

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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

November 1, 2023

Company name: FUJI KYUKO CO., LTD.

Stock exchange listing: Tokyo

Code number: 9010

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

Representative: Koichiro Horiuchi

Contact: Masao Amemiya

Phone: +81-555-22-7120

Scheduled date of filing quarterly securities report: November 13, 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

Representative Director and President

Director, Executive Officer, in charge of Management & Administration Department

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

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

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Operating revenues		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	25,917	25.7	4,893	151.7	4,789	165.1	3,178	237.6
September 30, 2022	20,610	21.6	1,944	420.9	1,807	699.4	941	602.2

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 3,922 million [248.3%]
Six months ended September 30, 2022: ¥ 1,126 million [454.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	59.86	-
September 30, 2022	17.73	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	100,007	29,902	28.9
March 31, 2023	100,746	26,784	25.7

(Reference) Equity: As of September 30, 2023: ¥ 28,927 million
As of March 31, 2023: ¥ 25,879 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, 2023	-	-	-	15.00	15.00
Fiscal year ending March 31, 2024	-	-			
Fiscal year ending March 31, 2024 (Forecast)			-	18.00	18.00

(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, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Operating revenues		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	48,990	14.1	5,880	38.6	5,560	38.7	3,170	36.7	59.70

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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: 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, 2023: 54,884,738 shares

March 31, 2023: 54,884,738 shares

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

September 30, 2023: 1,786,763 shares

March 31, 2023: 1,784,412 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 53,099,726 shares

Six months ended September 30, 2022: 53,100,044 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	19,060,537	17,768,553
Notes and accounts receivable - trade, and contract assets	3,990,004	3,873,128
Land and buildings for sale in lots	8,528,982	8,525,329
Merchandise and finished goods	672,946	782,708
Work in process	79,764	148,302
Raw materials and supplies	775,536	793,204
Costs on construction contracts in progress	145,916	455,960
Other	1,455,003	1,504,904
Allowance for doubtful accounts	(15,294)	(19,968)
Total current assets	34,693,397	33,832,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,747,228	27,648,413
Machinery, equipment and vehicles, net	4,963,840	7,561,423
Land	15,759,939	15,759,939
Leased assets, net	1,528,622	1,186,031
Construction in progress	3,664,770	211,701
Other, net	1,667,360	1,794,166
Total property, plant and equipment	54,331,762	54,161,675
Intangible assets	2,763,466	2,812,552
Investments and other assets		
Investment securities	6,263,870	7,142,191
Retirement benefit asset	-	4,019
Deferred tax assets	1,902,785	1,286,875
Other	788,447	767,506
Allowance for doubtful accounts	(24,660)	(24,660)
Total investments and other assets	8,930,443	9,175,932
Total non-current assets	66,025,672	66,150,160
Deferred assets		
Bond issuance costs	27,905	25,445
Total deferred assets	27,905	25,445
Total assets	100,746,975	100,007,728

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,439,374	2,430,145
Short-term borrowings	12,250,326	9,837,332
Lease liabilities	724,449	595,502
Accrued consumption taxes	662,461	569,137
Income taxes payable	636,169	1,081,805
Provision for bonuses	448,874	485,371
Provision for bonuses for directors (and other officers)	18,000	-
Other	3,847,515	5,004,435
Total current liabilities	21,027,169	20,003,728
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	41,488,870	39,072,906
Lease liabilities	1,040,221	781,069
Deferred tax liabilities	42,873	44,631
Retirement benefit liability	752,907	704,423
Provision for share awards for directors (and other officers)	20,002	23,052
Other	4,590,899	4,475,870
Total non-current liabilities	52,935,774	50,101,953
Total liabilities	73,962,943	70,105,681
Net assets		
Shareholders' equity		
Share capital	9,126,343	9,126,343
Capital surplus	3,691,371	3,695,525
Retained earnings	13,814,073	16,197,042
Treasury shares	(1,543,134)	(1,548,044)
Total shareholders' equity	25,088,653	27,470,867
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953,880	1,569,500
Remeasurements of defined benefit plans	(162,670)	(113,150)
Total accumulated other comprehensive income	791,209	1,456,349
Non-controlling interests	904,168	974,829
Total net assets	26,784,031	29,902,046
Total liabilities and net assets	100,746,975	100,007,728

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Operating revenue	20,610,753	25,917,329
Operating expenses		
Operating expenses and cost of sales of transportation	18,045,894	20,295,565
Selling, general and administrative expenses	620,545	728,710
Total operating expenses	18,666,440	21,024,276
Operating profit	1,944,313	4,893,053
Non-operating income		
Interest and dividend income	59,855	63,376
Share of profit of entities accounted for using equity method	-	9,027
Miscellaneous income	72,317	73,712
Total non-operating income	132,172	146,116
Non-operating expenses		
Interest expenses	225,140	227,742
Share of loss of entities accounted for using equity method	340	-
Miscellaneous expenses	43,938	21,479
Total non-operating expenses	269,418	249,222
Ordinary profit	1,807,067	4,789,947
Extraordinary income		
Gain on sale of non-current assets	2,209	1,467
Subsidies	52,932	67,929
Subsidies for employment adjustment	23,974	-
Total extraordinary income	79,116	69,396
Extraordinary losses		
Loss on valuation of investment securities	3,094	-
Loss on tax purpose reduction entry of non-current assets	1,532	28,339
Loss on retirement of non-current assets	299,171	136,273
Allowance for absence from work	17,598	-
Total extraordinary losses	321,397	164,613
Profit before income taxes	1,564,786	4,694,730
Income taxes - current	375,250	1,105,856
Income taxes - deferred	216,421	334,306
Total income taxes	591,672	1,440,163
Profit	973,114	3,254,567
Profit attributable to non-controlling interests	31,466	75,894
Profit attributable to owners of parent	941,647	3,178,672

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

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	973,114	3,254,567
Other comprehensive income		
Valuation difference on available-for-sale securities	102,345	599,085
Remeasurements of defined benefit plans, net of tax	56,781	49,520
Share of other comprehensive income of entities accounted for using equity method	(6,137)	19,521
Total other comprehensive income	152,989	668,127
Comprehensive income	1,126,104	3,922,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,093,435	3,843,812
Comprehensive income attributable to non-controlling interests	32,668	78,881

Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,564,786	4,694,730
Depreciation	2,826,887	2,792,658
Amortization of goodwill	-	2,298
Loss on retirement of non-current assets	106,999	51,169
Loss on tax purpose reduction entry of non-current assets	1,532	28,339
Increase (decrease) in allowance for doubtful accounts	(58)	4,673
Increase (decrease) in provision for bonuses	24,783	36,496
Increase (decrease) in provision for bonuses for directors (and other officers)	(6,500)	(18,000)
Increase (decrease) in provision for share awards for directors (and other officers)	(3,956)	3,050
Increase (decrease) in retirement benefit liability	(20,615)	22,726
Decrease (increase) in retirement benefit asset	-	(4,019)
Interest and dividend income	(59,855)	(63,376)
Interest expenses	225,140	227,742
Share of loss (profit) of entities accounted for using equity method	340	(9,027)
Loss (gain) on sale of non-current assets	(2,209)	(1,467)
Loss (gain) on valuation of investment securities	3,094	-
Subsidy income	(52,932)	(67,929)
Decrease (increase) in trade receivables	(155,718)	116,876
Decrease (increase) in inventories	(190,981)	(502,038)
Increase (decrease) in trade payables	73,278	(9,229)
Increase/decrease in other assets/liabilities	425,687	1,112,445
Subtotal	4,759,703	8,418,120
Interest and dividends received	72,136	75,662
Interest paid	(226,063)	(227,250)
Subsidies received	61,042	48,659
Income taxes refund (paid)	(253,543)	(690,919)
Net cash provided by (used in) operating activities	4,413,275	7,624,272
Cash flows from investing activities		
Subsidies received	134,087	290,952
Purchase of property, plant and equipment and intangible assets	(2,348,103)	(2,988,454)
Proceeds from sale of property, plant and equipment and intangible assets	2,794	1,467
Purchase of investment securities	(1,332)	(1,396)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(31,001)	(31,987)
Other, net	-	5,000
Net cash provided by (used in) investing activities	(2,243,555)	(2,724,418)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(250,000)	(1,500,000)
Proceeds from long-term borrowings	3,740,000	2,630,000
Repayments of long-term borrowings	(2,978,683)	(5,958,958)
Proceeds from sale-and-leaseback transactions	4,633	-
Repayments of lease liabilities	(496,422)	(362,612)
Purchase of treasury shares	(251)	(3,142)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4,522)	(4,622)
Dividends paid	(530,655)	(795,015)
Dividends paid to non-controlling interests	(1,211)	(1,211)
Other, net	(197,224)	(198,371)
Net cash provided by (used in) financing activities	(714,337)	(6,193,933)
Net increase (decrease) in cash and cash equivalents	1,455,383	(1,294,080)
Cash and cash equivalents at beginning of period	17,043,667	18,985,825
Cash and cash equivalents at end of period	18,499,050	17,691,745