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Consolidated Financial Results for the Six Months Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: Japan Ecosystem Co., Ltd.
Stock exchange listing: Tokyo,Nagoya
Code number: 9249
URL: https://www.jp-eco.co.jp/
Representative: Minoru Matsushima President
Contact: Atsuhiko Ino Director in charge of the Management Division
Phone: 0586 - 64 - 9249
Scheduled date of filing quarterly securities report: May 12, 2023
Scheduled date of commencing dividend payments: May 29, 2023
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended March 31, 2023 (October 01, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	3,655	1.0	462	(2.6)	474	(7.8)	624	120.8
March 31, 2022	3,619	-	474	-	514	-	282	-

(Note) Comprehensive income: Six months ended March 31, 2023: ¥ 649 million [140.3%]
Six months ended March 31, 2022: ¥ 270 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
March 31, 2023	231.68	228.30
March 31, 2022	106.64	104.67

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
March 31, 2023	8,544	4,337	50.0
September 30, 2022	6,487	3,795	57.6

(Reference) Equity: As of March 31, 2023: ¥ 4,274 million
As of September 30, 2022: ¥ 3,738 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 September 30, 2022	-	10.00	-	40.00	50.00
Fiscal year ending September 30, 2023	-	25.00			
Fiscal year ending September 30, 2023 (Forecast)			-	26.00	51.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending September 30, 2023 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023(October 01, 2022 to September 30, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,708	6.8	864	8.2	900	5.1	609	49.5	226.28

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended March 31, 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: 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: Yes

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):

March 31, 2023: 2,696,600 shares

September 30, 2022: 2,695,400 shares

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

March 31, 2023: - shares

September 30, 2022: - shares

3) Average number of shares outstanding during the period:

Six months ended March 31, 2023: 2,695,479 shares

Six months ended March 31, 2022: 2,652,203 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	1,217,145	2,487,630
Electronically recorded monetary claims - operating	-	100,620
Notes and accounts receivable - trade, and contract assets	933,466	965,100
Inventories	352,753	506,756
Other	72,799	94,403
Total current assets	2,576,164	4,154,509
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,620,038	1,854,968
Machinery, equipment and vehicles	1,604,292	1,691,504
Land	1,254,807	1,463,926
Other	1,357,798	1,102,859
Accumulated depreciation	(2,524,771)	(2,606,440)
Total property, plant and equipment	3,312,165	3,506,817
Intangible assets	107,644	114,315
Investments and other assets	489,432	767,147
Total non-current assets	3,909,243	4,388,280
Deferred assets	1,961	1,716
Total assets	6,487,369	8,544,506

(Thousand yen)

	As of September 30,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	172,253	198,661
Electronically recorded obligations - operating	-	36,213
Short-term borrowings	10,000	730,000
Current portion of bonds payable	57,000	67,000
Current portion of long-term borrowings	419,932	509,705
Provision for bonuses	-	112,647
Income taxes payable	181,554	322,057
Other	535,269	529,928
Total current liabilities	1,376,010	2,506,213
Non-current liabilities		
Bonds payable	172,000	143,500
Long-term borrowings	975,405	1,354,269
Retirement benefit liability	-	44,345
Asset retirement obligations	97,681	97,914
Other	71,213	60,818
Total non-current liabilities	1,316,299	1,700,847
Total liabilities	2,692,310	4,207,061
Net assets		
Shareholders' equity		
Share capital	761,166	761,766
Capital surplus	672,277	672,877
Retained earnings	2,302,662	2,819,347
Total shareholders' equity	3,736,106	4,253,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,203	20,947
Total accumulated other comprehensive income	2,203	20,947
Non-controlling interests	56,748	62,506
Total net assets	3,795,059	4,337,445
Total liabilities and net assets	6,487,369	8,544,506

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended March 31,2022	For the six months ended March 31,2023
Net sales	3,619,526	3,655,226
Cost of sales	2,548,174	2,495,899
Gross profit	1,071,352	1,159,327
Selling, general and administrative expenses	596,436	696,579
Operating profit	474,915	462,747
Non-operating income		
Gain on sale of non-current assets	-	4,810
Subsidy income	14,788	3,383
Surrender value of insurance policies	43,238	10,390
Other	8,765	5,342
Total non-operating income	66,792	23,927
Non-operating expenses		
Interest expenses	4,984	4,148
Loss on investments in silent partnerships	-	3,809
Listing expenses	20,526	-
Other	1,459	4,048
Total non-operating expenses	26,970	12,005
Ordinary profit	514,737	474,668
Extraordinary income		
Gain on sale of non-current assets	-	428,136
Gain on bargain purchase	-	69,740
Total extraordinary income	-	497,877
Extraordinary losses		
Loss on step acquisitions	23,220	-
Impairment losses	-	22,896
Loss on disposal of non-current assets	-	34,013
Total extraordinary losses	23,220	56,910
Profit before income taxes	491,517	915,636
Income taxes	213,735	285,377
Profit	277,781	630,258
Profit (loss) attributable to non-controlling interests	(5,041)	5,757
Profit attributable to owners of parent	282,822	624,501

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

(Thousand yen)

	For the six months ended March 31,2022	For the six months ended March 31,2023
Profit	277,781	630,258
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,727)	18,743
Total other comprehensive income	(7,727)	18,743
Comprehensive income	270,054	649,001
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	275,095	643,244
Comprehensive income attributable to non-controlling interests	(5,041)	5,757

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended March 31,2022	For the six months ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	491,517	915,636
Depreciation	178,730	160,423
Loss (gain) on disposal of non-current assets	-	34,013
Impairment losses	-	22,896
Loss (gain) on step acquisitions	23,220	-
Gain on bargain purchase	-	(69,740)
Loss (gain) on sale of non-current assets	-	(432,947)
Interest and dividend income	(88)	(154)
Interest expenses	4,984	4,148
Listing expenses	20,526	-
Decrease (increase) in trade receivables	(25,294)	5,271
Decrease (increase) in inventories	(131,548)	(153,771)
Decrease (increase) in investments in leases	8,242	7,210
Increase (decrease) in trade payables	63,355	19,430
Increase (decrease) in advances received on uncompleted construction	40,976	15,436
Increase (decrease) in provision for bonuses	77,138	97,740
Increase (decrease) in accounts payable - other	(22,232)	(142,506)
Increase (decrease) in accrued consumption taxes	(94,990)	13,502
Other, net	48,310	(85,811)
Subtotal	682,846	410,778
Interest and dividends received	88	154
Interest paid	(4,833)	(3,974)
Income taxes paid	(187,204)	(185,052)
Net cash provided by (used in) operating activities	490,898	221,904
Cash flows from investing activities		
Payments into time deposits	(11,764)	(40,600)
Proceeds from withdrawal of time deposits	11,104	42,401
Purchase of property, plant and equipment	(292,148)	(305,692)
Proceeds from sale of property, plant and equipment	-	667,777
Purchase of intangible assets	(6,148)	(2,766)
Purchase of investment securities	(146,589)	(23,289)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(46,178)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	293,104
Other, net	(5,903)	(69,952)
Net cash provided by (used in) investing activities	(497,629)	560,983

(Thousand yen)

	For the six months ended March 31,2022	For the six months ended March 31,2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(170,000)	490,000
Proceeds from long-term borrowings	100,000	415,000
Repayments of long-term borrowings	(175,504)	(292,537)
Redemption of bonds	(28,500)	(28,500)
Repayments of lease liabilities	(30,180)	(10,965)
Proceeds from issuance of shares	1,304,128	1,200
Dividends paid	(50,000)	(107,752)
Net cash provided by (used in) financing activities	949,943	466,444
Effect of exchange rate change on cash and cash equivalents	23	(11)
Net increase (decrease) in cash and cash equivalents	943,235	1,249,321
Cash and cash equivalents at beginning of period	691,539	1,095,525
Cash and cash equivalents at end of period	1,634,774	2,344,846