

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



November 6, 2024

Company name: DAIICHI JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8059
 URL: <https://www.djk.co.jp/>
 Representative: Ichiro Uno, President & CEO
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 Scheduled date to file semi-annual securities report: November 12, 2024
 Scheduled date to commence dividend payments: November 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)

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

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|-------------------------------------|-------------|------|------------------|------|-----------------|-------|---|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Six months ended September 30, 2024 | 101,288 | 28.8 | 6,126 | 98.0 | 6,214 | 104.9 | 4,290 | 74.1 |
| September 30, 2023 | 78,638 | 13.2 | 3,094 | 8.2 | 3,033 | (6.1) | 2,464 | 8.5 |

(Note) Comprehensive income: Six months ended September 30, 2024: ¥4,757 million [(7.2)%]
 Six months ended September 30, 2023: ¥5,125 million [55.4%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended September 30, 2024 | 135.23 | 134.80 |
| September 30, 2023 | 77.76 | 77.48 |

* A 3-for-1 stock split of common shares was conducted on October 1, 2023. Accordingly, the basic earnings per share and the diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|--------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of September 30, 2024 | 189,289 | 76,933 | 40.6 |
| As of March 31, 2024 | 193,795 | 73,441 | 37.8 |

(Reference) Equity: As of September 30, 2024: ¥76,783 million
 As of March 31, 2024: ¥73,318 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 | – | 78.00 | – | 45.00 | – |
| Fiscal year ending March 31, 2025 | – | 41.00 | | | |
| Fiscal year ending March 31, 2025 (Forecasts) | | | – | 36.00 | 77.00 |

(Note) Revision to the forecasts for dividends announced most recently: Yes

* A 3-for-1 stock split of common shares was conducted on October 1, 2023. The dividends presented for the second quarter-end of the fiscal year ended March 31, 2024 are the amount before the split, and the dividends presented for the end of the fiscal year ended March 31, 2024 are the amount after the split. The total annual dividends per share for the fiscal year ended March 31, 2024 are presented as “–.”

* Dividends for the second quarter-end of the fiscal year ended March 31, 2024 include a commemorative dividend of ¥15.00 for the 75th anniversary of the foundation.

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|------------------|------|-----------------|------|---|-------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 200,000 | 6.5 | 10,000 | 10.0 | 10,300 | 14.4 | 7,300 | (2.2) | 230.11 |

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

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name) DJ-WAVE ENGINEERING CO., LTD.
Excluded: 1 company (Company name) WAVE ENGINEERING CO., LTD.
- (2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements:
None
- (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: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
September 30, 2024: 33,259,200 shares
March 31, 2024: 33,259,200 shares
2) Total number of treasury shares at the end of the period:
September 30, 2024: 1,525,206 shares
March 31, 2024: 1,541,829 shares
3) Average number of shares during the period:
Six months ended September 30, 2024: 31,724,477 shares
Six months ended September 30, 2023: 31,697,087 shares
- * A 3-for-1 stock split of common shares was conducted on October 1, 2023. Accordingly, the average number of shares during the period was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2024.
- * Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
- * Explanation of the proper use of financial forecasts and other notes
The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

The Company plans to hold a financial results briefing session for institutional investors and analysts online on Friday, November 22, 2024. Reference materials to be distributed at the briefing session will be available on the Company's corporate website as soon as possible after the session.

Semi-annual Consolidated Financial Statements
(1) Semi-annual Consolidated Balance Sheet

(Million yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 32,029 | 33,236 |
| Notes and accounts receivable - trade, and contract assets | 53,932 | 38,807 |
| Electronically recorded monetary claims | 7,770 | 9,013 |
| Merchandise and finished goods | 20,676 | 26,341 |
| Work in process | 1,630 | 2,204 |
| Raw materials and supplies | 979 | 911 |
| Advance payments to suppliers | 49,879 | 51,081 |
| Other | 4,819 | 6,737 |
| Allowance for doubtful accounts | (128) | (160) |
| Total current assets | 171,589 | 168,172 |
| Fixed assets | | |
| Tangible fixed assets | 3,540 | 3,480 |
| Intangible fixed assets | 2,183 | 2,146 |
| Investment and other assets | | |
| Investment securities | 13,100 | 12,210 |
| Retirement benefit asset | 1,535 | 1,511 |
| Deferred tax assets | 775 | 683 |
| Other | 1,223 | 1,237 |
| Allowance for doubtful accounts | (153) | (153) |
| Total investment and other assets | 16,482 | 15,490 |
| Total fixed assets | 22,206 | 21,116 |
| Total assets | 193,795 | 189,289 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable | 39,380 | 32,402 |
| Short-term bank loans | 6,790 | 2,377 |
| Income taxes payable | 1,976 | 1,528 |
| Advances received | 60,268 | 63,670 |
| Provisions | 2,348 | 2,065 |
| Other | 6,130 | 7,005 |
| Total current liabilities | 116,894 | 109,049 |
| Long-term liabilities | | |
| Long-term loans | 120 | 60 |
| Deferred tax liabilities | 2,179 | 1,963 |
| Provisions | 32 | 29 |
| Retirement benefit liability | 554 | 527 |
| Other | 572 | 726 |
| Total long-term liabilities | 3,459 | 3,305 |
| Total liabilities | 120,354 | 112,355 |

(Million yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 5,105 | 5,105 |
| Capital surplus | 3,842 | 3,865 |
| Retained earnings | 56,753 | 59,738 |
| Treasury stock | (1,508) | (1,492) |
| Total shareholders' equity | 64,191 | 67,215 |
| Accumulated other comprehensive income | | |
| Unrealized gain on available-for-sale securities | 4,563 | 3,679 |
| Deferred gain or loss on derivatives under hedge accounting | 876 | 844 |
| Foreign currency translation adjustments | 3,266 | 4,637 |
| Remeasurements of defined benefit plans | 420 | 407 |
| Total accumulated other comprehensive income | 9,126 | 9,568 |
| Stock acquisition rights | 78 | 78 |
| Non-controlling interests | 44 | 70 |
| Total net assets | 73,441 | 76,933 |
| Total liabilities and net assets | 193,795 | 189,289 |

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|---|--|--|
| Net sales | 78,638 | 101,288 |
| Cost of sales | 64,849 | 83,406 |
| Gross profit | 13,788 | 17,881 |
| Selling, general and administrative expenses | 10,694 | 11,754 |
| Operating income | 3,094 | 6,126 |
| Non-operating income | | |
| Interest received | 75 | 60 |
| Dividend income | 316 | 478 |
| Purchase discounts | 98 | 78 |
| Share of profit of entities accounted for using equity method | 72 | – |
| Other | 100 | 116 |
| Total non-operating income | 663 | 734 |
| Non-operating expenses | | |
| Interest expenses | 40 | 23 |
| Share of loss of entities accounted for using equity method | – | 8 |
| Commission expenses | 53 | 57 |
| Foreign exchange losses | 577 | 510 |
| Other | 54 | 46 |
| Total non-operating expenses | 724 | 647 |
| Ordinary income | 3,033 | 6,214 |
| Extraordinary profit | | |
| Gain on sale of investment securities | 174 | 82 |
| Gain on sale of businesses | 130 | – |
| Insurance claim income | 996 | – |
| Total extraordinary profit | 1,301 | 82 |
| Extraordinary loss | | |
| Loss on sale of investment securities | 1 | – |
| Loss on valuation of investment securities | – | 0 |
| Loss on disaster | 683 | – |
| Total extraordinary loss | 685 | 0 |
| Income before income taxes | 3,648 | 6,296 |
| Income taxes | 1,258 | 1,683 |
| Deferred taxes | (57) | 299 |
| Total income taxes | 1,200 | 1,983 |
| Profit | 2,448 | 4,313 |
| Loss attributable to non-controlling interests | (16) | 22 |
| Profit attributable to owners of parent | 2,464 | 4,290 |

Semi-annual Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Profit | 2,448 | 4,313 |
| Other comprehensive income | | |
| Unrealized gain or loss on available-for-sale securities | 896 | (883) |
| Deferred gain or loss on derivatives under hedge accounting | 583 | (32) |
| Foreign currency translation adjustment | 1,206 | 1,374 |
| Remeasurements of defined benefit plans | (9) | (13) |
| Total other comprehensive income | 2,677 | 444 |
| Comprehensive income | 5,125 | 4,757 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 5,138 | 4,731 |
| Comprehensive income attributable to non-controlling interests | (13) | 25 |

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|---|--|--|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 3,648 | 6,296 |
| Depreciation and amortization | 586 | 565 |
| Share-based payment expenses | 20 | 19 |
| Amortization of goodwill | — | 56 |
| Increase (decrease) in allowance for doubtful accounts | (3) | 32 |
| Increase (decrease) in allowance | 401 | (297) |
| Decrease (increase) in retirement benefit asset | 0 | (6) |
| Increase (decrease) in retirement benefit liability | 76 | 3 |
| Interest and dividend income | (392) | (539) |
| Interest expense | 40 | 23 |
| Share of loss (profit) of entities accounted for using equity method | (72) | 8 |
| Loss (gain) on sale of investment securities | (172) | (82) |
| Loss (gain) on valuation of investment securities | — | 0 |
| Loss (gain) on investments in silent partnerships | (17) | (59) |
| Loss (gain) on sale of businesses | (130) | — |
| Decrease (increase) in notes and accounts receivable - trade, and contract assets | 4,541 | 14,274 |
| Decrease (increase) in advance payments to suppliers | (16,792) | (507) |
| Decrease (increase) in inventories | (3,547) | (5,739) |
| Decrease (increase) in other current assets | (836) | (2,068) |
| Increase (decrease) in notes and accounts payable-trade | 1,532 | (7,349) |
| Increase (decrease) in advances from customers | 14,747 | 2,641 |
| Increase (decrease) in other current liabilities | (165) | 942 |
| Other, net | 219 | (271) |
| Subtotal | 3,684 | 7,941 |
| Interest and dividends received | 410 | 543 |
| Interest paid | (40) | (23) |
| Income taxes-paid | (1,711) | (2,101) |
| Net cash (used in) provided by operating activities | 2,342 | 6,360 |
| Cash flows from investing activities | | |
| Net decrease (increase) in time deposits | (1,764) | (701) |
| Purchase of property, plant and equipment | (168) | (195) |
| Proceeds from sale of property, plant and equipment | 1 | 2 |
| Purchase of intangible assets | (37) | (156) |
| Purchase of investment securities | (125) | (192) |
| Proceeds from sale of investment securities | 254 | 118 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (1,077) | — |
| Proceeds from sale of businesses | 130 | — |
| Loan advances | (5) | (28) |
| Proceeds from collection of loans receivable | 0 | 1 |
| Other, net | (114) | 9 |
| Net cash (used in) provided by investing activities | (2,906) | (1,142) |

(Million yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|---|--|--|
| Cash flows from financing activities | | |
| Increase (decrease) in short-term bank loans-net | (1,996) | (4,436) |
| Repayments of long-term borrowings | (60) | (60) |
| Purchase of treasury shares | (4) | (0) |
| Dividends paid | (1,199) | (1,423) |
| Other, net | (116) | (81) |
| Net cash (used in) provided by financing activities | (3,376) | (6,002) |
| Foreign currency translation adjustments on cash and cash equivalents | 598 | 1,030 |
| Net increase (decrease) in cash and cash equivalents | (3,341) | 245 |
| Cash and cash equivalents at beginning of year | 32,309 | 30,217 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | - | 185 |
| Cash and cash equivalents at end of period | 28,968 | 30,648 |