



Consolidated Financial Results for the Six Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

Company name: ISEKI&CO., LTD.

Stock exchange listing: Tokyo

Code number: 6310

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

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,President and Representative Director

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Scheduled date of filing quarterly securities report: August 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly 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, 2022 (January 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2022	86,721	0.1	2,567	(45.6)	3,328	(39.6)	2,578	(37.5)
June 30, 2021	86,672	20.0	4,721	271.6	5,508	415.4	4,127	321.2

(Note) Comprehensive income: Six months ended June 30, 2022: ¥ 2,985 million [(35.6)%
Six months ended June 30, 2021: ¥ 4,637 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2022	114.04	114.00
June 30, 2021	182.56	182.44

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2022	201,330	68,863	33.3	2,965.12
December 31, 2021	187,684	66,561	34.5	2,864.47

(Reference) Equity: As of June 30, 2022: ¥ 67,061 million
As of December 31, 2021: ¥ 64,768 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, 2021	-	-	-	30.00	30.00
Fiscal year ending December 31, 2022	-	-			
Fiscal year ending December 31, 2022 (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, 2022(January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	166,500	5.3	4,700	13.3	4,600	(1.9)	3,100	(3.0)	137.12

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2022

(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, 2022: 22,984,993 shares

December 31, 2021: 22,984,993 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 368,249 shares

December 31, 2021: 374,045 shares

3) Average number of shares during the period:

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

Six months ended June 30, 2021: 22,607,435 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2021	As of June 30,2022
Assets		
Current assets		
Cash and deposits	14,850	13,248
Notes and accounts receivable - trade	21,537	-
Notes and accounts receivable - trade, and contract assets	-	34,324
Merchandise and finished goods	41,532	42,248
Work in process	7,089	9,508
Raw materials and supplies	1,250	1,361
Other	4,864	3,707
Allowance for doubtful accounts	(21)	(54)
Total current assets	91,103	104,344
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,645	25,775
Land	44,475	44,515
Other, net	14,842	14,326
Total property, plant and equipment	84,962	84,617
Intangible assets	2,290	2,390
Investments and other assets		
Investment securities	5,054	5,252
Other	4,383	4,833
Allowance for doubtful accounts	(110)	(107)
Total investments and other assets	9,328	9,977
Total non-current assets	96,581	96,985
Total assets	187,684	201,330

(Million yen)

	As of December 31,2021	As of June 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,280	20,909
Electronically recorded obligations - operating	18,999	23,552
Short-term loans payable	23,745	30,016
Current portion of long-term loans payable	6,465	11,137
Income taxes payable	496	761
Provision for bonuses	524	706
Other	10,831	11,237
Total current liabilities	81,342	98,321
Non-current liabilities		
Long-term loans payable	24,728	18,960
Deferred tax liabilities for land revaluation	4,097	4,097
Provision for retirement benefits for directors	156	148
Provision for share awards for directors	-	12
Net defend benefit liability	2,912	3,049
Asset retirement obligations	881	905
Other	7,004	6,970
Total non-current liabilities	39,780	34,144
Total liabilities	121,123	132,466
Net assets		
Shareholders' equity		
Share capital	23,344	23,344
Capital surplus	13,462	13,139
Retained earnings	17,690	19,590
Treasury shares	(930)	(591)
Total shareholders' equity	53,567	55,483
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	250	252
Deferred gains or losses on hedges	2	(52)
Revaluation reserve for land	8,835	8,835
Foreign currency translation adjustment	804	1,341
Remeasurements of defined benefit plans	1,307	1,200
Total accumulated other comprehensive income	11,201	11,577
Subscription rights to shares	26	12
Non-controlling interests	1,766	1,789
Total net assets	66,561	68,863
Total liabilities and net assets	187,684	201,330

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

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Net sales	86,672	86,721
Cost of sales	60,886	61,545
Gross profit	25,785	25,176
Selling, general and administrative expenses	21,064	22,609
Operating profit	4,721	2,567
Non-operating income		
Interest income	71	69
Dividend income	78	136
Foreign exchange gains	281	766
Share of profit of entities accounted for using equity method	34	-
Settlement received	401	-
Other	429	486
Total non-operating income	1,297	1,459
Non-operating expenses		
Interest expenses	300	309
Share of loss of entities accounted for using equity method	-	185
Other	209	203
Total non-operating expenses	510	698
Ordinary profit	5,508	3,328
Extraordinary income		
Gain on sale of non-current assets	28	27
Gain on change in equity	-	41
Other	-	0
Total extraordinary income	28	69
Extraordinary losses		
Loss on sale and retirement of non-current assets	84	65
Impairment losses	34	142
Other	0	-
Total extraordinary losses	119	207
Profit before income taxes	5,418	3,189
Income taxes - current	1,367	928
Income taxes - deferred	(100)	(332)
Total income taxes	1,267	595
Profit	4,151	2,594
Profit attributable to non-controlling interests	24	15
Profit attributable to owners of parent	4,127	2,578

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

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Profit	4,151	2,594
Other comprehensive income		
Valuation difference on available-for-sale securities	332	3
Deferred gains or losses on hedges	4	(55)
Foreign currency translation adjustment	149	559
Remeasurements of defined benefit plans, net of tax	(21)	(107)
Share of other comprehensive income of entities accounted for using equity method	21	(9)
Total other comprehensive income	486	391
Comprehensive income	4,637	2,985
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,609	2,955
Comprehensive income attributable to non-controlling interests	28	30

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Cash flows from operating activities		
Profit before income taxes	5,418	3,189
Depreciation	3,171	3,027
Amortization of goodwill	1	1
Impairment losses	34	142
Increase (decrease) in retirement benefit liability	(83)	111
Loss (gain) on sale of investment securities	0	-
Interest and dividend income	(150)	(206)
Interest expenses	300	309
Foreign exchange losses (gains)	(84)	(123)
Loss (gain) on sale of property, plant and equipment and intangible assets	55	38
Loss (gain) on change in equity	-	(41)
Decrease (increase) in trade receivables	(10,226)	(12,285)
Decrease (increase) in inventories	4,456	(2,280)
Increase (decrease) in trade payables	4,058	4,407
Other, net	1,230	2,249
Subtotal	8,182	(1,460)
Interest and dividends received	154	206
Interest paid	(295)	(302)
Income taxes paid	(591)	(528)
Net cash provided by (used in) operating activities	7,449	(2,085)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,562)	(3,115)
Proceeds from sale of property, plant and equipment and intangible assets	561	228
Purchase of investment securities	(0)	(200)
Proceeds from sale of investment securities	3	-
Decrease (increase) in time deposits	(252)	(253)
Other, net	904	22
Net cash provided by (used in) investing activities	(1,345)	(3,317)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,575)	5,868
Proceeds from long-term loans payable	5,284	2,136
Repayments of long-term loans payable	(5,146)	(3,406)
Proceeds from sale and leaseback transactions	534	264
Repayments of lease obligations	(1,035)	(886)
Purchase of treasury shares	(0)	(312)
Proceeds from sale of treasury shares	-	312
Dividends paid	(1)	(677)
Other, net	(4)	(4)
Net cash provided by (used in) financing activities	(2,944)	3,294
Effect of exchange rate change on cash and cash equivalents	120	254
Net increase (decrease) in cash and cash equivalents	3,280	(1,854)
Cash and cash equivalents at beginning of period	10,752	14,800
Cash and cash equivalents at end of period	14,032	12,945