests	10	4

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	17,769	18,010
Depreciation	6,563	6,767
Increase (decrease) in allowance for doubtful accounts	2	(1)
Increase (decrease) in retirement benefit liability	453	132
Interest and dividend income	(1,122)	(1,073)
Interest expenses	6	19
Share of loss (profit) of entities accounted for using equity method	(617)	(604)
Loss (gain) on sale of investment securities	(6)	(590)
Loss on valuation of shares of subsidiaries and associates	224	–
Loss (gain) on sale and retirement of non-current assets	339	21
Decrease (increase) in trade receivables	(1,344)	(413)
Decrease (increase) in inventories	(29)	12
Increase (decrease) in trade payables	(1,977)	(717)
Other, net	725	1,784
Subtotal	20,986	23,347
Interest and dividends received	1,450	1,711
Interest paid	(8)	(20)
Income taxes paid	(5,539)	(5,519)
Net cash provided by (used in) operating activities	16,889	19,518
Cash flows from investing activities		
Net decrease (increase) in time deposits	(6,500)	–
Purchase of securities	(10,000)	(10,000)
Proceeds from sale of securities	10,000	10,000
Proceeds from redemption of securities	–	100
Purchase of non-current assets	(7,225)	(4,099)
Proceeds from sale of non-current assets	56	43
Payments for retirement of non-current assets	(363)	(246)
Purchase of investment securities	(314)	(10,112)
Proceeds from sale and redemption of investment securities	309	1,146
Purchase of shares of subsidiaries and associates	–	(1,253)
Other, net	15	101
Net cash provided by (used in) investing activities	(14,021)	(14,320)
Cash flows from financing activities		
Proceeds from long-term borrowings	10,000	–
Dividends paid	(5,274)	(5,503)
Purchase of treasury shares	(11,000)	(11,113)
Other, net	(102)	(92)
Net cash provided by (used in) financing activities	(6,377)	(16,709)
Effect of exchange rate change on cash and cash equivalents	237	160
Net increase (decrease) in cash and cash equivalents	(3,271)	(11,351)
Cash and cash equivalents at beginning of period	46,364	66,147
Cash and cash equivalents at end of period	43,092	54,796