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Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]

November 10, 2020

Company name: CHIYODA UTE CO., LTD.

Stock exchange listing: Tokyo

Code number: 5387

URL: <http://www.chiyoda-ute.co.jp>

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Scheduled date of filing quarterly securities report: November 12, 2020

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 September 30, 2020 (April 01, 2020 to September 30, 2020)

(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 September 30, 2020	12,430	(14.1)	(103)	-	49	-	75	-
September 30, 2019	14,473	1.0	(378)	-	(186)	-	(182)	-

(Note) Comprehensive income: Six months ended September 30, 2020: ¥ 137 million [-%]
Six months ended September 30, 2019: ¥ (174) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	3.24	-
September 30, 2019	(10.56)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2020	31,437	13,019	41.4
March 31, 2020	30,776	12,881	41.8

(Reference) Equity: As of September 30, 2020: ¥ 13,009 million
As of March 31, 2020: ¥ 12,872 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, 2020	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2021	-	0.00			
Fiscal year ending March 31, 2021 (Forecast)			-	0.00	0.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% 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	25,000	(13.5)	30	-	270	-	200	-	8.58

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2020

(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: No

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):

September 30, 2020: 23,737,165 shares

March 31, 2020: 23,737,165 shares

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

September 30, 2020: 418,768 shares

March 31, 2020: 418,768 shares

3) Average number of shares during the period:

Six months ended September 30, 2020: 23,318,397 shares

Six months ended September 30, 2019: 17,251,232 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of September 30,2020
Assets		
Current assets		
Cash and deposits	1,582,556	2,950,864
Notes and accounts receivable - trade	4,730,196	4,322,429
Merchandise and finished goods	1,422,010	1,348,182
Work in process	109,467	74,708
Raw materials and supplies	1,567,619	1,518,431
Other	317,896	255,455
Allowance for doubtful accounts	(115,831)	(81,891)
Total current assets	9,613,916	10,388,181
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,598,664	4,521,188
Machinery, equipment and vehicles, net	2,135,228	2,137,524
Land	11,265,606	11,219,774
Other, net	625,721	527,803
Total property, plant and equipment	18,625,220	18,406,291
Intangible assets	177,529	216,324
Investments and other assets		
Investment securities	1,081,422	1,148,540
Other	1,303,706	1,288,698
Allowance for doubtful accounts	(51,939)	(33,496)
Total investments and other assets	2,333,188	2,403,742
Total non-current assets	21,135,938	21,026,358
Deferred assets	26,194	22,466
Total assets	30,776,049	31,437,006

(Thousand yen)

	As of March 31,2020	As of September 30,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,639,022	2,777,301
Short-term borrowings	2,279,391	3,245,378
Income taxes payable	108,525	65,756
Provision for bonuses	278,157	221,023
Other	2,259,696	2,190,925
Total current liabilities	8,564,793	8,500,384
Non-current liabilities		
Bonds payable	1,886,000	1,720,800
Long-term borrowings	4,616,302	5,393,094
Provision for retirement benefits for directors (and other officers)	201,104	188,216
Provision for loss on subsidiaries and affiliates	2,000	-
Retirement benefit liability	1,321,784	1,336,233
Asset retirement obligations	135,450	135,450
Other	1,167,211	1,143,701
Total non-current liabilities	9,329,853	9,917,495
Total liabilities	17,894,646	18,417,880
Net assets		
Shareholders' equity		
Share capital	5,960,988	5,960,988
Capital surplus	6,751,539	6,751,539
Retained earnings	492,645	568,190
Treasury shares	(196,284)	(196,284)
Total shareholders' equity	13,008,889	13,084,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,262	167,136
Remeasurements of defined benefit plans	(261,104)	(242,386)
Total accumulated other comprehensive income	(136,841)	(75,249)
Non-controlling interests	9,355	9,941
Total net assets	12,881,402	13,019,126
Total liabilities and net assets	30,776,049	31,437,006

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Net sales	14,473,029	12,430,197
Cost of sales	9,302,555	7,664,841
Gross profit	5,170,474	4,765,356
Selling, general and administrative expenses	5,549,031	4,868,451
Operating loss	(378,556)	(103,094)
Non-operating income		
Interest income	1,527	1,465
Dividend income	24,394	22,553
Rental income	80,729	74,154
Insurance claim income	114,418	39,102
Subsidies for employment adjustment	-	78,276
Share of profit of entities accounted for using equity method	17,379	23,358
Other	65,012	48,801
Total non-operating income	303,462	287,712
Non-operating expenses		
Interest expenses	46,499	37,062
Rental expenses	27,061	27,299
Other	38,067	71,012
Total non-operating expenses	111,628	135,373
Ordinary profit (loss)	(186,722)	49,243
Extraordinary income		
Gain on sales of non-current assets	1,284	3,428
Gain on sales of investment securities	24,063	-
Gain on sales of shares of subsidiaries and associates	-	1,782
Gain on sales of shares of subsidiaries	17,399	47,740
Total extraordinary income	42,747	52,951
Extraordinary losses		
Loss on sales of non-current assets	342	-
Loss on retirement of non-current assets	395	6,666
Loss on valuation of investment securities	800	-
Total extraordinary losses	1,537	6,666
Profit (loss) before income taxes	(145,513)	95,528
Income taxes	33,949	19,396
Profit (loss)	(179,462)	76,132
Profit attributable to non-controlling interests	2,665	586
Profit (loss) attributable to owners of parent	(182,127)	75,545

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

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Profit (loss)	(179,462)	76,132
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,203)	42,873
Remeasurements of defined benefit plans, net of tax	17,641	18,718
Total other comprehensive income	5,437	61,591
Comprehensive income	(174,025)	137,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(176,690)	137,137
Comprehensive income attributable to non-controlling interests	2,665	586

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2019	For the six months ended September 30,2020
Cash flows from operating activities		
Profit (loss) before income taxes	(145,513)	95,528
Depreciation	660,921	531,914
Increase (decrease) in allowance for doubtful accounts	(10,973)	1,359
Increase (decrease) in provision for bonuses	4,612	(52,934)
Increase (decrease) in retirement benefit liability	(5,229)	36,997
Increase (decrease) in provision for loss on subsidiaries and affiliates	-	(255)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(21,999)	(12,888)
Interest and dividend income	(25,921)	(24,019)
Interest expenses	46,499	37,062
Loss (gain) on sales of shares of subsidiaries	(17,399)	(47,740)
Loss (gain) on sales of shares of subsidiaries and associates	-	(1,782)
Share of loss (profit) of entities accounted for using equity method	(17,379)	(23,358)
Loss (gain) on sales and retirement of non-current assets	(546)	3,238
Loss (gain) on sales and valuation of investment securities	(23,263)	-
Decrease (increase) in trade receivables	331,869	(68,104)
Decrease (increase) in inventories	28,657	156,795
Increase (decrease) in trade payables	(1,014,793)	(271,754)
Increase (decrease) in accrued consumption taxes	(39,298)	(21,496)
Decrease (increase) in other assets	13,332	(31,494)
Increase (decrease) in other liabilities	(514,558)	(128,515)
Subtotal	(750,983)	178,550
Interest and dividends received	25,009	22,857
Interest paid	(48,265)	(38,254)
Income taxes (paid) refund	13,996	(48,613)
Net cash provided by (used in) operating activities	(760,244)	114,539
Cash flows from investing activities		
Payments into time deposits	(13,020)	(170)
Purchase of property, plant and equipment	(358,494)	(250,197)
Proceeds from sales of property, plant and equipment	2,978	57,968
Purchase of investment securities	(7,610)	(8,099)
Proceeds from sales of investment securities	70,647	-
Proceeds from sales of shares of subsidiaries and associates	-	16,782
Proceeds from withdrawal of investment securities	58,500	4,755
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(87,512)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	99,901	-
Proceeds from sales of shares of subsidiaries	-	4,288
Loan advances	(157,380)	(1,587)
Collection of loans receivable	79,091	55,845
Other, net	(4,508)	(10,660)
Net cash provided by (used in) investing activities	(229,896)	(218,588)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	152,899	655,749
Proceeds from long-term borrowings	543,000	1,670,000
Repayments of long-term borrowings	(641,606)	(582,970)

Redemption of bonds	(165,200)	(165,200)
Dividends paid	(51,791)	(239)
Purchase of treasury shares of subsidiaries	(5,300)	-
Repayments of lease obligations	(98,314)	(95,153)
Net cash provided by (used in) financing activities	(266,312)	1,482,185
Net increase (decrease) in cash and cash equivalents	(1,256,453)	1,378,137
Cash and cash equivalents at beginning of period	2,920,654	1,550,486
Cash and cash equivalents at end of period	1,664,201	2,928,623