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August 1, 2024

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



Company name: TACHIKAWA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7989
 URL: <https://www.blind.co.jp/english>
 Representative: Hisaya Ikezaki, President and Representative Director
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 Telephone: +81-3-5484-6142
 Scheduled date to file semi-annual securities report: August 1, 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 institutional investors and analysts)

(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	20,169	(1.2)	2,175	2.1	2,284	(0.9)	1,539	3.9
June 30, 2023	20,414	0.2	2,129	(9.8)	2,306	(6.5)	1,482	(4.5)

Note: Comprehensive income For the six months ended June 30, 2024: ¥2,115 million [13.7%]
 For the six months ended June 30, 2023: ¥1,860 million [12.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	83.28	—
June 30, 2023	77.88	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	62,744	51,928	75.6
December 31, 2023	63,142	50,442	72.9

Reference: Equity
 As of June 30, 2024: ¥47,442 million
 As of December 31, 2023: ¥46,019 million

2. Cash 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	–	12.00	–	24.00	36.00
Fiscal year ending December 31, 2024	–	14.00			
Fiscal year ending December 31, 2024 (Forecast)			–	27.00	41.00

Note: Revisions to the forecast of cash 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	42,800	3.6	4,180	3.3	4,360	0.8	2,760	1.9	149.49

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (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 due to other reasons: 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	20,763,600 shares
As of December 31, 2023	20,763,600 shares

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

As of June 30, 2024	2,300,869 shares
As of December 31, 2023	2,188,321 shares

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

Six months ended June 30, 2024	18,489,325 shares
Six months ended June 30, 2023	19,032,152 shares

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

* Proper use of earnings forecasts and other special matters

The financial results forecasts herein are based on information currently available to the Company and include various uncertain factors. Actual results may differ from these forecasts due to changes in its performance and other factors. For the assumptions used for the financial results forecasts, etc., please refer to “1. Qualitative Information on Semi-annual Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Japanese version of the attachment.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	15,462,818	14,958,939
Notes and accounts receivable - trade, and contract assets	9,136,733	7,801,754
Electronically recorded monetary claims - operating	6,976,485	7,253,449
Merchandise and finished goods	791,935	788,467
Work in process	1,621,465	1,831,134
Costs on uncompleted construction contracts	18,359	52,549
Raw materials and supplies	4,645,549	5,326,248
Other	536,868	524,527
Allowance for doubtful accounts	(79,641)	(80,733)
Total current assets	39,110,573	38,456,337
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,524,063	16,543,573
Accumulated depreciation	(10,362,137)	(10,532,265)
Buildings and structures, net	6,161,926	6,011,307
Land	8,606,178	8,603,334
Other	17,996,579	18,248,884
Accumulated depreciation	(14,984,262)	(15,095,666)
Other, net	3,012,317	3,153,217
Total property, plant and equipment	17,780,421	17,767,860
Intangible assets	305,266	392,440
Investments and other assets		
Investment securities	3,340,814	3,790,003
Retirement benefit asset	558,702	566,940
Other	2,150,169	1,876,174
Allowance for doubtful accounts	(103,707)	(104,934)
Total investments and other assets	5,945,979	6,128,184
Total non-current assets	24,031,667	24,288,484
Total assets	63,142,241	62,744,821

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,470,740	1,900,766
Electronically recorded obligations - operating	3,384,781	2,920,424
Accounts payable - other	1,319,294	925,580
Income taxes payable	941,379	795,688
Provision for bonuses	227,128	261,917
Provision for bonuses for directors (and other officers)	63,282	32,710
Provision for product warranties	19,425	13,459
Provision for loss on construction contracts	22,597	–
Other	1,514,513	1,123,947
Total current liabilities	9,963,143	7,974,494
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	427,897	444,069
Retirement benefit liability	2,217,264	2,263,687
Other	91,165	134,474
Total non-current liabilities	2,736,326	2,842,231
Total liabilities	12,699,469	10,816,725
Net assets		
Shareholders' equity		
Share capital	4,475,000	4,475,000
Capital surplus	4,580,829	4,580,829
Retained earnings	38,019,861	39,113,906
Treasury shares	(1,805,212)	(1,969,436)
Total shareholders' equity	45,270,478	46,200,299
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	677,627	1,126,786
Deferred gains or losses on hedges	(1,576)	–
Foreign currency translation adjustment	84,737	118,466
Remeasurements of defined benefit plans	(11,523)	(3,390)
Total accumulated other comprehensive income	749,265	1,241,863
Non-controlling interests	4,423,027	4,485,933
Total net assets	50,442,771	51,928,096
Total liabilities and net assets	63,142,241	62,744,821

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income
Six Months Ended June 30

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	20,414,912	20,169,383
Cost of sales	11,953,484	11,724,232
Gross profit	8,461,427	8,445,151
Selling, general and administrative expenses	6,331,475	6,269,440
Operating profit	2,129,952	2,175,711
Non-operating income		
Interest income	1,638	1,615
Dividend income	46,676	55,932
Rental income from real estate	18,421	18,751
Insurance claim income	74,995	1,331
Foreign exchange gains	12,961	14,270
Other	28,456	24,213
Total non-operating income	183,149	116,114
Non-operating expenses		
Interest expenses	2	2
Rental costs on real estate	3,650	4,327
Commission for purchase of treasury shares	1,680	818
Other	1,591	1,910
Total non-operating expenses	6,925	7,059
Ordinary profit	2,306,175	2,284,766
Extraordinary income		
Gain on sale of non-current assets	–	2,938
Gain on sale of investment securities	6,250	94,127
Compensation income	33,500	–
Total extraordinary income	39,750	97,065
Extraordinary losses		
Loss on sale and retirement of non-current assets	691	0
Total extraordinary losses	691	0
Profit before income taxes	2,345,234	2,381,832
Income taxes - current	727,193	696,617
Income taxes - deferred	61,325	100,866
Total income taxes	788,519	797,483
Profit	1,556,714	1,584,348
Profit attributable to non-controlling interests	74,493	44,496
Profit attributable to owners of parent	1,482,220	1,539,852

Semi-annual Consolidated Statements of Comprehensive Income
Six Months Ended June 30

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	1,556,714	1,584,348
Other comprehensive income		
Valuation difference on available-for-sale securities	268,878	487,248
Deferred gains or losses on hedges	13,703	1,576
Foreign currency translation adjustment	13,220	33,729
Remeasurements of defined benefit plans, net of tax	8,165	8,124
Total other comprehensive income	303,968	530,678
Comprehensive income	1,860,683	2,115,027
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,780,003	2,032,449
Comprehensive income attributable to non-controlling interests	80,679	82,577

(3) Semi-annual 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	2,345,234	2,381,832
Depreciation	592,750	578,577
Increase (decrease) in provision for bonuses	12,750	34,788
Increase (decrease) in provision for bonuses for directors (and other officers)	(28,540)	(30,572)
Decrease (increase) in retirement benefit asset	(5,582)	(9,842)
Increase (decrease) in retirement benefit liability	49,061	59,819
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(470)	16,172
Increase (decrease) in provision for product warranties	5,421	(5,966)
Increase (decrease) in provision for loss on construction contracts	26,112	(22,597)
Increase (decrease) in allowance for doubtful accounts	(25,170)	(5,605)
Loss (gain) on sale and retirement of non-current assets	691	(2,938)
Loss (gain) on sale of investment securities	(6,250)	(94,127)
Interest and dividend income	(48,315)	(57,548)
Interest expenses	2	2
Foreign exchange losses (gains)	(11,210)	(12,660)
Decrease (increase) in trade receivables	827,213	1,073,271
Decrease (increase) in inventories	(487,208)	(821,385)
Increase (decrease) in trade payables	(1,216,602)	(1,108,203)
Increase (decrease) in accounts payable - other	(402,795)	(255,057)
Other, net	179,890	(464,229)
Subtotal	1,806,983	1,253,730
Interest and dividends received	48,336	57,551
Interest paid	(8)	(2)
Income taxes paid	(499,442)	(844,172)
Net cash provided by (used in) operating activities	1,355,869	467,106
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,317,169)	(668,571)
Proceeds from sale of property, plant and equipment	–	11,098
Purchase of intangible assets	(5,238)	(31,049)
Purchase of investment securities	(523)	(297)
Proceeds from sale of investment securities	11,273	346,192
Expenditure for business transfer	–	(196,906)
Decrease (increase) in investments and other assets	16,605	25,853
Net decrease (increase) in time deposits	–	(500,000)
Net cash provided by (used in) investing activities	(1,295,052)	(1,013,682)
Cash flows from financing activities		
Repayments of lease liabilities	(37,468)	(20,945)
Dividends paid	(402,351)	(445,426)
Dividends paid to non-controlling interests	(22,614)	(19,658)
Decrease (increase) in deposit paid for purchase of treasury shares	46,823	164,760
Purchase of treasury shares	(281,919)	(163,724)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(299,804)	–
Other, net	(226)	(499)
Net cash provided by (used in) financing activities	(997,560)	(485,493)
Effect of exchange rate change on cash and cash equivalents	17,393	28,190
Net increase (decrease) in cash and cash equivalents	(919,349)	(1,003,878)
Cash and cash equivalents at beginning of period	15,978,071	15,402,252
Cash and cash equivalents at end of period	15,058,721	14,398,373