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February 9, 2022

Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under Japanese GAAP)

Company name: Hakudo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7637
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 Scheduled date to file quarterly securities report: February 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

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

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	40,474	45.6	3,130	163.6	3,216	156.9	2,187	151.7
December 31, 2020	27,798	(9.8)	1,187	6.4	1,251	6.5	869	9.1

Note: Comprehensive income For the nine months ended December 31, 2021: ¥2,261 million [158.8%]
 For the nine months ended December 31, 2020: ¥873 million [16.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	192.89	—
December 31, 2020	76.65	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2021	39,865	18,929	47.5
March 31, 2021	33,115	17,869	54.0

Reference: Equity As of December 31, 2021: ¥18,929 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)				62.00	110.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	54,300	38.5	4,070	105.4	4,170	100.1	2,850	122.3	251.28

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 December 31, 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 December 31, 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)

Nine months ended December 31, 2021	11,341,842 shares
Nine months ended December 31, 2020	11,341,960 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

(Notice concerning forward-looking statements and others)

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 December 31, 2021
Assets		
Current assets		
Cash and deposits	5,924,026	7,725,911
Notes and accounts receivable - trade	10,847,040	13,112,885
Electronically recorded monetary claims - operating	2,003,717	3,751,324
Merchandise and finished goods	5,934,987	6,789,774
Raw materials and supplies	25,847	26,118
Other	140,115	226,973
Allowance for doubtful accounts	△24,587	△21,456
Total current assets	24,851,147	31,611,531
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,673,425	7,752,278
Accumulated depreciation	△5,955,979	△6,080,319
Buildings and structures, net	1,717,445	1,671,958
Machinery, equipment and vehicles	7,348,555	7,752,311
Accumulated depreciation	△4,758,804	△5,129,445
Machinery, equipment and vehicles, net	2,589,750	2,622,865
Land	1,899,876	1,899,876
Other	708,154	627,580
Accumulated depreciation	△544,800	△552,588
Other, net	163,353	74,991
Total property, plant and equipment	6,370,426	6,269,692
Intangible assets	402,158	487,856
Investments and other assets		
Investment securities	907,682	913,371
Deferred tax assets	399,095	398,746
Other	184,930	184,108
Total investments and other assets	1,491,708	1,496,225
Total non-current assets	8,264,293	8,253,775
Total assets	33,115,440	39,865,306

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable – trade	5,797,401	6,915,984
Electronically recorded obligations – operating	7,335,415	11,478,377
Accrued expenses	749,209	821,068
Income taxes payable	469,473	716,734
Provision for bonuses	371,626	312,115
Provision for bonuses for directors (and other officers)	48,000	178,250
Provision for shareholder benefit program	—	8,030
Other	418,551	457,095
Total current liabilities	15,189,677	20,887,657
Non-current liabilities		
Deferred tax liabilities	283	413
Long-term guarantee deposits	16,150	15,150
Retirement benefit liability	14,803	10,922
Other	24,652	21,982
Total non-current liabilities	55,889	48,468
Total liabilities	15,245,567	20,936,125
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	621,397	621,397
Retained earnings	15,978,014	16,963,555
Treasury shares	△1,588	△1,785
Total shareholders' equity	17,597,823	18,583,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,942	131,051
Foreign currency translation adjustment	137,105	214,961
Total accumulated other comprehensive income	272,048	346,012
Non-controlling interests	0	0
Total net assets	17,869,873	18,929,180
Total liabilities and net assets	33,115,440	39,865,306

Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	27,798,251	40,474,008
Cost of sales	23,220,674	32,903,281
Gross profit	4,577,577	7,570,727
Selling, general and administrative expenses	3,389,933	4,439,825
Operating profit	1,187,643	3,130,902
Non-operating income		
Interest income	5,274	5,644
Dividend income	7,587	30,374
Rental income from real estate	64,033	65,302
Other	9,134	9,822
Total non-operating income	86,029	111,143
Non-operating expenses		
Rental expenses on real estate	12,201	19,208
Loss on disposal of non-current assets	3,452	3,268
Commission expenses	378	378
Other	5,909	3,183
Total non-operating expenses	21,941	26,038
Ordinary profit	1,251,731	3,216,007
Profit before income taxes	1,251,731	3,216,007
Income taxes	382,373	1,028,227
Profit	869,357	2,187,779
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	869,357	2,187,779

Quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	869,357	2,187,779
Other comprehensive income		
Valuation difference on available-for-sale securities	△5,992	△3,891
Foreign currency translation adjustment	10,537	77,855
Total other comprehensive income	4,544	73,963
Comprehensive income	873,902	2,261,743
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	873,902	2,261,743
Comprehensive income attributable to non-controlling interests	△0	0