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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 11, 2022

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

Contact: Yukihiko Hashimoto, Director in Charge of Corporate Planning

Phone: +81-3-6220-0630

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Available

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

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 30, 2022)

(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, 2022	26,203	(10.4)	1,983	(13.8)	2,115	(10.8)	1,448	(11.0)
September 30, 2021	29,241	–	2,301	–	2,370	–	1,628	–

(Note) Comprehensive income: Six months ended September 30, 2022: ¥1,463 million [(18.4)%]
Six months ended September 30, 2021: ¥1,794 million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	12.47	–
September 30, 2021	13.97	–

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

(Note) 2. Percentage change figures from the previous corresponding period are not indicated for the six months ended September 30, 2021 as the Company began creating quarterly consolidated financial statements with the results for the first quarter of the fiscal year ended March 31, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2022	66,095	39,169	59.3	337.15
As of March 31, 2022	60,952	38,989	64.0	335.63

(Reference) Equity: As of September 30, 2022: ¥39,169 million
As of March 31, 2022: ¥38,989 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, 2022	–	0.00	–	11.00	11.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (forecast)			–	11.00	11.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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	
	65,000	7.0	5,000	(5.8)	5,000	(8.4)	3,300	(12.7)	28.37	

(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, 2022:	122,498,436 shares
As of March 31, 2022:	122,498,436 shares
 - 2) Total number of treasury shares at the end of the period:

As of September 30, 2022:	6,320,448 shares
As of March 31, 2022:	6,330,932 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2022:	116,168,773 shares
Six months ended September 30, 2021:	116,500,025 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,998	15,512
Notes receivable, accounts receivable from completed construction contracts and other	29,496	31,753
Costs on construction contracts in progress	497	1,307
Raw materials and supplies	262	300
Advances paid	972	1,347
Consumption taxes refund receivable	94	71
Other	325	352
Allowance for doubtful accounts	(3)	(3)
Total current assets	45,645	50,642
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,920	1,872
Machinery and equipment, net	2,228	2,045
Land	5,190	5,189
Construction in progress	120	140
Other, net	311	271
Total property, plant and equipment	9,771	9,519
Intangible assets		
Goodwill	1,274	1,203
Software	676	599
Other	392	295
Total intangible assets	2,343	2,098
Investments and other assets		
Investment securities	2,806	3,099
Retirement benefit asset	44	56
Deferred tax assets	54	400
Other	331	322
Allowance for doubtful accounts	(44)	(43)
Total investments and other assets	3,192	3,835
Total non-current assets	15,306	15,453
Total assets	60,952	66,095

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	9,130	7,726
Short-term borrowings	1,200	1,200
Current portion of long-term borrowings	658	730
Accounts payable - other	512	283
Income taxes payable	432	1,195
Accrued consumption taxes	629	1,271
Advances received on construction contracts in progress	1,773	4,963
Deposits received	1,042	2,198
Provision for bonuses	15	1,345
Provision for loss on construction contracts	104	97
Provision for warranties for completed construction	68	81
Other	334	208
Total current liabilities	15,901	21,303
Non-current liabilities		
Long-term borrowings	3,199	2,797
Stock-based compensation allowance	65	78
Provision for special repairs	2	3
Retirement benefit liability	2,448	2,541
Deferred tax liabilities	289	123
Other	56	77
Total non-current liabilities	6,060	5,621
Total liabilities	21,962	26,925
Net assets		
Shareholders' equity		
Share capital	1,000	1,000
Capital surplus	453	453
Retained earnings	37,718	37,881
Treasury shares	(458)	(456)
Total shareholders' equity	38,713	38,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	452
Remeasurements of defined benefit plans	(188)	(161)
Total accumulated other comprehensive income	275	291
Total net assets	38,989	39,169
Total liabilities and net assets	60,952	66,095

(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, 2021	For the six months ended September 30, 2022
Net sales		
Net sales of completed construction contracts	29,241	26,203
Cost of sales		
Cost of sales of completed construction contracts	24,426	21,523
Gross profit		
Gross profit on completed construction contracts	4,814	4,680
Selling, general and administrative expenses	2,512	2,696
Operating profit	2,301	1,983
Non-operating income		
Interest income	3	3
Dividend income	21	20
Patent royalties	31	27
Gain on sale of scraps	37	103
Other	33	29
Total non-operating income	127	184
Non-operating expenses		
Interest expenses	14	9
Advances received deposits	24	19
Commission expenses	7	6
Other	12	16
Total non-operating expenses	58	52
Ordinary profit	2,370	2,115
Extraordinary losses		
Loss on valuation of investment securities	6	–
Loss on valuation of investments in capital	–	1
Other	–	0
Total extraordinary losses	6	2
Profit before income taxes	2,364	2,113
Income taxes - current	1,036	1,186
Income taxes - deferred	(299)	(520)
Total income taxes	736	665
Profit	1,628	1,448
Profit attributable to non-controlling interests	0	–
Profit attributable to owners of parent	1,628	1,448

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	1,628	1,448
Other comprehensive income		
Valuation difference on available-for-sale securities	130	(12)
Remeasurements of defined benefit plans, net of tax	36	27
Total other comprehensive income	166	15
Comprehensive income	1,794	1,463
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,794	1,463
Comprehensive income attributable to non-controlling interests	0	—