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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 10, 2023

Company name: Oriental Shiraishi Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 1786

URL: <https://www.orsc.co.jp/english/>

Representative: Tatsuya Ohno, President and CEO

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 12, 2023

Availability of supplementary explanatory materials on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Scheduled (for investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 - September 30, 2023)

(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, 2023	30,742	17.3	2,390	20.5	2,453	16.0	1,674	15.6
Six months ended September 30, 2022	26,203	(10.4)	1,983	(13.8)	2,115	(10.8)	1,448	(11.0)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥1,905 million [30.2%]

Six months ended September 30, 2022: ¥1,463 million [(18.4)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	13.18	—
Six months ended September 30, 2022	12.47	—

(Note) 1. Diluted earnings per share are not indicated as there are no potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	70,338	47,311	67.3	357.10
As of March 31, 2023	66,787	41,617	62.3	358.22

(Reference) Equity: As of September 30, 2023: ¥47,311 million

As of March 31, 2023: ¥41,617 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, 2023	—	0.00	—	13.50	13.50
Fiscal year ending March 31, 2024	—	6.50			
Fiscal year ending March 31, 2024 (forecast)			—	7.00	13.50

(Note) Revisions to dividend forecasts announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	69,000	12.2	5,200	(0.3)	5,200	(4.2)	3,600	(8.2)	28.33

(Note) Revisions to financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: (Company name:)

Excluded: (Company name:)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

As of September 30, 2023: 138,809,400 shares

As of March 31, 2023: 122,498,436 shares

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

As of September 30, 2023: 6,321,984 shares

As of March 31, 2023: 6,321,246 shares

3) Average number of shares during the period:

Six months ended September 30, 2023: 127,080,398 shares

Six months ended September 30, 2022: 116,168,773 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

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

Financial results forecast and other forward-looking statements presented herein are based on the information the Company currently possesses and the assumptions it deems reasonable. Actual outcomes, etc. may diverge significantly from them due to wide-ranging factors.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	14,589	21,753
Notes receivable, accounts receivable from completed construction contracts and other	34,254	29,384
Costs on construction contracts in progress	869	1,548
Raw materials and supplies	283	333
Advances paid	1,092	498
Income taxes refund receivable	41	—
Consumption taxes refund receivable	129	1,119
Other	322	427
Allowance for doubtful accounts	(2)	(9)
Total current assets	51,579	55,056
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,837	1,791
Machinery and equipment, net	2,198	2,017
Land	5,189	5,189
Construction in progress	105	306
Other, net	274	248
Total property, plant and equipment	9,604	9,552
Intangible assets		
Goodwill	1,132	1,061
Software	509	416
Other	198	102
Total intangible assets	1,841	1,581
Investments and other assets		
Investment securities	3,069	3,366
Retirement benefit asset	21	20
Deferred tax assets	348	440
Other	363	359
Allowance for doubtful accounts	(41)	(39)
Total investments and other assets	3,761	4,147
Total non-current assets	15,207	15,281
Total assets	66,787	70,338

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	10,160	8,278
Short-term borrowings	900	900
Current portion of long-term borrowings	588	373
Accounts payable - other	829	415
Income taxes payable	1,236	1,028
Accrued consumption taxes	2,108	35
Advances received on construction contracts in progress	2,300	3,504
Deposits received	636	1,223
Provision for bonuses	14	1,098
Provision for loss on construction contracts	329	223
Provision for warranties for completed construction	50	49
Other	434	288
Total current liabilities	19,589	17,418
Non-current liabilities		
Long-term borrowings	2,611	2,424
Provision for share-based payments	93	126
Provision for special repairs	3	4
Retirement benefit liability	2,716	2,825
Deferred tax liabilities	79	37
Other	77	188
Total non-current liabilities	5,580	5,608
Total liabilities	25,170	23,026
Net assets		
Shareholders' equity		
Share capital	1,000	5,000
Capital surplus	453	2,072
Retained earnings	40,354	40,451
Treasury shares	(456)	(709)
Total shareholders' equity	41,352	46,815
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	494	700
Remeasurements of defined benefit plans	(228)	(204)
Total accumulated other comprehensive income	265	496
Total net assets	41,617	47,311
Total liabilities and net assets	66,787	70,338

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	26,203	30,742
Cost of sales		
Cost of sales of completed construction contracts	21,523	25,135
Gross profit		
Gross profit on completed construction contracts	4,680	5,607
Selling, general and administrative expenses	2,696	3,216
Operating profit	1,983	2,390
Non-operating income		
Interest income	3	2
Dividend income	20	36
Patent royalties	27	39
Gain on sale of scraps	103	24
Other	29	15
Total non-operating income	184	118
Non-operating expenses		
Interest expenses	9	8
Advances received deposits	19	26
Commission expenses	6	6
Other	16	13
Total non-operating expenses	52	54
Ordinary profit	2,115	2,453
Extraordinary income		
Gain on sale of non-current assets	—	12
Total extraordinary income	—	12
Extraordinary losses		
Loss on valuation of investments in capital	1	—
Other	0	—
Total extraordinary losses	2	—
Profit before income taxes	2,113	2,466
Income taxes - current	1,186	1,026
Income taxes - deferred	(520)	(235)
Total income taxes	665	791
Profit	1,448	1,674
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,448	1,674

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,448	1,674
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	206
Remeasurements of defined benefit plans, net of tax	27	24
Total other comprehensive income	15	230
Comprehensive income	1,463	1,905
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,463	1,905
Comprehensive income attributable to non-controlling interests	—	—