

February 10, 2023

Consolidated Financial Results for the Second Quarter of Fiscal Year Ending June 30, 2023 (Under Japanese GAAP)

Company Name: Shibuya Corporation
 Stock Exchange Listing: Tokyo and Nagoya
 Stock Code: 6340 URL: <https://www.shibuya.co.jp>
 Representative: Hidetoshi Shibuya, President and CEO
 Contact: Yoshiaki Yoshimichi, Managing Director TEL: 076-262-1201
 Scheduled Date of the Filing of Securities Report: February 13, 2023
 Scheduled Date of the Start of Dividend Payment: March 16, 2023
 Availability of Supplementary Material on Financial Results: None
 Quarterly IR Meeting (for Institutional Investors and Analysts): Not scheduled

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the First Quarter Ended December 31, 2022 (from July 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Second Quarter of Fiscal 2023	43,633	1.8	2,653	△52.7	2,618	△54.5	2,008	△50.2
Second Quarter of Fiscal 2022	42,860	4.2	5,608	58.2	5,758	58.0	4,031	61.7

(Note) Comprehensive Income
 Second Quarter of Fiscal 2023 2,071 Million Yen (△50.6%)
 Second Quarter of Fiscal 2022 4,192 Million Yen (55.8%)

	Profit per Share	Diluted Profit per Share
	Yen	Yen
Second Quarter of Fiscal 2023	72.61	-
Second Quarter of Fiscal 2022	145.71	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	142,284	86,389	60.7	3,122.24
As of June 30, 2022	136,981	85,425	62.4	3,087.39

(Reference) Equity
 As of December 31, 2022 86,383 Million Yen
 As of June 30, 2022 85,419 Million Yen

2. Dividends

	Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended June 30, 2022	-	30.00	-	40.00	70.00
Fiscal Year Ending June 30, 2023	-	30.00			
Fiscal Year Ending June 30, 2023 (Forecast)			-	40.00	70.00

(Note) Changes from the latest released dividend forecast: None

3. Consolidated Financial Forecast for the Year Ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Earnings per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Year	100,000	3.9	7,050	△47.4	7,100	△48.2	5,030	△45.7	181.80

(Note) Changes from the latest released consolidated financial forecast: Yes

*Notes

(1) Significant Changes in Subsidiaries during the Quarter

(Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation): None

(2) Application of Particular Accounting Procedures for Preparing Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Financial Restatement

1. Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations: None

2. Changes in Accounting Policies due to Other Reasons: None

3. Changes in Accounting Estimates: None

4. Retrospective Financial Restatement: None

(4) Number of Issued Shares (Common Shares)

1. Total Number of Issued Shares at the End of the Period (including treasury shares)

As of December 31, 2022	28,149,877 shares	As of June 30, 2022	28,149,877 shares
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2. Number of Treasury Shares at the End of the Period

As of December 31, 2022	482,699 shares	As of June 30, 2022	482,691 shares
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3. Average Number of Shares during the Period

Second Quarter of Fiscal 2023	27,667,179 shares	Second Quarter of Fiscal 2022	27,667,346 shares
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* This quarterly financial report is not subject to a quarterly review procedures by a certificated public accountant or an audit firm.

* Explanation for Appropriate Use of Financial Forecasts (Cautionary Note on Forward Looking Statements):

The forecasts on future business results released herein are based on available information and on certain assumptions deemed to be reasonable at the time of the announcement. Actual results may differ from these forecasts due to various reasons.

Shibuya Corporation Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	42,080	48,581
Notes and accounts receivable - trade, and contract assets	26,600	19,435
Electronically recorded monetary claims - operating	7,674	8,407
Finished goods	599	1,206
Work in process	9,114	10,861
Raw materials and supplies	3,492	4,402
Other	3,173	2,415
Allowance for doubtful accounts	△5	△2
Total current assets	92,731	95,307
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,145	21,555
Machinery, equipment and vehicles, net	1,909	3,301
Land	12,757	12,137
Construction in progress	3,981	1,058
Other, net	1,354	1,532
Total property, plant and equipment	37,148	39,585
Intangible assets		
Goodwill	0	0
Other	449	471
Total intangible assets	449	471
Investments and other assets		
Investment securities	2,206	2,367
Retirement benefit asset	2,732	2,770
Deferred tax assets	1,238	1,311
Other	504	520
Allowance for doubtful accounts	△30	△49
Total investments and other assets	6,651	6,920
Total non-current assets	44,250	46,976
Total assets	136,981	142,284

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,333	19,953
Electronically recorded obligations - operating	2,959	3,207
Short-term borrowings	900	1,090
Income taxes payable	2,337	779
Accrued expenses	5,444	3,641
Contract liabilities	8,600	8,877
Provision for bonuses	431	436
Provision for loss on orders received	55	341
Provision for product warranties	65	60
Other	1,714	5,522
Total current liabilities	42,842	43,911
Non-current liabilities		
Long-term borrowings	1,632	5,082
Retirement benefit liability	6,472	6,414
Provision for retirement benefits for directors (and other officers)	409	290
Deferred tax liabilities	79	83
Other	119	112
Total non-current liabilities	8,713	11,983
Total liabilities	51,555	55,894
Net assets		
Shareholders' equity		
Share capital	11,392	11,392
Capital surplus	10,350	10,350
Retained earnings	63,459	64,361
Treasury shares	△440	△440
Total shareholders' equity	84,762	85,664
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	502	642
Deferred gains or losses on hedges	—	△1
Foreign currency translation adjustment	647	525
Remeasurements of defined benefit plans	△493	△447
Total accumulated other comprehensive income	657	719
Non-controlling interests	6	6
Total net assets	85,425	86,389
Total liabilities and net assets	136,981	142,284

Shibuya Corporation
Consolidated Statement of Income

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Net sales	42,860	43,633
Cost of sales	31,936	35,898
Gross profit	10,924	7,735
Selling, general and administrative expenses	5,316	5,082
Operating profit	5,608	2,653
Non-operating income		
Interest income	0	4
Dividend income	22	25
Foreign exchange gains	39	—
Gain on sale of scraps	32	16
Other	81	36
Total non-operating income	175	84
Non-operating expenses		
Interest expenses	10	17
Foreign exchange losses	—	86
Loss on cancellation of insurance policies	8	—
Other	7	14
Total non-operating expenses	26	118
Ordinary profit	5,758	2,618
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	20	0
Gain on sale of right of using facilities	—	4
Total extraordinary income	21	9
Extraordinary losses		
Loss on sale of non-current assets	2	—
Loss on disposal of non-current assets	0	2
Compensation for damage	—	25
Total extraordinary losses	3	28
Profit before income taxes	5,776	2,599
Income taxes - current	1,757	706
Income taxes - deferred	△20	△116
Total income taxes	1,737	589
Profit	4,039	2,009
Profit attributable to non-controlling interests	8	0
Profit attributable to owners of parent	4,031	2,008

Shibuya Corporation
Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	4,039	2,009
Other comprehensive income		
Valuation difference on available-for-sale securities	△5	139
Deferred gains or losses on hedges	△0	△1
Foreign currency translation adjustment	98	△122
Remeasurements of defined benefit plans, net of tax	59	46
Total other comprehensive income	152	61
Comprehensive income	4,192	2,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,184	2,070
Comprehensive income attributable to non-controlling interests	8	0

Shibuya Corporation
Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	5,776	2,599
Depreciation	1,214	1,469
Amortization of goodwill	68	0
Decrease (increase) in retirement benefit asset	24	11
Increase (decrease) in retirement benefit liability	9	△41
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△3	△118
Increase (decrease) in allowance for doubtful accounts	△0	16
Increase (decrease) in provision for bonuses	4	5
Increase (decrease) in provision for loss on orders received	△23	286
Interest and dividend income	△23	△30
Interest expenses	10	17
Decrease (increase) in trade receivables and contract assets	6,520	6,438
Increase (decrease) in contract liabilities	△55	321
Decrease (increase) in inventories	△910	△3,273
Increase (decrease) in trade payables	△1,802	△130
Decrease (increase) in advance payments to suppliers	△401	△6
Increase (decrease) in accounts payable - other, and accrued expenses	△2,521	△1,874
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	△1,586	301
Other, net	525	746
Subtotal	6,825	6,739
Interest and dividends received	23	30
Interest paid	△10	△12
Income taxes paid	△2,620	△2,260
Net cash provided by (used in) operating activities	4,217	4,497
Cash flows from investing activities		
Payments into time deposits	△209	△556
Proceeds from withdrawal of time deposits	203	136
Purchase of investment securities	△0	△0
Proceeds from sale of investment securities	164	5
Purchase of property, plant and equipment	△902	△1,048
Proceeds from sale of property, plant and equipment	9	706
Purchase of intangible assets	△95	△60
Other, net	249	△14
Net cash provided by (used in) investing activities	△582	△831
Cash flows from financing activities		
Proceeds from long-term borrowings	—	4,100
Repayments of long-term borrowings	△643	△459
Dividends paid	△1,106	△1,105
Other, net	△12	△10
Net cash provided by (used in) financing activities	△1,762	2,524
Effect of exchange rate change on cash and cash equivalents	59	△81
Net increase (decrease) in cash and cash equivalents	1,932	6,107
Cash and cash equivalents at beginning of period	35,292	41,792
Cash and cash equivalents at end of period	37,224	47,899