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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 12, 2024

Company name: TOKYO ROPE MFG. CO., LTD.
Listing: Tokyo
Securities code: 5981
URL: https://www.tokyorope.co.jp/
Representative: Hideyuki Harada , President
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Telephone: +81-3-6366-7777
Scheduled date to file semi-annual securities report: November 13, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	29,788	(2.6)	1,170	(1.2)	1,358	(5.5)	1,251	23.0
September 30, 2023	30,578	(5.1)	1,184	(2.3)	1,437	(12.6)	1,017	(16.8)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 1,759 million [(31.0) %]
Six months ended September 30, 2023: ¥ 2,547 million [(6.2) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	79.18	-
September 30, 2023	63.85	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	86,249	35,715	41.4
March 31, 2024	85,844	34,568	40.3

(Reference) Equity: As of September 30, 2024: ¥ 35,715 million
As of March 31, 2024: ¥ 34,568 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, 2024	-	0.00	-	40.00	40.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	60.00	60.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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

(Percentages indicate year-on-year changes.)

	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	63,000	(1.9)	3,900	(0.0)	3,900	(18.0)	3,000	47.0	188.35

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 16,268,242 shares

March 31, 2024: 16,268,242 shares

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

September 30, 2024: 442,666 shares

March 31, 2024: 460,140 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 15,811,300 shares

Six months ended September 30, 2023: 15,940,499 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,949	5,778
Notes and accounts receivable - trade, and contract assets	15,757	14,491
Merchandise and finished goods	8,247	8,229
Work in process	4,274	4,632
Raw materials and supplies	5,083	5,237
Other	1,229	1,547
Allowance for doubtful accounts	(151)	(183)
Total current assets	39,390	39,733
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,498	6,519
Machinery, equipment and vehicles, net	3,975	4,185
Land	17,484	17,493
Leased assets, net	851	817
Construction in progress	301	416
Other, net	432	428
Total property, plant and equipment	29,543	29,860
Intangible assets	476	474
Investments and other assets		
Investment securities	8,509	7,219
Retirement benefit asset	1,525	1,735
Deferred tax assets	2,491	2,794
Other	3,969	4,494
Allowance for doubtful accounts	(62)	(62)
Total investments and other assets	16,434	16,181
Total non-current assets	46,453	46,516
Total assets	85,844	86,249

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,660	9,894
Short-term borrowings	12,867	9,428
Accrued expenses	2,290	2,324
Provision for bonuses	1,032	979
Other	4,322	3,827
Total current liabilities	31,174	26,454
Non-current liabilities		
Long-term borrowings	9,835	13,822
Lease liabilities	748	746
Deferred tax liabilities for land revaluation	3,919	3,919
Provision for retirement benefits for directors (and other officers)	155	136
Provision for share awards for directors (and other officers)	12	3
Retirement benefit liability	4,315	4,325
Asset retirement obligations	591	591
Other	522	532
Total non-current liabilities	20,102	24,079
Total liabilities	51,276	50,534
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	1,063	1,064
Retained earnings	18,570	19,184
Treasury shares	(653)	(629)
Total shareholders' equity	19,980	20,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,140	2,204
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	9,063	9,063
Foreign currency translation adjustment	2,829	4,247
Remeasurements of defined benefit plans	(446)	(420)
Total accumulated other comprehensive income	14,587	15,095
Total net assets	34,568	35,715
Total liabilities and net assets	85,844	86,249

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	30,578	29,788
Cost of sales	24,269	23,508
Gross profit	6,308	6,280
Selling, general and administrative expenses	5,123	5,109
Operating profit	1,184	1,170
Non-operating income		
Interest income	22	31
Dividend income	154	200
Foreign exchange gains	49	-
Share of profit of entities accounted for using equity method	160	225
Other	110	99
Total non-operating income	496	556
Non-operating expenses		
Interest expenses	124	117
Foreign exchange losses	-	78
Other	119	172
Total non-operating expenses	244	368
Ordinary profit	1,437	1,358
Extraordinary income		
Gain on sale of investment securities	303	172
Total extraordinary income	303	172
Extraordinary losses		
Impairment losses	10	7
Loss on valuation of investment securities	0	-
Loss on valuation of investments in capital of subsidiaries and associates	458	19
Total extraordinary losses	469	26
Profit before income taxes	1,270	1,504
Income taxes	371	252
Profit	899	1,251
Loss attributable to non-controlling interests	(118)	-
Profit attributable to owners of parent	1,017	1,251

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	899	1,251
Other comprehensive income		
Valuation difference on available-for-sale securities	653	(935)
Deferred gains or losses on hedges	3	(1)
Foreign currency translation adjustment	810	1,064
Remeasurements of defined benefit plans, net of tax	39	25
Share of other comprehensive income of entities accounted for using equity method	140	353
Total other comprehensive income	1,647	507
Comprehensive income	2,547	1,759
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,666	1,759
Comprehensive income attributable to non-controlling interests	(118)	-

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,270	1,504
Depreciation	1,031	933
Impairment losses	10	7
Increase (decrease) in allowance for doubtful accounts	13	32
Share of loss (profit) of entities accounted for using equity method	(160)	(225)
Loss on valuation of investments in capital of subsidiaries and associates	458	19
Increase (decrease) in provision for bonuses	(61)	(54)
Increase (decrease) in retirement benefit liability	(10)	46
Interest expenses	124	117
Interest and dividend income	(176)	(232)
Loss (gain) on sale of investment securities	(303)	(172)
Decrease (increase) in trade receivables	2,384	1,437
Decrease (increase) in inventories	(1,042)	(210)
Increase (decrease) in trade payables	(1,548)	(1,399)
Increase (decrease) in accrued consumption taxes	(56)	(316)
Decrease (increase) in other assets	117	(157)
Increase (decrease) in other liabilities	227	113
Other, net	(15)	(27)
Subtotal	2,264	1,416
Interest and dividends received	176	224
Interest paid	(124)	(118)
Income taxes paid	(116)	(371)
Net cash provided by (used in) operating activities	2,200	1,151
Cash flows from investing activities		
Purchase of investment securities	(13)	(6)
Proceeds from sale of investment securities	1,103	206
Loan advances	-	(0)
Proceeds from collection of loans receivable	11	0
Purchase of property, plant and equipment	(664)	(761)
Other, net	(122)	(52)
Net cash provided by (used in) investing activities	314	(614)
Cash flows from financing activities		
Repayments of installment payables	(124)	-
Net increase (decrease) in short-term borrowings	2,569	1,385
Proceeds from long-term borrowings	3,400	5,200
Repayments of long-term borrowings	(6,644)	(6,037)
Dividends paid	(557)	(633)
Purchase of treasury shares	(0)	(0)
Repayments of lease liabilities	(39)	(30)
Net cash provided by (used in) financing activities	(1,396)	(116)
Effect of exchange rate change on cash and cash equivalents	264	408
Net increase (decrease) in cash and cash equivalents	1,383	828
Cash and cash equivalents at beginning of period	5,730	4,939
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	215	-
Cash and cash equivalents at end of period	7,329	5,768