



Consolidated Financial Results for the Six Months Ended September 30, 2019 [Japanese GAAP]

November 08, 2019

Company name: CHIYODA UTE CO., LTD.

Stock exchange listing: Tokyo

Code number: 5387

URL: <http://www.chiyoda-ute.co.jp>

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Scheduled date of filing quarterly securities report: November 12, 2019

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 01, 2019 to September 30, 2019)

(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, 2019	14,473	1.0	(378)	-	(186)	-	(182)	-
September 30, 2018	14,334	(6.9)	(445)	-	(403)	-	(320)	-

(Note) Comprehensive income: Six months ended September 30, 2019: ¥ (174) million [-%]
Six months ended September 30, 2018: ¥ (378) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	(10.56)	-
September 30, 2018	(18.57)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2019	33,176	12,309	37.1
March 31, 2019	35,425	12,540	35.4

(Reference) Equity: As of September 30, 2019: ¥ 12,302 million
As of March 31, 2019: ¥ 12,533 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, 2019	-	0.00	-	3.00	3.00
Fiscal year ending March 31, 2020	-	0.00			
Fiscal year ending March 31, 2020 (Forecast)			-	5.00	5.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020(April 01, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	31,000	2.8	250	-	300	-	200	-	11.59

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2019

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2019: 17,670,000 shares

March 31, 2019: 17,670,000 shares

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

September 30, 2019: 418,768 shares

March 31, 2019: 418,768 shares

3) Average number of shares during the period:

Six months ended September 30, 2019: 17,251,232 shares

Six months ended September 30, 2018: 17,251,232 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2019	As of September 30,2019
Assets		
Current assets		
Cash and deposits	2,960,684	1,695,251
Notes and accounts receivable - trade	5,368,804	4,818,361
Merchandise and finished goods	1,444,206	1,425,035
Work in process	116,214	119,907
Raw materials and supplies	1,529,444	1,516,156
Other	278,581	355,644
Allowance for doubtful accounts	(144,710)	(133,737)
Total current assets	11,553,226	9,796,620
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,894,813	4,782,833
Machinery, equipment and vehicles, net	3,548,407	3,421,108
Land	11,434,287	11,395,230
Other, net	1,175,079	1,211,534
Total property, plant and equipment	21,052,586	20,810,707
Intangible assets	171,305	148,938
Investments and other assets		
Investment securities	1,318,223	1,179,601
Other	1,323,142	1,236,819
Allowance for doubtful accounts	(26,209)	(26,209)
Total investments and other assets	2,615,155	2,390,211
Total non-current assets	23,839,047	23,349,857
Deferred assets	33,650	29,922
Total assets	35,425,924	33,176,400

	As of March 31,2019	As of September 30,2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,833,725	3,701,311
Short-term borrowings	4,943,821	4,898,114
Income taxes payable	67,443	73,675
Provision for bonuses	278,530	278,743
Other	2,870,445	2,421,517
Total current liabilities	12,993,966	11,373,362
Non-current liabilities		
Bonds payable	2,216,400	2,051,200
Long-term borrowings	4,724,357	4,653,078
Provision for retirement benefits for directors (and other officers)	207,446	185,447
Provision for loss on subsidiaries and affiliates	7,000	7,000
Retirement benefit liability	1,340,857	1,298,853
Asset retirement obligations	135,450	135,450
Negative goodwill	3,713	-
Other	1,256,604	1,162,958
Total non-current liabilities	9,891,828	9,493,987
Total liabilities	22,885,795	20,867,349
Net assets		
Shareholders' equity		
Share capital	4,674,750	4,674,750
Capital surplus	5,473,962	5,471,367
Retained earnings	2,628,430	2,394,548
Treasury shares	(196,284)	(196,284)
Total shareholders' equity	12,580,858	12,344,381
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	233,873	221,669
Remeasurements of defined benefit plans	(280,901)	(263,260)
Total accumulated other comprehensive income	(47,028)	(41,591)
Non-controlling interests	6,300	6,259
Total net assets	12,540,129	12,309,050
Total liabilities and net assets	35,425,924	33,176,400

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2018	For the six months ended September 30,2019
Net sales	14,334,043	14,473,029
Cost of sales	9,559,944	9,302,555
Gross profit	4,774,098	5,170,474
Selling, general and administrative expenses	5,220,096	5,549,031
Operating loss	(445,998)	(378,556)
Non-operating income		
Interest income	2,003	1,527
Dividend income	28,612	24,394
Rental income	82,491	80,729
Insurance claim income	8,169	114,418
Share of profit of entities accounted for using equity method	-	17,379
Other	53,770	65,012
Total non-operating income	175,048	303,462
Non-operating expenses		
Interest expenses	49,176	46,499
Share of loss of entities accounted for using equity method	12,589	-
Rental expenses	27,605	27,061
Other	42,797	38,067
Total non-operating expenses	132,169	111,628
Ordinary loss	(403,119)	(186,722)
Extraordinary income		
Gain on sales of non-current assets	7,139	1,284
Gain on sales of investment securities	-	24,063
Gain on sales of shares of subsidiaries	-	17,399
Total extraordinary income	7,139	42,747
Extraordinary losses		
Loss on sales of non-current assets	-	342
Loss on retirement of non-current assets	0	395
Loss on valuation of investment securities	-	800
Total extraordinary losses	0	1,537
Loss before income taxes	(395,979)	(145,513)
Income taxes	(74,153)	33,949
Loss	(321,825)	(179,462)
Profit (loss) attributable to non-controlling interests	(1,457)	2,665
Loss attributable to owners of parent	(320,367)	(182,127)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2018	For the six months ended September 30,2019
Loss	(321,825)	(179,462)
Other comprehensive income		
Valuation difference on available-for-sale securities	(75,079)	(12,203)
Remeasurements of defined benefit plans, net of tax	17,928	17,641
Total other comprehensive income	(57,151)	5,437
Comprehensive income	(378,977)	(174,025)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(377,519)	(176,690)
Comprehensive income attributable to non-controlling interests	(1,457)	2,665

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2018	For the six months ended September 30,2019
Cash flows from operating activities		
Loss before income taxes	(395,979)	(145,513)
Depreciation	721,257	660,921
Increase (decrease) in allowance for doubtful accounts	7,755	(10,973)
Increase (decrease) in provision for bonuses	(23,289)	4,612
Increase (decrease) in retirement benefit liability	13,752	(5,229)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	7,370	(21,999)
Interest and dividend income	(30,615)	(25,921)
Interest expenses	49,176	46,499
Loss (gain) on sales of shares of subsidiaries	-	(17,399)
Share of loss (profit) of entities accounted for using equity method	12,589	(17,379)
Loss (gain) on sales and retirement of non-current assets	(7,139)	(546)
Loss (gain) on sales and valuation of investment securities	-	(23,263)
Decrease (increase) in trade receivables	513,829	331,869
Decrease (increase) in inventories	(91,650)	28,657
Increase (decrease) in trade payables	(314,726)	(1,014,793)
Increase (decrease) in accrued consumption taxes	(8,371)	(39,298)
Decrease (increase) in other assets	(137,457)	13,332
Increase (decrease) in other liabilities	(57,952)	(514,558)
Subtotal	258,546	(750,983)
Interest and dividends received	29,981	25,009
Interest paid	(48,921)	(48,265)
Income taxes (paid) refund	(88,994)	13,996
Net cash provided by (used in) operating activities	150,613	(760,244)
Cash flows from investing activities		
Payments into time deposits	(10,000)	(13,020)
Purchase of property, plant and equipment	(252,773)	(358,494)
Proceeds from sales of property, plant and equipment	8,510	2,978
Purchase of investment securities	(7,289)	(7,610)
Proceeds from sales of investment securities	-	70,647
Proceeds from withdrawal of investment securities	-	58,500
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	99,901
Loan advances	(93,510)	(157,380)
Collection of loans receivable	98,474	79,091
Other, net	(8,150)	(4,508)
Net cash provided by (used in) investing activities	(264,738)	(229,896)

(Thousand yen)

	For the six months ended September 30,2018	For the six months ended September 30,2019
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	106,205	152,899
Proceeds from long-term borrowings	100,000	543,000
Repayments of long-term borrowings	(679,086)	(641,606)
Proceeds from issuance of bonds	989,545	-
Redemption of bonds	(115,200)	(165,200)
Dividends paid	(85,891)	(51,791)
Purchase of treasury shares of subsidiaries	-	(5,300)
Repayments of lease obligations	(144,274)	(98,314)
Net cash provided by (used in) financing activities	171,297	(266,312)
Net increase (decrease) in cash and cash equivalents	57,172	(1,256,453)
Cash and cash equivalents at beginning of period	2,322,242	2,920,654
Cash and cash equivalents at end of period	2,379,414	1,664,201