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

August 7, 2024

Company name: KYODO PRINTING CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 7914
URL: https://www.kyodoprinting.co.jp/
Representative: Yoshiaki Fujimori, President
Contact: Reiko Yamada, General Manager of Corporate Communication Division
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Scheduled date of commencing dividend payments: –
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Not scheduled

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

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

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2024	23,773	5.3	182	–	500	43.7	75	(56.8)
June 30, 2023	22,581	4.8	14	–	348	258.2	173	–

(Note) Comprehensive income: Three Months Ended June 30, 2024: ¥1,024 million [(37.0)%]
Three Months Ended June 30, 2023: ¥1,625 million [–%]

	Basic net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2024	10.30	–
June 30, 2023	22.79	–

(2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	132,182	63,774	48.2
As of March 31, 2024	131,815	63,120	47.9

(Reference) Equity: As of June 30, 2024: ¥63,729 million
As of March 31, 2024: ¥63,082 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	–	50.00	–	50.00	100.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		55.00	–	80.00	135.00

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	49,000	7.1	500	43.5	800	15.2	350	4.2	48.06
Full year	104,000	7.2	3,100	96.5	3,600	72.8	3,250	117.2	446.23

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: – (Name of subsidiary): – , Excluded: 1 (Name of subsidiary): Kyodo Printing Marketing Solutions Co., Ltd.

(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 stock)

1) Total number of issued shares at the end of the period (including treasury stock):
June 30, 2024: 8,370,000 shares
March 31, 2024: 8,370,000 shares

2) Total number of shares of treasury stock at the end of the period:
June 30, 2024: 1,085,731 shares
March 31, 2024: 1,087,831 shares

3) Average number of shares during the period:
Three months ended June 30, 2024: 7,283,244 shares
Three months ended June 30, 2023: 7,619,682 shares

(Note)Treasury stock at the end of the period and treasury stock deducted for the calculation of the weighted-average number of shares during the period include our shares owned by The Custody Bank of Japan, Ltd. (Trust Account E) as trust assets of "Stock Benefit Trust (BBT, J-ESOP and Employee Stock Ownership Plan Disposal Type)."

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

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

The financial results forecast and certain other statements regarding the future in this document are based on the information currently available to the Company and certain assumptions considered to be rational by the Company and they do not constitute a guarantee that the Company will achieve the forecast or other forward-looking statements. The actual results may differ substantially from the forecast for various reasons.

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	11,003	11,132
Notes and accounts receivable - trade, and contract assets	28,621	27,119
Securities	7	—
Merchandise and finished goods	3,249	3,765
Work in process	2,816	2,933
Raw materials and supplies	1,560	1,473
Other	843	1,209
Allowance for doubtful accounts	△27	△28
Total current assets	48,074	47,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,811	27,503
Machinery, equipment and vehicles, net	11,377	12,155
Tools, furniture and fixtures, net	1,597	1,568
Land	14,901	14,922
Leased assets, net	1,040	1,015
Construction in progress	1,238	553
Total property, plant and equipment	57,966	57,718
Intangible assets		
Goodwill	140	80
Software	1,136	1,109
Other	246	271
Total intangible assets	1,522	1,461
Investments and other assets		
Investment securities	20,549	21,675
Retirement benefit asset	2,324	2,348
Deferred tax assets	332	339
Other	1,050	1,037
Allowance for doubtful accounts	△4	△5
Total investments and other assets	24,252	25,396
Total non-current assets	83,741	84,576
Total assets	131,815	132,182

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,345	15,175
Short-term borrowings	135	171
Current portion of long-term borrowings	2,437	2,434
Lease liabilities	372	360
Income taxes payable	283	341
Provision for bonuses	953	35
Provision for bonuses for directors (and other officers)	59	22
Provision for loss on litigation	—	142
Other	8,917	9,784
Total current liabilities	28,504	28,467
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	6,789	6,187
Lease liabilities	773	749
Deferred tax liabilities	3,981	4,281
Provision for share awards for directors (and other officers)	22	22
Retirement benefit liability	6,554	6,676
Asset retirement obligations	8	8
Long-term advances received	16,833	16,775
Other	226	238
Total non-current liabilities	40,190	39,940
Total liabilities	68,695	68,408
Net assets		
Shareholders' equity		
Share capital	4,510	4,510
Capital surplus	1,687	1,687
Retained earnings	48,592	48,290
Treasury shares	△3,289	△3,283
Total shareholders' equity	51,500	51,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,381	12,128
Foreign currency translation adjustment	356	490
Remeasurements of defined benefit plans	△156	△92
Total accumulated other comprehensive income	11,581	12,525
Non-controlling interests	38	44
Total net assets	63,120	63,774
Total liabilities and net assets	131,815	132,182

Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	22, 581	23, 773
Cost of sales	18, 343	19, 046
Gross profit	4, 238	4, 726
Selling, general and administrative expenses	4, 224	4, 543
Operating profit	14	182
Non-operating income		
Interest income	0	1
Dividend income	142	137
Gain on sale of goods	8	9
Rental income from facilities	17	16
Dividend income of insurance	146	148
Foreign exchange gains	32	8
Other	36	60
Total non-operating income	385	382
Non-operating expenses		
Interest expenses	29	40
Rental expenses on facilities	8	8
Other	12	14
Total non-operating expenses	51	64
Ordinary profit	348	500
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	118	—
Total extraordinary income	119	0
Extraordinary losses		
Loss on disposal of non-current assets	50	34
Loss on sale of investment securities	0	—
Impairment losses	29	—
Provision for loss on litigation	—	142
Other	—	33
Total extraordinary losses	80	210
Profit before income taxes	387	290
Income taxes	211	210
Profit	175	80
Profit attributable to non-controlling interests	2	5
Profit attributable to owners of parent	173	75

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended June 30

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	175	80
Other comprehensive income		
Valuation difference on available-for-sale securities	1,402	746
Foreign currency translation adjustment	57	134
Remeasurements of defined benefit plans, net of tax	11	63
Share of other comprehensive income of entities accounted for using equity method	△20	—
Total other comprehensive income	1,450	944
Comprehensive income	1,625	1,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,623	1,018
Comprehensive income attributable to non-controlling interests	2	5

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	387	290
Depreciation	1,382	1,440
Impairment losses	29	—
Amortization of goodwill	60	60
Increase (decrease) in net defined benefit asset and lability	124	170
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses	△874	△917
Increase (decrease) in provision for bonuses for directors (and other officers)	△33	△37
Increase (decrease) in provision for loss on Anti-Monopoly Act	△838	—
Increase (decrease) in provision for loss on litigation	—	142
Interest and dividend income	△143	△138
Interest expenses	29	40
Loss (gain) on sale of investment securities	△118	—
Loss (gain) on sale and retirement of non-current assets	50	34
Decrease (increase) in trade receivables	1,074	1,529
Decrease (increase) in inventories	△467	△527
Increase (decrease) in trade payables	31	△185
Increase (decrease) in accrued consumption taxes	△699	△120
Decrease (increase) in distressed receivables	△1	1
Increase (decrease) in accrued expenses	60	286
Other, net	683	△92
Subtotal	737	1,976
Interest and dividends received	143	138
Interest paid	△35	△30
Income taxes paid	△316	△265
Net cash provided by (used in) operating activities	528	1,819
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△894	△579
Proceeds from sale of property, plant and equipment and intangible assets	0	2
Purchase of investment securities	△2	△52
Proceeds from sale of investment securities	179	7
Other, net	21	△17
Net cash provided by (used in) investing activities	△695	△639
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△12	29
Proceeds from long-term borrowings	28	—
Repayments of long-term borrowings	△607	△612
Dividends paid	△395	△377
Purchase of treasury shares	△0	—
Proceeds from disposal of treasury shares	7	5
Other, net	△106	△105
Net cash provided by (used in) financing activities	△1,085	△1,059
Effect of exchange rate change on cash and cash equivalents	△36	6
Net increase (decrease) in cash and cash equivalents	△1,289	126
Cash and cash equivalents at beginning of period	10,500	10,944
Cash and cash equivalents at end of period	9,210	11,070