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July 31, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 (Under Japanese GAAP)



Company name: TOKYOTOKEIBA Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9672
 URL: <https://www.tokyotokeiba.co.jp/>
 Representative: Mitsuchika Tarao, President and Representative Director
 Inquiries: Mitsuhiro Matsumoto, General Manager of Planning Department and General Manager of Finance Department
 Telephone: +81-3-5767-9731
 Scheduled date to file semi-annual securities report: August 9, 2024
 Scheduled date to commence dividend payments: September 2, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(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	%
Six months ended								
June 30, 2024	18,662	7.3	6,532	2.6	6,542	2.7	4,487	26.5
June 30, 2023	17,399	4.2	6,364	(9.1)	6,369	(9.1)	3,547	(29.7)

Note: Comprehensive income For the six months ended June 30, 2024: ¥4,757 million [30.6%]
 For the six months ended June 30, 2023: ¥3,643 million [(29.9)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
June 30, 2024	164.81	—
June 30, 2023	129.41	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2024	118,654	87,763	73.9
December 31, 2023	115,792	86,787	74.9

Reference: Equity As of June 30, 2024: ¥87,674 million
 As of December 31, 2023: ¥86,716 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	30.00	–	60.00	90.00
Fiscal year ending December 31, 2024	–	40.00			
Fiscal year ending December 31, 2024 (Forecast)			–	55.00	95.00

Notes: Revisions to the forecast of dividends most recently announced: None

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		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	40,047	6.7	12,349	(7.6)	12,341	(7.8)	8,674	2.6	316.46

Note: Revisions to the financial result forecast most recently announced: None

***Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – companies (Company name: –)

Excluded: – companies (Company name: –)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024	28,764,854 shares
As of December 31, 2023	28,764,854 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2024	1,863,526 shares
As of December 31, 2023	1,357,026 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	27,226,574 shares
Six months ended June 30, 2023	27,410,587 shares

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

*Proper use of financial result forecasts and other special matters

(Cautionary note on forward-looking statements, etc.)

Financial result forecasts and other forward-looking statements herein are based on the information currently in the Company's possession or the assumptions it deems reasonable, and are not intended as the Company's promise to achieve them. Actual financial results, etc. may differ significantly from these forecasts due to diverse factors.

(How to obtain supplementary material on financial results)

The supplementary material on financial results is posted on the Company's website.

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Interim Consolidated Financial Statements and Principal Notes
(1) Interim Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	14,161,529	9,265,570
Trade notes, accounts receivable and contract assets	4,066,617	6,964,326
Securities	3,000,000	1,000,000
Inventories	136,807	155,067
Advances paid	340,536	313,362
Deposits paid	—	555,220
Other	93,203	1,220,696
Total current assets	21,798,694	19,474,243
Non-current assets		
Property, plant and equipment		
Buildings, net	19,957,868	29,356,069
Facilities attached to buildings, net	5,502,173	8,830,441
Structures, net	6,407,661	7,998,461
Machinery, equipment and vehicles, net	1,455,211	1,277,433
Land	32,537,201	32,554,974
Construction in progress	10,784,652	205,751
Buildings in trust, net	1,238,170	1,207,093
Facilities attached to buildings in trust, net	126,546	115,500
Land in trust	2,174,126	2,174,126
Other, net	3,053,273	3,483,192
Total property, plant and equipment	83,236,886	87,203,043
Intangible assets		
Software	5,315,723	7,252,211
Software in progress	383,300	—
Right to use facilities	29	—
Total intangible assets	5,699,053	7,252,211
Investments and other assets		
Investment securities	1,808,280	2,171,469
Long-term prepaid expenses	27,799	19,153
Deferred tax assets	2,176,350	1,966,542
Long-term advances paid	957,340	481,687
Other	87,969	85,848
Total investments and other assets	5,057,740	4,724,701
Total non-current assets	93,993,681	99,179,957
Total assets	115,792,376	118,654,200

(Thousands of yen)

	As of December 31, 2023	As of June, 2024
Liabilities		
Current liabilities		
Trade accounts payable	1,497,047	932,542
Short-term borrowings	41,200	74,640
Current portion of long-term borrowings	1,500,000	1,700,000
Accounts payable - other	1,121,395	1,502,891
Income taxes payable	1,279,229	2,205,273
Accrued consumption taxes	553,368	25,978
Provision for bonuses	98,541	102,292
Provision for point card certificates	940,007	940,996
Other	883,693	1,036,759
Total current liabilities	7,914,483	8,521,374
Non-current liabilities		
Bonds payable	10,000,000	10,000,000
Long-term borrowings	7,250,000	8,300,000
Leasehold and guarantee deposits received	2,163,915	2,428,686
Retirement benefit liability	1,262,297	1,198,891
Asset retirement obligations	390,927	393,852
Deferred tax liabilities	—	32,395
Other	22,753	15,053
Total non-current liabilities	21,089,893	22,368,878
Total liabilities	29,004,377	30,890,252
Net assets		
Shareholders' equity		
Share capital	10,586,297	10,586,297
Capital surplus	6,790,886	6,791,564
Retained earnings	74,541,753	77,384,533
Treasury shares	(5,516,008)	(7,653,612)
Total shareholders' equity	86,402,930	87,108,783
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	313,382	565,362
Total accumulated other comprehensive income	313,382	565,362
Non-controlling interests	71,686	89,802
Total net assets	86,787,998	87,763,947
Total liabilities and net assets	115,792,376	118,654,200

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	17,399,094	18,662,719
Cost of sales	10,085,896	11,106,601
Gross profit	7,313,198	7,556,117
Selling, general and administrative expenses	949,114	1,023,889
Operating profit	6,364,084	6,532,227
Non-operating income		
Interest income	2,060	1,759
Dividend income	13,545	17,540
Subsidies for employment adjustment, etc.	5,520	3,400
Other	9,140	16,197
Total non-operating income	30,265	38,897
Non-operating expenses		
Interest expenses	23,564	20,697
Commission expenses	—	6,413
Other	799	1,029
Total non-operating expenses	24,364	28,140
Ordinary profit	6,369,985	6,542,984
Extraordinary income		
Subsidy income	55,520	152,000
Total extraordinary income	55,520	152,000
Extraordinary losses		
Expenditure on earthquake-resistance construction work	1,233,500	—
Total extraordinary losses	1,233,500	—
Profit before income taxes	5,192,005	6,694,984
Income taxes - current	1,634,175	2,058,625
Income taxes - deferred	(23,079)	130,994
Total income taxes	1,611,095	2,189,619
Profit	3,580,910	4,505,364
Profit attributable to non-controlling interests	33,815	18,115
Profit attributable to owners of parent	3,547,094	4,487,249

Interim Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	3,580,910	4,505,364
Other comprehensive income		
Valuation difference on available-for-sale securities	62,944	251,979
Total other comprehensive income	62,944	251,979
Comprehensive income	3,643,855	4,757,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,610,039	4,739,229
Comprehensive income attributable to non-controlling interests	33,815	18,115

(3) Interim Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	5,192,005	6,694,984
Depreciation	2,823,051	3,052,576
Increase (decrease) in provision for bonuses	5,695	3,751
Increase (decrease) in retirement benefit liability	(51,123)	(63,406)
Increase (decrease) in provision for point card certificates	(16,510)	989
Interest and dividend income	(15,605)	(19,299)
Interest expenses	23,564	20,697
Decrease (increase) in trade receivables	543,388	(2,897,708)
Decrease (increase) in inventories	(33,825)	(18,260)
Decrease (increase) in long-term advances paid	(369,202)	475,652
Increase (decrease) in trade payables	(306,355)	(564,505)
Increase (decrease) in accrued consumption taxes	260,142	(527,389)
Other, net	1,465,091	(431,240)
Subtotal	9,520,315	5,726,840
Interest and dividends received	15,605	19,299
Interest paid	(23,531)	(20,124)
Income taxes paid	(2,767,000)	(1,132,581)
Net cash provided by (used in) operating activities	6,745,389	4,593,435
Cash flows from investing activities		
Net decrease (increase) in time deposits	9,675,999	75,999
Net decrease (increase) in short-term investment securities	(81,000)	2,000,000
Purchase of property, plant and equipment	(7,087,759)	(5,901,834)
Purchase of intangible assets	(5,565,051)	(2,517,511)
Other, net	(34,033)	(9,776)
Net cash provided by (used in) investing activities	(3,091,845)	(6,353,123)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	33,440
Proceeds from long-term borrowings	5,000,000	2,000,000
Repayments of long-term borrowings	(500,000)	(750,000)
Purchase of treasury shares	(5,102)	(2,143,729)
Dividends paid	(1,228,240)	(1,636,511)
Proceeds from share issuance to non-controlling shareholders	40,000	—
Decrease (increase) in deposits	(10,000,000)	(555,220)
Other, net	(5,048)	(8,251)
Net cash provided by (used in) financing activities	(6,698,391)	(3,060,272)
Net increase (decrease) in cash and cash equivalents	(3,044,847)	(4,819,960)
Cash and cash equivalents at beginning of period	17,971,247	13,760,457
Cash and cash equivalents at end of period	14,926,399	8,940,496

(4) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I. For the six months ended June 30, 2023 (from January 1, 2023 to June 30, 2023)

Information on net sales and profit or loss by reportable segment

(Thousands of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Interim Consolidated Statements of Income (Note 2)
	Public Competition Business	Amusement Park Business	Warehouse Leasing Business	Service Business	Total		
Net sales							
Net sales to outside customers	13,326,108	553,336	2,612,460	907,189	17,399,094	–	17,399,094
Inter-segment net sales or transfers	1,862	7,188	–	260,187	269,238	(269,238)	–
Total	13,327,970	560,525	2,612,460	1,167,377	17,668,333	(269,238)	17,399,094
Segment profit (loss)	5,809,893	(435,031)	1,581,086	83,536	7,039,486	(675,402)	6,364,084

(Notes) 1. The adjustment to segment profit (loss) of ¥(675,402) thousand includes ¥(30,267) thousand in elimination of intersegment transactions and ¥(645,134) thousand in company-wide expenses that have not been allocated to each reportable segment. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to the reportable segments.

2. Segment profit (loss) is adjusted with the operating profit under the interim consolidated statements of income.

II. For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

Information on net sales and profit or loss by reportable segment

(Thousands of yen)

	Reportable segment					Adjustment (Note 1)	Amount recorded in Interim Consolidated Statements of Income (Note 2)
	Public Competition Business	Amusement Park Business	Warehouse Leasing Business	Service Business	Total		
Net sales							
Net sales to outside customers	14,099,016	664,672	2,783,424	1,115,605	18,662,719	–	18,662,719
Inter-segment net sales or transfers	1,433	8,897	–	40,168	50,499	(50,499)	–
Total	14,100,450	673,569	2,783,424	1,155,774	18,713,218	(50,499)	18,662,719
Segment profit (loss)	5,805,080	(463,739)	1,799,330	69,617	7,210,289	(678,061)	6,532,227

(Notes) 1. The adjustment to segment profit of ¥(678,061) thousand includes ¥9,133 thousand in elimination of intersegment transactions and ¥(687,195) thousand in company-wide expenses that have not been allocated to each reportable segment. Company-wide expenses are primarily selling, general and administrative expenses that are not attributable to the reportable segments.

2. Segment profit (loss) is adjusted with the operating profit under the interim consolidated statements of income.

(Revenue recognition)

Information on the breakdown of Group revenue by reportable segment into contracts with customers and other sources is as follows.

For the six months ended June 30, 2023 (from January 1, 2023 to June 30, 2023)

(Thousands of yen)

	Reportable segment				Total
	Public Competition Business	Amusement Park Business	Warehouse Leasing Business	Service Business	
Revenue from contracts with customers	753,241	522,460	79,220	430,023	1,784,945
Revenue from other sources	12,572,866	30,876	2,533,240	477,166	15,614,149
Total	13,326,108	553,336	2,612,460	907,189	17,399,094

(Note) Revenue from other sources includes lease revenue pursuant to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

For the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(Thousands of yen)

	Reportable segment				Total
	Public Competition Business	Amusement Park Business	Warehouse Leasing Business	Service Business	
Revenue from contracts with customers	1,050,371	633,496	64,828	587,408	2,336,104
Revenue from other sources	13,048,644	31,176	2,718,596	528,197	16,326,614
Total	14,099,016	664,672	2,783,424	1,115,605	18,662,719

(Note) Revenue from other sources includes lease revenue pursuant to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).