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November 8, 2024

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 [JGAAP]

Company Name: DAINICHISEIKA COLOR & CHEMICALS MFG. CO., LTD.
Stock Code: 4116
(URL: https://www.daicolor.co.jp)
Stock Exchange Listing: Tokyo
Representative: Koji Takahashi, Representative Director and President
Contact: Tatsuhiko Komada, Senior Managing Executive Officer, Chief Financial Officer
Phone: +81-3-3662-1638
Scheduled date of filing semi-annual securities report: November 11, 2024
Scheduled date of commencing dividend payments: December 6, 2024
Availability of supplementary briefing material on results: Yes
Holding of Results Briefing Session: Yes

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding term)

	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, 2024	62,127	4.4	3,475	103.4	3,751	74.9	8,024	215.4
Six months ended September 30, 2023	59,512	(4.1)	1,708	(4.7)	2,144	(12.7)	2,544	57.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥11,636 million [113.3%]
Six months ended September 30, 2023: ¥5,454 million [(14.7)%]

	Profit per share	Fully diluted profit per share
	Yen	Yen
Six months ended September 30, 2024	467.67	–
Six months ended September 30, 2023	140.98	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	199,127	129,259	63.7
As of March 31, 2024	194,852	119,166	59.9

(Reference) Equity: As of September 30, 2024: ¥126,875 million
As of March 31, 2024: ¥116,748 million

2. Dividends

	Annual cash dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	40.00	–	70.00	110.00
Year ending March 31, 2025	–	66.00			
Year ending March 31, 2025 (Forecast)			–	66.00	132.00

(Note) Revisions of dividend forecast from recently announced figures: Not applicable

(Note) Breakdown of Year-end dividend for Year ended March 31, 2024: Ordinary dividend: ¥40.00; Extraordinary dividend: ¥30.00
Breakdown of Interim dividend for Year ending March 31, 2025: Ordinary dividend: ¥51.00; Extraordinary dividend: ¥15.00
Breakdown of Year-end dividend for Year ending March 31, 2025 (Forecast): Ordinary dividend: ¥51.00; Extraordinary dividend: ¥15.00

3. Earnings Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	124,000	3.5	6,900	51.6	7,500	49.9	10,600	189.6	617.67

(Note) Revisions of forecast of financial results from recently announced figures: Applicable

*** Notes**

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: Applicable
Included: – (–)
Excluded: One company DSF CO., LTD.

(2) Adoption of specific accounting treatments to the preparation of semi-annual consolidated financial statements: Not applicable

(3) Changes in accounting policies, changes in accounting estimates and restatements
1) Changes in accounting policies due to the revision of accounting standards: Applicable
2) Changes in accounting policies other than 1): Not applicable
3) Changes in accounting estimates: Not applicable
4) Restatements: Not applicable

(4) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury shares):	As of September 30, 2024	18,613,110 shares	As of March 31, 2024	18,613,110 shares
2) Total number of treasury shares at the end of the period:	As of September 30, 2024	1,451,729 shares	As of March 31, 2024	1,456,394 shares
3) Average number of shares during the period (cumulative):	Six months ended September 30, 2024	17,159,042 shares	Six months ended September 30, 2023	18,047,909 shares

* These semi-annual financial results are outside the scope of review by certified public accountants and audit corporations.

* Explanation for the appropriate use of performance forecasts and other special notes:

- The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

- The Company plans to hold a semi-annual results briefing session as follows. We also plan to disclose and publish the documents, etc. to be distributed at this session to the Tokyo Stock Exchange and on the Company's website by the day before the session.

  Date: Thursday, December 5, 2024, 15:00 (JST)
  Outline: Semi-annual results briefing session for institutional investors and analysts

  Date: Thursday, January 16, 2025, 20:00 (JST)
  Outline: Semi-annual results briefing session for individual investors

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	23,579	27,259
Notes and accounts receivable - trade	53,223	51,882
Inventories	31,609	32,059
Other	1,300	1,649
Allowance for doubtful accounts	(88)	(99)
Total current assets	109,625	112,750
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,344	20,150
Land	13,745	13,174
Other, net	13,753	15,245
Total property, plant and equipment	47,843	48,570
Intangible assets		
Other	1,175	1,209
Total intangible assets	1,175	1,209
Investments and other assets		
Investment securities	18,778	19,111
Retirement benefit asset	14,100	14,297
Other	3,346	3,202
Allowance for doubtful accounts	(17)	(14)
Total investments and other assets	36,207	36,596
Total non-current assets	85,227	86,376
Total assets	194,852	199,127
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,963	27,435
Short-term borrowings	11,686	10,541
Current portion of long-term borrowings	3,936	3,537
Income taxes payable	954	2,200
Provision for bonuses	1,799	1,957
Other	8,757	5,219
Total current liabilities	56,097	50,890
Non-current liabilities		
Long-term borrowings	9,316	7,557
Retirement benefit liability	7,035	7,207
Deferred tax liabilities	2,524	3,571
Other	710	640
Total non-current liabilities	19,587	18,977
Total liabilities	75,685	69,868

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	10,039	10,039
Capital surplus	9,768	9,774
Retained earnings	84,023	90,847
Treasury shares	(3,130)	(3,120)
Total shareholders' equity	100,701	107,541
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,044	7,169
Foreign currency translation adjustment	5,399	8,716
Remeasurements of defined benefit plans	3,601	3,447
Total accumulated other comprehensive income	16,046	19,334
Non-controlling interests	2,418	2,384
Total net assets	119,166	129,259
Total liabilities and net assets	194,852	199,127

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

(Semi-annual Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	59,512	62,127
Cost of sales	48,988	49,620
Gross profit	10,523	12,507
Selling, general and administrative expenses	8,814	9,032
Operating profit	1,708	3,475
Non-operating income		
Interest income	108	234
Dividend income	213	216
Share of profit of entities accounted for using equity method	–	42
Foreign exchange gains	257	–
Other	340	406
Total non-operating income	921	898
Non-operating expenses		
Interest expenses	138	124
Share of loss of entities accounted for using equity method	257	–
Foreign exchange losses	–	207
Rental expenses on non-current assets	29	32
Loss on compensation of claims	6	196
Other	52	60
Total non-operating expenses	485	622
Ordinary profit	2,144	3,751
Extraordinary income		
Gain on sale of non-current assets	1	7,760
Gain on sale of investment securities	1,559	68
Total extraordinary income	1,561	7,829
Extraordinary losses		
Loss on retirement of non-current assets	37	83
Loss on sale of investment securities	0	29
Loss on closing of plant	–	79
Other	6	1
Total extraordinary losses	44	194
Profit before income taxes	3,661	11,386
Income taxes - current	968	2,245
Income taxes - deferred	100	1,035
Total income taxes	1,068	3,280
Profit	2,593	8,106
Profit attributable to non-controlling interests	49	81
Profit attributable to owners of parent	2,544	8,024

(Semi-annual Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	2,593	8,106
Other comprehensive income		
Valuation difference on available-for-sale securities	90	124
Foreign currency translation adjustment	2,723	3,278
Remeasurements of defined benefit plans, net of tax	(116)	(154)
Share of other comprehensive income of entities accounted for using equity method	163	281
Total other comprehensive income	2,860	3,529
Comprehensive income	5,454	11,636
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,238	11,312
Comprehensive income attributable to non-controlling interests	215	324