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November 10, 2021

Consolidated Financial Results for the Six Months Ended September 30, 2021 (Under Japanese GAAP)

Company name: Hakudo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7637
 URL: <https://www.hakudo.co.jp/>
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 Scheduled date to file quarterly securities report: November 11, 2021
 Scheduled date to commence dividend payments: December 10, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	25,818	44.8	1,940	232.8	1,993	223.3	1,355	216.6
September 30, 2020	17,836	(12.8)	583	(23.8)	616	(23.1)	428	(22.0)

Note: Comprehensive income For the six months ended September 30, 2021: ¥1,391 million [227.1%]
 For the six months ended September 30, 2020: ¥425 million [(3.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	119.51	—
September 30, 2020	37.75	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	37,398	18,603	49.7
March 31, 2021	33,115	17,869	54.0

Reference: Equity As of September 30, 2021: ¥18,603 million
 As of March 31, 2021: ¥17,869 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 March 31, 2021	—	0.00	—	58.00	58.00
Fiscal year ending March 31, 2022	—	48.00			
Fiscal year ending March 31, 2022 (Forecast)			—	48.00	96.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Concerning the revisions to the forecast of cash dividends, please refer to the “Notice Concerning Dividends of Surplus (Interim Dividend) and Revisions to Annual Dividend Forecasts” announced today (November 10, 2021).

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	52,000	32.6	3,420	72.6	3,500	68.0	2,400	87.2	211.61

Note: Revisions to the forecast of the financial results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: –

Excluded: –

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements” of “(3) Notes to the quarterly consolidated financial statements” (Japanese only) of the attached materials.

- (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: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “Changes in accounting policies” of “(3) Notes to the quarterly consolidated financial statements” (Japanese only) of the attached materials.

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	11,343,300 shares
As of March 31, 2021	11,343,300 shares

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

As of September 30, 2021	1,478 shares
As of March 31, 2021	1,377 shares

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

Six months ended September 30, 2021	11,341,852 shares
Six months ended September 30, 2020	11,341,962 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts, and other special matters

Please note that the forecast figures presented above are outlooks based on information currently available and include a considerable number of uncertain factors.

Actual results and others may differ from the forecast figures due to changes in business conditions and other factors.

Quarterly consolidated financial statements

Quarterly consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	5,924,026	7,087,533
Notes and accounts receivable - trade	10,847,040	12,058,514
Electronically recorded monetary claims - operating	2,003,717	3,024,995
Merchandise and finished goods	5,934,987	6,685,935
Raw materials and supplies	25,847	25,122
Other	140,115	170,182
Allowance for doubtful accounts	△24,587	△20,570
Total current assets	24,851,147	29,031,713
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,673,425	7,739,305
Accumulated depreciation	△5,955,979	△6,036,745
Buildings and structures, net	1,717,445	1,702,560
Machinery, equipment and vehicles	7,348,555	7,618,213
Accumulated depreciation	△4,758,804	△5,006,091
Machinery, equipment and vehicles, net	2,589,750	2,612,122
Land	1,899,876	1,899,876
Other	708,154	732,532
Accumulated depreciation	△544,800	△561,341
Other, net	163,353	171,191
Total property, plant and equipment	6,370,426	6,385,750
Intangible assets	402,158	480,888
Investments and other assets		
Investment securities	907,682	919,209
Deferred tax assets	399,095	396,110
Other	184,930	185,291
Total investments and other assets	1,491,708	1,500,611
Total non-current assets	8,264,293	8,367,250
Total assets	33,115,440	37,398,964

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	5,797,401	6,142,143
Electronically recorded obligations – operating	7,335,415	10,300,769
Accrued expenses	749,209	763,267
Income taxes payable	469,473	681,726
Provision for bonuses	371,626	496,136
Provision for bonuses for directors (and other officers)	48,000	109,500
Provision for shareholder benefit program	—	36,364
Other	418,551	215,035
Total current liabilities	15,189,677	18,744,943
Non-current liabilities		
Deferred tax liabilities	283	458
Long-term guarantee deposits	16,150	15,150
Retirement benefit liability	14,803	10,753
Other	24,652	24,652
Total non-current liabilities	55,889	51,013
Total liabilities	15,245,567	18,795,957
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	621,397	621,397
Retained earnings	15,978,014	16,675,617
Treasury shares	△1,588	△1,785
Total shareholders' equity	17,597,823	18,295,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,942	137,568
Foreign currency translation adjustment	137,105	170,207
Total accumulated other comprehensive income	272,048	307,776
Non-controlling interests	0	0
Total net assets	17,869,873	18,603,007
Total liabilities and net assets	33,115,440	37,398,964

Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	17,836,068	25,818,829
Cost of sales	15,036,527	20,971,444
Gross profit	2,799,541	4,847,384
Selling, general and administrative expenses	2,216,518	2,907,131
Operating profit	583,022	1,940,252
Non-operating income		
Interest income	3,754	3,747
Dividend income	6,201	27,922
Rental income from real estate	42,622	43,424
Other	5,576	2,237
Total non-operating income	58,155	77,332
Non-operating expenses		
Rental expenses on real estate	8,132	7,921
Loss on disposal of non-current assets	2,955	1,628
Commission expenses	252	251
Foreign exchange losses	10,511	11,271
Other	2,784	3,039
Total non-operating expenses	24,636	24,113
Ordinary profit	616,542	1,993,472
Profit before income taxes	616,542	1,993,472
Income taxes	188,394	638,038
Profit	428,147	1,355,434
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	428,147	1,355,434

Quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	428,147	1,355,434
Other comprehensive income		
Valuation difference on available-for-sale securities	△3,554	2,626
Foreign currency translation adjustment	776	33,101
Total other comprehensive income	△2,777	35,727
Comprehensive income	425,370	1,391,162
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	425,370	1,391,161
Comprehensive income attributable to non-controlling interests	△0	0