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Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

Company name: CHIYODA UTE CO., LTD.

Stock exchange listing: Tokyo

Code number: 5387

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

Representative: Haruhisa Hirata

Contact: Takashi Oida

Phone: 059-364-5215

Scheduled date of Annual General Meeting of Shareholders: June 25, 2021

Scheduled date of commencing dividend payments: -

Scheduled date of filing annual securities report: June 25, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

(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	%
Fiscal year ended March 31, 2021	25,206	(12.8)	435	-	725	-	660	-
March 31, 2020	28,891	(4.2)	(429)	-	(139)	-	(2,084)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 805 million [-%]
Fiscal year ended March 31, 2020: ¥ (2,168) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	28.34	-	5.0	2.3	1.7
March 31, 2020	(112.48)	-	(16.4)	(0.4)	(1.5)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ 52 million
Fiscal year ended March 31, 2020: ¥ 59 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	31,848	13,687	42.9	586.34
March 31, 2020	30,776	12,881	41.8	552.01

(Reference) Equity: As of March 31, 2021: ¥ 13,672 million
As of March 31, 2020: ¥ 12,872 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	264	(330)	1,005	2,489
March 31, 2020	(104)	(662)	(603)	1,550

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	0.00	-	0.00	0.00	-	-	-
March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% 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	26,000	3.1	250	(42.6)	300	(58.6)	200	(69.7)	8.58

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

March 31, 2021: 23,737,165 shares

March 31, 2020: 23,737,165 shares

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

March 31, 2021: 418,768 shares

March 31, 2020: 418,769 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 23,318,397 shares

Fiscal Year ended March 31, 2020: 18,527,657 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	1,582,556	2,511,451
Notes and accounts receivable - trade	4,106,854	4,067,701
Electronically recorded monetary claims - operating	623,342	1,397,721
Merchandise and finished goods	1,422,010	1,310,834
Work in process	109,467	66,212
Raw materials and supplies	1,567,619	1,485,679
Other	317,896	209,165
Allowance for doubtful accounts	(115,831)	(84,980)
Total current assets	9,613,916	10,963,784
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,481,752	13,550,533
Accumulated depreciation	(8,883,088)	(9,155,972)
Buildings and structures, net	4,598,664	4,394,560
Machinery, equipment and vehicles	25,289,126	25,546,012
Accumulated depreciation	(23,153,898)	(23,586,975)
Machinery, equipment and vehicles, net	2,135,228	1,959,036
Land	11,265,606	11,219,382
Leased assets	1,257,306	1,285,858
Accumulated depreciation	(780,325)	(761,912)
Leased assets, net	476,981	523,945
Construction in progress	65,939	25,434
Other	601,656	572,628
Accumulated depreciation	(518,855)	(498,900)
Other, net	82,800	73,728
Total property, plant and equipment	18,625,220	18,196,088
Intangible assets	177,529	221,037
Investments and other assets		
Investment securities	1,081,422	1,212,660
Long-term loans receivable	17,061	-
Deferred tax assets	144,220	111,235
Other	1,142,424	1,149,625
Allowance for doubtful accounts	(51,939)	(24,748)
Total investments and other assets	2,333,188	2,448,772
Total non-current assets	21,135,938	20,865,898
Deferred assets		
Bond issuance costs	26,194	18,738
Total deferred assets	26,194	18,738
Total assets	30,776,049	31,848,422

(Thousand yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,639,022	2,682,641
Short-term borrowings	1,192,529	1,176,496
Current portion of long-term borrowings	1,086,862	1,542,640
Current portion of bonds payable	330,400	330,400
Accounts payable - other	1,224,894	1,123,596
Income taxes payable	108,525	133,613
Accrued consumption taxes	129,431	201,680
Provision for bonuses	278,157	308,559
Other	574,970	555,595
Total current liabilities	8,564,793	8,055,222
Non-current liabilities		
Bonds payable	1,886,000	1,555,600
Long-term borrowings	4,616,302	5,696,599
Lease obligations	603,457	648,701
Deferred tax liabilities	7,630	7,630
Provision for retirement benefits for directors (and other officers)	201,104	192,065
Provision for loss on subsidiaries and affiliates	2,000	-
Retirement benefit liability	1,321,784	1,311,121
Asset retirement obligations	135,450	135,450
Other	556,123	558,856
Total non-current liabilities	9,329,853	10,106,023
Total liabilities	17,894,646	18,161,246
Net assets		
Shareholders' equity		
Share capital	5,960,988	5,960,988
Capital surplus	6,751,539	6,751,539
Retained earnings	492,645	1,153,527
Treasury shares	(196,284)	(196,284)
Total shareholders' equity	13,008,889	13,669,771
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	124,262	244,285
Remeasurements of defined benefit plans	(261,104)	(241,508)
Total accumulated other comprehensive income	(136,841)	2,776
Non-controlling interests	9,355	14,628
Total net assets	12,881,402	13,687,176
Total liabilities and net assets	30,776,049	31,848,422

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	28,891,553	25,206,025
Cost of sales	18,173,823	14,904,646
Gross profit	10,717,729	10,301,379
Selling, general and administrative expenses	11,147,358	9,866,044
Operating profit (loss)	(429,629)	435,335
Non-operating income		
Interest income	3,848	2,497
Dividend income	37,074	34,169
Rental income	157,307	150,537
Subsidies for employment adjustment	-	162,193
Share of profit of entities accounted for using equity method	59,019	52,660
Other	253,746	123,420
Total non-operating income	510,995	525,478
Non-operating expenses		
Interest expenses	89,228	80,741
Rental expenses	54,879	57,108
Compensation expenses	-	26,031
Provision for loss on subsidiaries and affiliates	2,000	-
Other	74,924	71,680
Total non-operating expenses	221,032	235,561
Ordinary profit (loss)	(139,666)	725,251
Extraordinary income		
Gain on sale of non-current assets	2,284	47,964
Gain on sale of investment securities	24,063	1,675
Gain on sale of shares of subsidiaries and associates	-	1,782
Gain on sale of shares of subsidiaries	17,399	47,740
Total extraordinary income	43,747	99,162
Extraordinary losses		
Loss on sale of non-current assets	700	1,900
Loss on retirement of non-current assets	4,476	8,402
Impairment losses	1,867,509	-
Loss on sale of investment securities	-	5,360
Loss on valuation of investment securities	800	49,489
Total extraordinary losses	1,873,486	65,152
Profit (loss) before income taxes	(1,969,405)	759,261
Income taxes - current	64,372	111,314
Income taxes - deferred	44,492	(18,208)
Total income taxes	108,865	93,106
Profit (loss)	(2,078,270)	666,155
Profit attributable to non-controlling interests	5,760	5,272
Profit (loss) attributable to owners of parent	(2,084,031)	660,882

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit (loss)	(2,078,270)	666,155
Other comprehensive income		
Valuation difference on available-for-sale securities	(109,610)	120,022
Remeasurements of defined benefit plans, net of tax	19,797	19,595
Total other comprehensive income	(89,812)	139,617
Comprehensive income	(2,168,083)	805,773
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,173,844)	800,500
Comprehensive income attributable to non-controlling interests	5,760	5,272

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,674,750	5,473,962	2,628,430	(196,284)	12,580,858
Changes during period					
Issuance of new shares	1,286,238	1,280,171			2,566,410
Dividends of surplus			(51,753)		(51,753)
Profit (loss) attributable to owners of parent			(2,084,031)		(2,084,031)
Purchase of share of consolidated subsidiaries treasury stock		(2,594)			(2,594)
Net changes in items other than shareholders' equity					
Total changes during period	1,286,238	1,277,577	(2,135,785)	-	428,031
Balance at end of period	5,960,988	6,751,539	492,645	(196,284)	13,008,889

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	233,873	(280,901)	(47,028)	6,300	12,540,129
Changes during period					
Issuance of new shares					2,566,410
Dividends of surplus					(51,753)
Profit (loss) attributable to owners of parent					(2,084,031)
Purchase of share of consolidated subsidiaries treasury stock				(2,705)	(5,300)
Net changes in items other than shareholders' equity	(109,610)	19,797	(89,812)	5,760	(84,052)
Total changes during period	(109,610)	19,797	(89,812)	3,055	341,273
Balance at end of period	124,262	(261,104)	(136,841)	9,355	12,881,402

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,960,988	6,751,539	492,645	(196,284)	13,008,889
Changes during period					
Issuance of new shares	-	-			-
Dividends of surplus			-		-
Profit (loss) attributable to owners of parent			660,882		660,882
Purchase of share of consolidated subsidiaries treasury stock		-			-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	660,882	-	660,882
Balance at end of period	5,960,988	6,751,539	1,153,527	(196,284)	13,669,771

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	124,262	(261,104)	(136,841)	9,355	12,881,402
Changes during period					
Issuance of new shares					-
Dividends of surplus					-
Profit (loss) attributable to owners of parent					660,882
Purchase of share of consolidated subsidiaries treasury stock				-	-
Net changes in items other than shareholders' equity	120,022	19,595	139,617	5,272	144,890
Total changes during period	120,022	19,595	139,617	5,272	805,773
Balance at end of period	244,285	(241,508)	2,776	14,628	13,687,176

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(1,969,405)	759,261
Depreciation	1,304,219	1,004,570
Amortization of negative goodwill	(657)	-
Amortization of bond issuance costs	7,455	7,455
Increase (decrease) in allowance for doubtful accounts	(3,035)	4,432
Increase (decrease) in provision for bonuses	4,027	34,601
Increase (decrease) in retirement benefit liability	19,857	12,763
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6,341)	(9,039)
Increase (decrease) in provision for loss on subsidiaries and affiliates	2,000	(255)
Interest and dividend income	(40,922)	(36,667)
Interest expenses	89,228	80,741
Loss (gain) on sale of shares of subsidiaries	(17,399)	(47,740)
Loss (gain) on sale of shares of subsidiaries and associates	-	(1,782)
Share of loss (profit) of entities accounted for using equity method	(59,019)	(52,660)
Loss (gain) on sale and retirement of non-current assets	2,892	(37,662)
Impairment losses	1,867,509	-
Loss (gain) on sale and valuation of investment securities	(23,263)	53,175
Decrease (increase) in trade receivables	401,591	(1,211,097)
Decrease (increase) in inventories	(17,170)	235,391
Increase (decrease) in trade payables	(1,077,082)	(366,414)
Increase (decrease) in accrued consumption taxes	26,591	74,401
Decrease (increase) in other assets	(6,276)	(22,049)
Increase (decrease) in other liabilities	(557,491)	(86,428)
Subtotal	(52,691)	394,998
Interest and dividends received	38,744	34,732
Interest paid	(89,185)	(82,445)
Income taxes refund (paid)	(1,405)	(83,033)
Net cash provided by (used in) operating activities	(104,537)	264,251
Cash flows from investing activities		
Payments into time deposits	(14,040)	(170)
Purchase of property, plant and equipment	(800,669)	(465,864)
Proceeds from sale of property, plant and equipment	11,635	104,938
Purchase of investment securities	(13,747)	(14,339)
Proceeds from sale of investment securities	70,647	28,302
Proceeds from sale of shares of subsidiaries	-	4,288
Proceeds from sale of shares of subsidiaries and associates	-	16,782
Proceeds from withdrawal of investment securities	58,500	4,755
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	-	(87,512)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	99,901	-
Loan advances	(196,510)	(1,587)
Proceeds from collection of loans receivable	126,622	108,604
Other, net	(4,908)	(29,144)
Net cash provided by (used in) investing activities	(662,568)	(330,946)

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,651,803)	(16,032)
Proceeds from long-term borrowings	1,043,000	2,810,000
Repayments of long-term borrowings	(1,992,402)	(1,273,925)
Redemption of bonds	(330,400)	(330,400)
Proceeds from issuance of shares	2,566,410	-
Purchase of treasury shares of subsidiaries	(5,300)	-
Dividends paid	(51,867)	(240)
Repayments of lease obligations	(180,698)	(183,982)
Net cash provided by (used in) financing activities	(603,061)	1,005,419
Net increase (decrease) in cash and cash equivalents	(1,370,168)	938,724
Cash and cash equivalents at beginning of period	2,920,654	1,550,486
Cash and cash equivalents at end of period	1,550,486	2,489,210