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

November 09, 2022

Company name: SHIBAURA MACHINE CO., LTD.

Stock exchange listing: Tokyo

Code number: 6104

URL: <https://www.shibaura-machine.co.jp>

Representative: Shigetomo Sakamoto

Contact: Minoru Aoki

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Scheduled date of filing quarterly securities report: November 09, 2022

Scheduled date of commencing dividend payments: December 02, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

President and Chief Operating Officer

Public Relations & Investor Relations Department Senior
Manager

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 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 September 30, 2022	58,952	9.8	1,670	(29.7)	2,156	(8.2)	1,847	3.1
September 30, 2021	53,697	26.9	2,377	-	2,349	-	1,792	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 3,252 million [44.5%]
Six months ended September 30, 2021: ¥ 2,251 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	76.49	-
September 30, 2021	74.22	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	180,567	85,884	47.6
March 31, 2022	166,989	83,515	50.0

(Reference) Equity: As of September 30, 2022: ¥ 85,884 million
As of March 31, 2022: ¥ 83,515 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, 2022	-	37.50	-	37.50	75.00
Fiscal year ending March 31, 2023	-	37.50			
Fiscal year ending March 31, 2023 (Forecast)			-	37.50	75.00

(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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	130,000	20.6	5,000	18.0	5,400	18.8	4,300	15.4	177.96

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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: 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, 2022: 29,977,106 shares

March 31, 2022: 29,977,106 shares

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

September 30, 2022: 5,814,448 shares

March 31, 2022: 5,822,705 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 24,157,944 shares

Six months ended September 30, 2021: 24,149,429 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	51,710	48,496
Notes and accounts receivable - trade, and contract assets	23,613	24,207
Merchandise and finished goods	23,000	26,810
Work in process	28,541	37,869
Raw materials and supplies	65	42
Other	7,566	11,074
Allowance for doubtful accounts	(37)	(48)
Total current assets	134,461	148,452
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,040	37,440
Accumulated depreciation and impairment	(27,459)	(27,741)
Buildings and structures, net	9,581	9,699
Machinery, equipment and vehicles	23,463	24,103
Accumulated depreciation and impairment	(20,584)	(20,916)
Machinery, equipment and vehicles, net	2,878	3,186
Land	7,142	7,238
Leased assets	469	552
Accumulated depreciation and impairment	(244)	(276)
Leased assets, net	224	275
Construction in progress	842	321
Other	7,084	7,202
Accumulated depreciation and impairment	(6,607)	(6,677)
Other, net	477	525
Total property, plant and equipment	21,146	21,245
Intangible assets		
Other	843	891
Total intangible assets	843	891
Investments and other assets		
Investment securities	8,686	7,927
Long-term loans receivable	5	4
Deferred tax assets	565	897
Other	2,718	2,593
Allowance for doubtful accounts	(1,436)	(1,444)
Total investments and other assets	10,538	9,978
Total non-current assets	32,528	32,115
Total assets	166,989	180,567

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,729	29,294
Short-term borrowings	10,917	14,006
Income taxes payable	465	406
Accrued expenses	2,248	2,690
Provision for bonuses	1,894	1,873
Provision for product warranties	618	843
Contract liabilities	28,887	34,658
Other	2,003	1,871
Total current liabilities	70,766	85,644
Non-current liabilities		
Long-term borrowings	3,300	-
Long-term accounts payable - other	5	5
Deferred tax liabilities	440	8
Provision for retirement benefits for directors (and other officers)	63	42
Retirement benefit liability	8,354	8,376
Asset retirement obligations	384	385
Other	158	219
Total non-current liabilities	12,707	9,038
Total liabilities	83,474	94,682
Net assets		
Shareholders' equity		
Share capital	12,484	12,484
Capital surplus	11,538	11,538
Retained earnings	68,374	69,315
Treasury shares	(16,322)	(16,299)
Total shareholders' equity	76,075	77,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,350	3,818
Foreign currency translation adjustment	3,348	5,238
Remeasurements of defined benefit plans	(259)	(212)
Total accumulated other comprehensive income	7,440	8,845
Total net assets	83,515	85,884
Total liabilities and net assets	166,989	180,567

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	53,697	58,952
Cost of sales	38,162	40,799
Gross profit	15,535	18,152
Selling, general and administrative expenses	13,157	16,481
Operating profit	2,377	1,670
Non-operating income		
Interest income	39	44
Dividend income	123	201
Rental income	23	26
Foreign exchange gains	40	409
Subsidies for employment adjustment	231	-
Other	74	158
Total non-operating income	533	840
Non-operating expenses		
Interest expenses	55	69
Outsourcing expenses	67	48
Other	437	237
Total non-operating expenses	560	355
Ordinary profit	2,349	2,156
Extraordinary income		
Gain on sale of non-current assets	13	1
Total extraordinary income	13	1
Extraordinary losses		
Loss on disposal of non-current assets	18	9
Loss on valuation of investments in capital of subsidiaries and associates	-	194
Total extraordinary losses	18	203
Profit before income taxes	2,345	1,954
Income taxes - current	341	598
Income taxes - deferred	210	(492)
Total income taxes	552	106
Profit	1,792	1,847
Profit attributable to owners of parent	1,792	1,847

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,792	1,847
Other comprehensive income		
Valuation difference on available-for-sale securities	377	(532)
Foreign currency translation adjustment	6	1,889
Remeasurements of defined benefit plans, net of tax	75	46
Total other comprehensive income	459	1,404
Comprehensive income	2,251	3,252
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,251	3,252
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	2,345	1,954
Depreciation	922	1,042
Increase (decrease) in allowance for doubtful accounts	(20)	19
Increase (decrease) in provision for bonuses	83	(21)
Increase (decrease) in provision for product warranties	(13)	224
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(20)
Increase (decrease) in retirement benefit liability	60	68
Interest and dividend income	(163)	(246)
Interest expenses	55	69
Loss on valuation of investments in capital of subsidiaries and affiliates	-	194
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	4	8
Decrease (increase) in trade receivables	1,782	(594)
Decrease (increase) in inventories	(673)	(13,114)
Increase (decrease) in trade payables	5,170	5,543
Increase (decrease) in contract liabilities	(4,130)	5,751
Increase (decrease) in accrued expenses	162	443
Increase (decrease) in deposits received	18	82
Increase (decrease) in accounts payable - other	144	344
Other, net	505	(3,384)
Subtotal	6,253	(1,635)
Interest and dividends received	156	240
Interest paid	(38)	(50)
Income taxes refund (paid)	322	(660)
Net cash provided by (used in) operating activities	6,693	(2,106)
Cash flows from investing activities		
Purchase of property, plant and equipment	(800)	(1,303)
Proceeds from sale of property, plant and equipment	80	1
Purchase of intangible assets	(182)	(213)
Decrease (increase) in short-term loans receivable	10	0
Proceeds from collection of long-term loans receivable	0	0
Other, net	16	(68)
Net cash provided by (used in) investing activities	(875)	(1,583)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	20
Repayments of long-term borrowings	(250)	(250)
Purchase of treasury shares	(0)	(0)
Dividends paid	(905)	(905)
Other, net	(42)	(66)
Net cash provided by (used in) financing activities	(1,198)	(1,201)
Effect of exchange rate change on cash and cash equivalents	36	1,676
Net increase (decrease) in cash and cash equivalents	4,656	(3,214)
Cash and cash equivalents at beginning of period	42,417	51,710
Cash and cash equivalents at end of period	47,074	48,496