



Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

August 9, 2023

Company name: ISEKI&CO., LTD.

Stock exchange listing: Tokyo

Code number: 6310

URL: <https://www.iseki.co.jp>

Representative: Shiro Tomiyasu

Contact: Yoshikazu Ogusu

Phone: +81-3-5604-7671

Scheduled date of filing quarterly securities report: August 9, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

,President and Representative Director

,General Manager of Financial Department

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)

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

	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 June 30, 2023	92,392	6.5	2,741	6.8	3,003	(9.8)	1,939	(24.8)
June 30, 2022	86,721	0.1	2,567	(45.6)	3,328	(39.6)	2,578	(37.5)

(Note) Comprehensive income: Six months ended June 30, 2023: ¥ 3,551 million [19.0%]
Six months ended June 30, 2022: ¥ 2,985 million [(35.6)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2023	85.75	85.73
June 30, 2022	114.04	114.00

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2023	218,611	75,133	32.2	3,116.22
December 31, 2022	206,491	72,345	32.9	3,006.74

(Reference) Equity: As of June 30, 2023: ¥ 70,480 million
As of December 31, 2022: ¥ 68,002 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, 2022	-	-	-	30.00	30.00
Fiscal year ending December 31, 2023	-	-	-	-	-
Fiscal year ending December 31, 2023 (Forecast)	-	-	-	30.00	30.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023) (% 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	176,500	5.9	4,500	27.3	4,000	6.3	2,600	(36.9)	114.97

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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 shares)

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

June 30, 2023: 22,984,993 shares

December 31, 2022: 22,984,993 shares

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

June 30, 2023: 367,618 shares

December 31, 2022: 368,346 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2023: 22,616,898 shares

Six months ended June 30, 2022: 22,614,492 shares

* The total number of treasury shares at the end of the period includes the Company's shares held by the "Board Benefit Trust" (254,700 shares for the period ended June 30, 2023, 255,800 shares for the period ended December 31, 2022). In addition, the Company's shares held by the "Board Benefit Trust" are included in the number of treasury shares deducted for the calculation of the average number of shares during the period.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,749	8,806
Notes and accounts receivable - trade, and contract assets	27,574	38,372
Merchandise and finished goods	53,562	57,169
Work in process	10,335	10,506
Raw materials and supplies	1,434	1,448
Other	5,792	3,937
Allowance for doubtful accounts	(33)	(54)
Total current assets	109,414	120,187
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,271	26,476
Land	44,744	44,762
Other, net	12,902	13,192
Total property, plant and equipment	83,919	84,431
Intangible assets	2,309	2,415
Investments and other assets		
Investment securities	5,686	6,677
Other	5,816	5,611
Allowance for doubtful accounts	(654)	(712)
Total investments and other assets	10,848	11,576
Total non-current assets	97,076	98,423
Total assets	206,491	218,611

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,457	17,110
Electronically recorded obligations - operating	26,042	26,004
Short-term loans payable	26,754	33,258
Current portion of long-term loans payable	13,537	8,882
Income taxes payable	588	985
Provision for bonuses	566	802
Other	11,241	12,657
Total current liabilities	98,189	99,701
Non-current liabilities		
Long-term loans payable	20,811	28,865
Deferred tax liabilities for land revaluation	4,097	4,097
Provision for retirement benefits for directors (and other officers)	163	157
Provision for share awards for directors (and other officers)	18	29
Retirement benefit liability	3,244	3,107
Asset retirement obligations	908	913
Other	6,711	6,604
Total non-current liabilities	35,956	43,775
Total liabilities	134,146	143,477
Net assets		
Shareholders' equity		
Share capital	23,344	23,344
Capital surplus	13,139	13,139
Retained earnings	21,131	22,384
Treasury shares	(591)	(590)
Total shareholders' equity	57,023	58,278
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	482	1,170
Deferred gains or losses on hedges	8	(119)
Revaluation reserve for land	8,835	8,835
Foreign currency translation adjustment	1,142	1,869
Remeasurements of defined benefit plans	510	445
Total accumulated other comprehensive income	10,978	12,202
Subscription rights to shares	12	12
Non-controlling interests	4,330	4,640
Total net assets	72,345	75,133
Total liabilities and net assets	206,491	218,611

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Net sales	86,721	92,392
Cost of sales	61,545	65,131
Gross profit	25,176	27,260
Selling, general and administrative expenses	22,609	24,519
Operating profit	2,567	2,741
Non-operating income		
Interest income	69	89
Dividend income	136	215
Foreign exchange gains	766	877
Other	486	429
Total non-operating income	1,459	1,611
Non-operating expenses		
Interest expenses	309	546
Share of loss of entities accounted for using equity method	185	193
Commission for syndicated loans	63	425
Other	140	183
Total non-operating expenses	698	1,350
Ordinary profit	3,328	3,003
Extraordinary income		
Gain on sale of non-current assets	27	20
Gain on change in equity	41	-
Other	0	-
Total extraordinary income	69	20
Extraordinary losses		
Loss on sale and retirement of non-current assets	65	54
Impairment losses	142	63
Total extraordinary losses	207	118
Profit before income taxes	3,189	2,905
Income taxes - current	928	996
Income taxes - deferred	(332)	(145)
Total income taxes	595	851
Profit	2,594	2,054
Profit attributable to non-controlling interests	15	114
Profit attributable to owners of parent	2,578	1,939

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Profit	2,594	2,054
Other comprehensive income		
Valuation difference on available-for-sale securities	3	688
Deferred gains or losses on hedges	(55)	(153)
Foreign currency translation adjustment	559	979
Remeasurements of defined benefit plans, net of tax	(107)	(64)
Share of other comprehensive income of entities accounted for using equity method	(9)	48
Total other comprehensive income	391	1,497
Comprehensive income	2,985	3,551
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,955	3,163
Comprehensive income attributable to non-controlling interests	30	387

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,189	2,905
Depreciation	3,027	2,817
Amortization of goodwill	1	-
Impairment losses	142	63
Increase (decrease) in retirement benefit liability	111	(150)
Interest and dividend income	(206)	(304)
Interest expenses	309	546
Foreign exchange losses (gains)	(123)	(195)
Loss (gain) on sale of property, plant and equipment and intangible assets	38	33
Loss (gain) on change in equity	(41)	-
Decrease (increase) in trade receivables	(12,285)	(10,203)
Decrease (increase) in inventories	(2,280)	(2,533)
Increase (decrease) in trade payables	4,407	(3,250)
Other, net	2,249	3,743
Subtotal	(1,460)	(6,527)
Interest and dividends received	206	304
Interest paid	(302)	(552)
Income taxes paid	(528)	(796)
Net cash provided by (used in) operating activities	(2,085)	(7,572)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,115)	(3,001)
Proceeds from sale of property, plant and equipment and intangible assets	228	189
Purchase of investment securities	(200)	(0)
Decrease (increase) in time deposits	(253)	(253)
Other, net	22	(7)
Net cash provided by (used in) investing activities	(3,317)	(3,073)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,868	6,271
Proceeds from long-term loans payable	2,136	13,194
Repayments of long-term loans payable	(3,406)	(9,923)
Proceeds from sale and leaseback transactions	264	163
Repayments of lease liabilities	(886)	(862)
Purchase of treasury shares	(312)	(0)
Proceeds from sale of treasury shares	312	-
Dividends paid	(677)	(687)
Other, net	(4)	(77)
Net cash provided by (used in) financing activities	3,294	8,078
Effect of exchange rate change on cash and cash equivalents	254	371
Net increase (decrease) in cash and cash equivalents	(1,854)	(2,195)
Cash and cash equivalents at beginning of period	14,800	10,699
Cash and cash equivalents at end of period	12,945	8,503