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

August 9, 2024

Company name: Seibu Giken Co., Ltd.
Stock exchange listing: Tokyo
Securities code: 6223
URL: https://seibu-giken.com/
Representative: Fumio Kuma Representative Director, Executive President
Contact: Miwa Hirakawa Director, Senior Executive Officer, Corporate Management Operations
Telephone: +81-92-942-3511
Scheduled date of filing semi-annual securities report: August 9, 2024
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes

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

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

(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	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	14,721	16.7	1,630	(24.4)	1,744	(23.7)	1,390	(23.5)
June 30, 2023	12,610	-	2,156	-	2,287	-	1,818	-

(Note) Comprehensive income: Six months ended June 30, 2024: ¥ 2,983 million [12.2%]
Six months ended June 30, 2023: ¥ 2,658 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	67.85	-
June 30, 2023	97.95	-

(Note)
1. The Company did not prepare semi-annual consolidated financial statements for the six months ended June 30, 2022. Therefore, the year-on-year changes for six months ended June 30, 2023 are not shown.
2. "Diluted earnings per share" is not stated as there are no dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	41,787	28,548	68.3
December 31, 2023	39,334	26,795	68.1

(Reference) Equity: As of June 30, 2024: ¥ 28,548 million
As of December 31, 2023: ¥ 26,795 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 December 31, 2023	-	0.00	-	60.00	60.00
Fiscal year ending December 31, 2024	-	0.00			
Fiscal year ending December 31, 2024 (Forecast)			-	70.00	70.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2023 :

Ordinary dividend 50.22 yen

Commemorative dividend 9.78 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 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	33,417	16.3	4,434	3.2	4,577	5.0	3,660	6.7	178.58

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

* Notes:

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

(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 retrospective restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

June 30, 2024: 20,500,000 shares

December 31, 2023: 20,500,000 shares

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

June 30, 2024: - shares

December 31, 2023: - shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2024: 20,500,000 shares

Six months ended June 30, 2023: 18,570,000 shares

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

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

The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	11,638	13,445
Notes and accounts receivable - trade, and contract assets	8,309	7,231
Electronically recorded monetary claims - operating	1,268	1,637
Inventories	6,023	7,395
Other	1,550	671
Allowance for doubtful accounts	(412)	(463)
Total current assets	28,377	29,918
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,520	5,459
Machinery, equipment and vehicles, net	1,126	1,154
Land	2,885	2,917
Other, net	2,684	968
Total property, plant and equipment	10,216	10,499
Intangible assets	231	213
Investments and other assets	510	1,156
Total non-current assets	10,957	11,869
Total assets	39,334	41,787

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,962	2,164
Electronically recorded obligations - operating	2,154	2,684
Short-term borrowings	50	800
Current portion of long-term borrowings	902	660
Income taxes payable	349	410
Contract liabilities	1,985	3,070
Provision for product warranties	235	226
Provision for bonuses	242	450
Other	1,745	1,184
Total current liabilities	10,629	11,653
Non-current liabilities		
Long-term borrowings	1,142	874
Retirement benefit liability	41	43
Other	726	667
Total non-current liabilities	1,910	1,585
Total liabilities	12,539	13,238
Net assets		
Shareholders' equity		
Share capital	711	711
Capital surplus	3,536	3,536
Retained earnings	20,454	20,615
Total shareholders' equity	24,702	24,863
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-	(37)
Foreign currency translation adjustment	2,092	3,723
Total accumulated other comprehensive income	2,092	3,685
Total net assets	26,795	28,548
Total liabilities and net assets	39,334	41,787

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	12,610	14,721
Cost of sales	7,195	9,811
Gross profit	5,414	4,910
Selling, general and administrative expenses	3,258	3,279
Operating profit	2,156	1,630
Non-operating income		
Interest income and dividend income	27	68
Nursery school-related revenue	10	9
Subsidy income	19	6
Foreign exchange gains	90	18
Other	25	45
Total non-operating income	173	148
Non-operating expenses		
Interest expenses	21	16
Nursery school-related expenses	13	12
Other	7	5
Total non-operating expenses	41	34
Ordinary profit	2,287	1,744
Extraordinary losses		
Loss on litigation	27	-
Loss on retirement of non-current assets	8	0
Total extraordinary losses	35	0
Profit before income taxes	2,251	1,744
Income taxes - current	561	476
Income taxes - deferred	(128)	(123)
Total income taxes	433	353
Profit	1,818	1,390
Profit attributable to owners of parent	1,818	1,390

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	1,818	1,390
Other comprehensive income		
Deferred gains or losses on hedges	-	(37)
Foreign currency translation adjustment	840	1,630
Total other comprehensive income	840	1,592
Comprehensive income	2,658	2,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,658	2,983

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,251	1,744
Depreciation	430	459
Increase (decrease) in allowance for doubtful accounts	64	12
Increase (decrease) in provision for bonuses	297	201
Increase (decrease) in provision for product warranties	18	(26)
Increase (decrease) in retirement benefit liability	11	1
Interest and dividend income	(27)	(68)
Interest expenses	21	16
Loss on retirement of non-current assets	8	0
Decrease (increase) in trade receivables	241	1,205
Decrease (increase) in inventories	(931)	(910)
Increase (decrease) in trade payables	(128)	(369)
Increase (decrease) in contract liabilities	536	852
Other, net	(736)	403
Subtotal	2,059	3,523
Interest and dividends received	27	68
Interest paid	(20)	(16)
Income taxes paid	(670)	(428)
Net cash provided by (used in) operating activities	1,396	3,147
Cash flows from investing activities		
Purchase of investment securities	-	(537)
Payments into time deposits	(208)	-
Proceeds from withdrawal of time deposits	286	-
Purchase of property, plant and equipment	(662)	(566)
Purchase of intangible assets	(12)	(22)
Other, net	(2)	(10)
Net cash provided by (used in) investing activities	(601)	(1,137)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	450	750
Repayments of long-term borrowings	(612)	(510)
Repayments of lease liabilities	(35)	(56)
Dividends paid	(9)	(1,230)
Net cash provided by (used in) financing activities	(207)	(1,046)
Effect of exchange rate change on cash and cash equivalents	387	832
Net increase (decrease) in cash and cash equivalents	975	1,795
Cash and cash equivalents at beginning of period	9,517	11,417
Cash and cash equivalents at end of period	10,492	13,213