

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

Company name: Ashimori Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3526 URL <https://www.ashimori.co.jp>
 Representative: President Shigeyuki Washine
 General Manager, Finance&Accounting Dept. Kazuma Shichisawa TEL 06-6105-1863
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	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, 2023	31,182	7.2	1,085	144.1	1,589	36.0	1,294	24.9
Six months ended September 30, 2022	29,087	20.3	444	–	1,169	–	1,036	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	215.56	215.11
Six months ended September 30, 2022	172.58	172.22

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	51,950	19,722	37.9
As of March 31, 2023	51,552	18,452	35.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	50.00	50.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	75.00	75.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	68,000	3.6	2,800	30.1	3,000	7.3	1,800	76.9	299.71

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2023	6,056,939 shares	As of March 31, 2023	6,056,939 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	51,336 shares	As of March 31, 2023	50,838 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	6,005,799 shares	Six months ended September 30, 2022	6,005,246 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,423	4,901
Notes and accounts receivable - trade, and contract assets	13,105	11,707
Electronically recorded monetary claims - operating	1,653	1,340
Merchandise and finished goods	1,977	2,677
Work in process	1,376	1,450
Raw materials and supplies	8,008	9,400
Other	2,015	1,444
Allowance for doubtful accounts	(8)	(8)
Total current assets	32,552	32,912
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,289	5,614
Machinery, equipment and vehicles, net	3,077	3,190
Tools, furniture and fixtures, net	1,283	1,250
Land	5,790	5,843
Leased assets, net	56	49
Construction in progress	312	148
Total property, plant and equipment	15,810	16,095
Intangible assets		
Goodwill	598	516
Other	274	307
Total intangible assets	872	824
Investments and other assets		
Investment securities	1,326	1,468
Deferred tax assets	366	116
Retirement benefit asset	299	312
Other	341	237
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	2,317	2,117
Total non-current assets	19,000	19,037
Total assets	51,552	51,950

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,411	5,951
Electronically recorded obligations - operating	5,102	4,926
Short-term borrowings	2,254	2,011
Current portion of long-term borrowings	2,614	2,970
Lease liabilities	18	13
Accounts payable - other	1,095	1,330
Income taxes payable	267	150
Accrued consumption taxes	393	125
Provision for bonuses	568	681
Provision for bonuses for directors (and other officers)	24	–
Provision for product warranties	112	67
Other provisions	70	23
Derivative liabilities	–	698
Other	1,566	1,625
Total current liabilities	21,501	20,577
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term borrowings	6,429	6,435
Lease liabilities	50	46
Retirement benefit liability	1,995	2,050
Provision for product warranties	10	4
Asset retirement obligations	29	29
Other	84	84
Total non-current liabilities	11,599	11,651
Total liabilities	33,100	32,228
Net assets		
Shareholders' equity		
Share capital	8,388	8,388
Capital surplus	1,632	1,632
Retained earnings	7,985	8,980
Treasury shares	(148)	(149)
Total shareholders' equity	17,857	18,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	266	392
Deferred gains or losses on hedges	–	(698)
Foreign currency translation adjustment	194	1,038
Remeasurements of defined benefit plans	95	92
Total accumulated other comprehensive income	556	823
Share acquisition rights	20	23
Non-controlling interests	17	23
Total net assets	18,452	19,722
Total liabilities and net assets	51,552	51,950

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	29,087	31,182
Cost of sales	25,459	26,518
Gross profit	3,628	4,664
Selling, general and administrative expenses	3,183	3,579
Operating profit	444	1,085
Non-operating income		
Interest income	5	11
Dividend income	15	17
Rental income	18	23
Foreign exchange gains	698	533
Subsidy income	50	15
Other	73	52
Total non-operating income	862	654
Non-operating expenses		
Interest expenses	75	100
Share of loss of entities accounted for using equity method	33	36
Other	28	13
Total non-operating expenses	137	149
Ordinary profit	1,169	1,589
Extraordinary income		
Gain on sale of investment securities	–	132
Gain on sale of land	4	–
Total extraordinary income	4	132
Profit before income taxes	1,173	1,722
Income taxes - current	175	219
Income taxes - deferred	(37)	202
Total income taxes	137	421
Profit	1,036	1,300
Profit attributable to non-controlling interests	0	5
Profit attributable to owners of parent	1,036	1,294

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,036	1,300
Other comprehensive income		
Valuation difference on available-for-sale securities	15	126
Deferred gains or losses on hedges	(800)	(698)
Foreign currency translation adjustment	531	821
Remeasurements of defined benefit plans	6	(3)
Share of other comprehensive income of entities accounted for using equity method	54	21
Total other comprehensive income	(194)	267
Comprehensive income	842	1,567
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	842	1,561
Comprehensive income attributable to non-controlling interests	0	5

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,173	1,722
Depreciation	956	856
Amortization of goodwill	81	81
Increase (decrease) in net defined benefit asset or liability	9	(0)
Interest and dividend income	(20)	(28)
Interest expenses	75	100
Foreign exchange losses (gains)	(524)	(156)
Share of loss (profit) of entities accounted for using equity method	33	36
Loss (gain) on sale of investment securities	–	(132)
Loss (gain) on sale of land	(4)	–
Decrease (increase) in trade receivables	1,896	2,128
Decrease (increase) in inventories	(388)	(1,534)
Increase (decrease) in trade payables	(1,262)	(2,154)
Decrease (increase) in other current assets	155	750
Increase (decrease) in accounts payable - other	(70)	229
Increase (decrease) in accrued consumption taxes	147	(267)
Other, net	132	(183)
Subtotal	2,392	1,446
Interest and dividends received	22	28
Interest paid	(75)	(100)
Income taxes paid	(172)	(435)
Income taxes refund	266	40
Net cash provided by (used in) operating activities	2,433	979
Cash flows from investing activities		
Payments into time deposits	(4)	(17)
Proceeds from withdrawal of time deposits	1	144
Purchase of property, plant and equipment	(902)	(551)
Proceeds from sale of property, plant and equipment	146	34
Purchase of intangible assets	(28)	(50)
Purchase of investment securities	(21)	(6)
Proceeds from sale of investment securities	–	158
Proceeds from collection of loans receivable	0	–
Other, net	6	0
Net cash provided by (used in) investing activities	(801)	(287)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,688)	(480)
Proceeds from long-term borrowings	2,911	1,700
Repayments of long-term borrowings	(1,018)	(1,355)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	–	0
Repayments of lease liabilities	(36)	(12)
Dividends paid	(150)	(300)
Net cash provided by (used in) financing activities	17	(448)
Effect of exchange rate change on cash and cash equivalents	146	239
Net increase (decrease) in cash and cash equivalents	1,796	481
Cash and cash equivalents at beginning of period	2,181	4,402
Cash and cash equivalents at end of period	3,978	4,883