

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



November 8, 2024

Company name: KYODO PRINTING CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7914
 URL: <https://www.kyodoprinting.co.jp/>
 Representative: Yoshiaki Fujimori, President
 Contact: Reiko Yamada, General Manager of Corporate Communication Division
 Phone: +81-3-3817-2525
 Scheduled date of filing semi-annual securities report: November 13, 2024
 Scheduled date of commencing dividend payments: December 9, 2024
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and securities 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 to September 30, 2024)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2024	48,183	5.3	623	78.8	918	32.3	870	159.2
September 30, 2023	45,741	3.8	348	—	694	—	335	—

(Note) Comprehensive income: Six months ended September 30, 2024: ¥441 million [(80.7)%]
 Six months ended September 30, 2023: ¥2,284 million [—%]

	Basic net income per share	Diluted net income per share
Six months ended	Yen	Yen
September 30, 2024	119.46	—
September 30, 2023	44.04	—

(2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	129,211	63,205	48.9
As of March 31, 2024	131,815	63,120	47.9

(Reference) Equity: As of September 30, 2024: ¥63,168 million
 As of March 31, 2024: ¥63,082 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	—	50.00	—	50.00	100.00
Fiscal year ending March 31, 2025	—	55.00			
Fiscal year ending March 31, 2025 (Forecast)			—	80.00	135.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	104,000	7.2	3,100	96.5	3,600	72.8	3,250	117.2	446.07

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: – (Name of subsidiary): –, Excluded: 1 (Name of subsidiary): Kyodo Printing Marketing Solutions Co., Ltd.

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: Yes

(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 stock)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 8,370,000 shares

March 31, 2024: 8,370,000 shares

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

September 30, 2024: 1,080,191 shares

March 31, 2024: 1,087,831 shares

3) Average number of shares during the period:

Six months ended September 30, 2024: 7,285,822 shares

Six months ended September 30, 2023: 7,623,203 shares

(Note) Treasury shares deducted in calculating the total number of treasury shares at the end of the period and the average number of shares during the period include the Company's shares held by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of the "Board Benefit Trust (BBT, J-ESOP, and Employee Shareholding Association Disposal Type)".

* Consolidated financial results for the six months ended are outside the scope of review by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and certain other statements regarding the future in this document are based on the information currently available to the Company and certain assumptions considered to be rational by the Company and they do not constitute a guarantee that the Company will achieve the forecast or other forward-looking statements. The actual results may differ substantially from the forecast for various reasons.

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	11,003	12,405
Notes and accounts receivable - trade, and contract assets	28,621	25,801
Securities	7	—
Merchandise and finished goods	3,249	3,461
Work in process	2,816	3,604
Raw materials and supplies	1,560	1,464
Other	843	825
Allowance for doubtful accounts	△27	△26
Total current assets	48,074	47,536
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,811	27,029
Machinery, equipment and vehicles, net	11,377	12,267
Tools, furniture and fixtures, net	1,597	1,689
Land	14,901	14,933
Leased assets, net	1,040	1,155
Construction in progress	1,238	129
Total property, plant and equipment	57,966	57,204
Intangible assets		
Goodwill	140	20
Software	1,136	1,107
Other	246	298
Total intangible assets	1,522	1,425
Investments and other assets		
Investment securities	20,549	19,443
Retirement benefit asset	2,324	2,372
Deferred tax assets	332	302
Other	1,050	930
Allowance for doubtful accounts	△4	△5
Total investments and other assets	24,252	23,044
Total non-current assets	83,741	81,674
Total assets	131,815	129,211

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,345	12,202
Short-term borrowings	135	2,154
Current portion of long-term borrowings	2,437	2,434
Lease liabilities	372	377
Income taxes payable	283	723
Provision for bonuses	953	923
Provision for bonuses for directors (and other officers)	59	52
Other	8,917	8,445
Total current liabilities	28,504	27,315
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	6,789	5,552
Lease liabilities	773	870
Deferred tax liabilities	3,981	3,630
Provision for share awards for directors (and other officers)	22	18
Retirement benefit liability	6,554	6,611
Asset retirement obligations	8	8
Long-term advances received	16,833	16,717
Provision for product defect compensation	—	41
Other	226	238
Total non-current liabilities	40,190	38,690
Total liabilities	68,695	66,005
Net assets		
Shareholders' equity		
Share capital	4,510	4,510
Capital surplus	1,687	1,687
Retained earnings	48,592	49,085
Treasury shares	△3,289	△3,268
Total shareholders' equity	51,500	52,014
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,381	10,636
Foreign currency translation adjustment	356	597
Remeasurements of defined benefit plans	△156	△79
Total accumulated other comprehensive income	11,581	11,154
Non-controlling interests	38	36
Total net assets	63,120	63,205
Total liabilities and net assets	131,815	129,211

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	45,741	48,183
Cost of sales	36,947	38,659
Gross profit	8,794	9,523
Selling, general and administrative expenses	8,445	8,900
Operating profit	348	623
Non-operating income		
Interest income	1	2
Dividend income	176	169
Gain on sale of goods	17	21
Rental income from facilities	35	35
Dividend income of insurance	146	148
Foreign exchange gains	29	—
Other	81	119
Total non-operating income	488	496
Non-operating expenses		
Interest expenses	65	86
Rental expenses on facilities	17	17
Bond issuance costs	31	—
Compensation expenses	—	41
Foreign exchange losses	—	7
Other	27	48
Total non-operating expenses	142	201
Ordinary profit	694	918
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	118	1,010
Total extraordinary income	119	1,013
Extraordinary losses		
Loss on disposal of non-current assets	60	65
Loss on sale of investment securities	0	—
Loss on valuation of investment securities	—	59
Impairment losses	31	101
Provision for product compensation	—	40
Loss on litigation	—	142
Other	0	37
Total extraordinary losses	92	445
Profit before income taxes	721	1,485
Income taxes	383	618
Profit	337	867
Profit (loss) attributable to non-controlling interests	1	△2
Profit attributable to owners of parent	335	870

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	337	867
Other comprehensive income		
Valuation difference on available-for-sale securities	1,623	△745
Foreign currency translation adjustment	322	242
Remeasurements of defined benefit plans, net of tax	22	76
Share of other comprehensive income of entities accounted for using equity method	△20	—
Total other comprehensive income	1,946	△426
Comprehensive income	2,284	441
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,280	442
Comprehensive income attributable to non-controlling interests	4	△1

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	721	1,485
Depreciation	2,773	2,932
Impairment losses	31	101
Amortization of goodwill	120	120
Increase (decrease) in net defined benefit asset and liability	25	98
Increase (decrease) in allowance for doubtful accounts	1	△0
Increase (decrease) in provision for bonuses	△29	△29
Increase (decrease) in provision for bonuses for directors (and other officers)	△13	△7
Increase (decrease) in provision for loss on Anti-Monopoly Act	△838	—
Increase (decrease) in Provision for product defect compensation	—	41
Interest and dividend income	△177	△171
Interest expenses	65	86
Loss (gain) on valuation of investment securities	—	59
Loss (gain) on sale of investment securities	△118	△1,010
Loss (gain) on sale and retirement of non-current assets	60	62
Decrease (increase) in trade receivables	△176	2,865
Decrease (increase) in inventories	△1,520	△875
Increase (decrease) in trade payables	△2,079	△3,166
Increase (decrease) in accrued consumption taxes	△892	△344
Decrease (increase) in distressed receivables	△1	2
Increase (decrease) in accrued expenses	104	△164
Other, net	1,133	265
Subtotal	△810	2,351
Interest and dividends received	177	171
Interest paid	△62	△83
Income taxes paid	△144	△45
Net cash provided by (used in) operating activities	△839	2,393
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△1,899	△2,192
Proceeds from sale of property, plant and equipment and intangible assets	0	12
Purchase of investment securities	△19	△95
Proceeds from sale of investment securities	179	1,075
Other, net	1	△28
Net cash provided by (used in) investing activities	△1,737	△1,229
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△0	2,009
Proceeds from long-term borrowings	3,053	—
Repayments of long-term borrowings	△1,226	△1,248
Proceeds from issuance of bonds	4,987	—
Dividends paid	△395	△377
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	25	22
Other, net	△209	△204
Net cash provided by (used in) financing activities	6,235	199
Effect of exchange rate change on cash and cash equivalents	△12	32
Net increase (decrease) in cash and cash equivalents	3,645	1,395

Cash and cash equivalents at beginning of period	10,500	10,944
Cash and cash equivalents at end of period	14,146	12,339