

February 9, 2024

Consolidated Financial Results for the Second Quarter of Fiscal Year Ending June 30, 2024 (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: Takashi Kawamura, Executive Vice President TEL: 076-262-1201
 Scheduled Date of the Filing of Securities Report: February 13, 2024
 Scheduled Date of the Start of Dividend Payment: March 18, 2024
 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 Second Quarter Ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

(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 2024	51,393	17.8	4,882	84.0	4,823	84.2	3,409	69.7
Second Quarter of Fiscal 2023	43,633	1.8	2,653	△52.7	2,618	△54.5	2,008	△50.2

(Note) Comprehensive Income
 Second Quarter of Fiscal 2024 3,385 Million Yen (63.4%)
 Second Quarter of Fiscal 2023 2,071 Million Yen (△50.6%)

	Profit per Share	Diluted Profit per Share
	Yen	Yen
Second Quarter of Fiscal 2024	123.23	-
Second Quarter of Fiscal 2023	72.61	-

(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, 2023	150,905	92,458	61.3	3,341.57
As of June 30, 2023	142,426	90,180	63.3	3,259.24

(Reference) Equity
 As of December 31, 2023 92,451 Million Yen
 As of June 30, 2023 90,173 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, 2023	-	30.00	-	40.00	70.00
Fiscal Year Ending June 30, 2024	-	30.00			
Fiscal Year Ending June 30, 2024 (Forecast)			-	40.00	70.00

(Note) Revision to the dividend forecast that has been disclosed lastly: None

3. Consolidated Financial Forecast for the Year Ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Entire Year	110,000	12.4	10,500	30.6	10,500	28.5	7,500	26.5	271.08

(Note) Revision to the consolidated financial forecast that has been disclosed lastly: 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, 2023	28,149,877 shares	As of June 30, 2023	28,149,877 shares
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2. Number of Treasury Shares at the End of the Period

As of December 31, 2023	482,958 shares	As of June 30, 2023	482,801 shares
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3. Average Number of Shares during the Period

Second Quarter of Fiscal 2024	27,667,022 shares	Second Quarter of Fiscal 2023	27,667,179 shares
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* This quarterly financial report is not subject to a quarterly review procedure 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.

Revision to the Consolidated Financial Forecast

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Profit per Share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous Forecast (A)	108,000	8,900	9,000	6,400	231.32
Revised Forecast (B)	110,000	10,500	10,500	7,500	271.08
Change (B-A)	2,000	1,600	1,500	1,100	—
Change (%)	1.9	18.0	16.7	17.2	—
[Reference] Previous Fiscal Year Result	97,842	8,039	8,171	5,928	214.29

Shibuya Corporation Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	42,946	45,448
Notes and accounts receivable - trade, and contract assets	27,857	28,283
Electronically recorded monetary claims - operating	8,649	10,644
Finished goods	444	508
Work in process	9,226	11,369
Raw materials and supplies	4,665	5,137
Other	2,019	2,839
Allowance for doubtful accounts	△3	△3
Total current assets	95,806	104,227
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,042	20,453
Machinery, equipment and vehicles, net	2,996	2,733
Land	12,141	12,212
Construction in progress	1,261	1,460
Other, net	1,568	1,548
Total property, plant and equipment	39,010	38,408
Intangible assets		
Other	473	530
Total intangible assets	473	530
Investments and other assets		
Investment securities	2,516	2,680
Retirement benefit asset	2,944	3,415
Deferred tax assets	1,183	1,201
Other	540	491
Allowance for doubtful accounts	△49	△49
Total investments and other assets	7,135	7,738
Total non-current assets	46,619	46,677
Total assets	142,426	150,905

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,642	24,659
Electronically recorded obligations - operating	2,450	3,596
Short-term borrowings	1,099	931
Income taxes payable	449	1,706
Accrued expenses	5,427	3,652
Contract liabilities	6,512	10,535
Provision for bonuses	442	449
Provision for loss on orders received	157	111
Provision for product warranties	53	53
Other	1,628	1,421
Total current liabilities	40,864	47,118
Non-current liabilities		
Long-term borrowings	4,604	4,150
Retirement benefit liability	6,290	6,840
Provision for retirement benefits for directors (and other officers)	318	163
Deferred tax liabilities	64	66
Other	104	107
Total non-current liabilities	11,381	11,328
Total liabilities	52,246	58,446
Net assets		
Shareholders' equity		
Share capital	11,392	11,392
Capital surplus	10,350	10,350
Retained earnings	67,451	69,754
Treasury shares	△440	△440
Total shareholders' equity	88,753	91,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	787	801
Foreign currency translation adjustment	840	763
Remeasurements of defined benefit plans	△208	△170
Total accumulated other comprehensive income	1,419	1,394
Non-controlling interests	6	7
Total net assets	90,180	92,458
Total liabilities and net assets	142,426	150,905

Shibuya Corporation
Consolidated Statement of Income

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Net sales	43,633	51,393
Cost of sales	35,898	41,238
Gross profit	7,735	10,154
Selling, general and administrative expenses	5,082	5,272
Operating profit	2,653	4,882
Non-operating income		
Interest income	4	13
Dividend income	25	28
Gain on sale of scraps	16	25
Other	36	40
Total non-operating income	84	107
Non-operating expenses		
Interest expenses	17	18
Foreign exchange losses	86	123
Other	14	22
Total non-operating expenses	118	165
Ordinary profit	2,618	4,823
Extraordinary income		
Gain on sale of non-current assets	4	0
Gain on sale of investment securities	0	18
Gain on sale of right of using facilities	4	—
Gain on bargain purchase	—	16
Total extraordinary income	9	35
Extraordinary losses		
Loss on sale of non-current assets	—	8
Loss on disposal of non-current assets	2	5
Compensation for damage	25	—
Total extraordinary losses	28	14
Profit before income taxes	2,599	4,844
Income taxes - current	706	1,524
Income taxes - deferred	△116	△89
Total income taxes	589	1,434
Profit	2,009	3,410
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,008	3,409

Shibuya Corporation
Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	2,009	3,410
Other comprehensive income		
Valuation difference on available-for-sale securities	139	14
Deferred gains or losses on hedges	△1	—
Foreign currency translation adjustment	△122	△77
Remeasurements of defined benefit plans, net of tax	46	38
Total other comprehensive income	61	△24
Comprehensive income	2,071	3,385
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,070	3,384
Comprehensive income attributable to non-controlling interests	0	0

Shibuya Corporation
Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,599	4,844
Depreciation	1,469	1,435
Amortization of goodwill	0	—
Gain on bargain purchase	—	△16
Decrease (increase) in retirement benefit asset	11	△188
Increase (decrease) in retirement benefit liability	△41	302
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△118	△154
Increase (decrease) in allowance for doubtful accounts	16	—
Increase (decrease) in provision for bonuses	5	3
Increase (decrease) in provision for loss on orders received	286	△45
Interest and dividend income	△30	△41
Interest expenses	17	18
Decrease (increase) in trade receivables and contract assets	6,438	△2,252
Increase (decrease) in contract liabilities	321	4,101
Decrease (increase) in inventories	△3,273	△2,616
Increase (decrease) in trade payables	△130	3,136
Decrease (increase) in advance payments to suppliers	△6	△517
Increase (decrease) in accounts payable - other, and accrued expenses	△1,874	△1,848
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	301	△1,160
Other, net	746	497
Subtotal	6,739	5,498
Interest and dividends received	30	41
Interest paid	△12	△19
Income taxes paid	△2,260	△351
Net cash provided by (used in) operating activities	4,497	5,169
Cash flows from investing activities		
Payments into time deposits	△556	△224
Proceeds from withdrawal of time deposits	136	224
Purchase of investment securities	△0	△101
Proceeds from sale of investment securities	5	27
Purchase of property, plant and equipment	△1,048	△546
Proceeds from sale of property, plant and equipment	706	9
Purchase of intangible assets	△60	△65
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△269
Other, net	△14	73
Net cash provided by (used in) investing activities	△831	△872

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	4,100	—
Repayments of long-term borrowings	△459	△621
Dividends paid	△1,105	△1,105
Other, net	△10	△8
Net cash provided by (used in) financing activities	2,524	△1,735
Effect of exchange rate change on cash and cash equivalents	△81	△58
Net increase (decrease) in cash and cash equivalents	6,107	2,503
Cash and cash equivalents at beginning of period	41,792	42,660
Cash and cash equivalents at end of period	47,899	45,163