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May 13, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Hakudo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7637
 URL: <https://www.hakudo.co.jp/>
 Representative: Koji Tsunoda, President
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 Telephone: +81-3-6212-2811
 Scheduled date of annual general meeting of shareholders: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Scheduled date to file annual securities report: June 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	55,441	41.4	4,256	114.7	4,373	109.9	2,964	131.2
March 31, 2021	39,219	(6.2)	1,981	19.5	2,083	22.8	1,281	11.6

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥3,161 million [118.6%]
 For the fiscal year ended March 31, 2021: ¥1,446 million [40.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	261.34	—	15.7	11.7	7.7
March 31, 2021	113.01	—	7.3	6.4	5.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥— million
 For the fiscal year ended March 31, 2021: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	41,780	19,829	47.5	1,748.32
March 31, 2021	33,115	17,869	54.0	1,575.56

Reference: Equity
 As of March 31, 2022: ¥19,829 million
 As of March 31, 2021: ¥17,869 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	4,555	(677)	(1,201)	8,674
March 31, 2021	2,127	(552)	(657)	5,924

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	—	0.00	—	58.00	58.00	657	51.3	3.8
Fiscal year ended March 31, 2022	—	48.00	—	67.00	115.00	1,304	44.0	6.9
Fiscal year ending March 31, 2023 (Forecast)	—	50.00	—	51.00	101.00		40.1	

Note: Breakdown of ¥67.00 year-end dividend for the fiscal year ended March 31, 2022

Ordinary dividend: ¥58.00

90th anniversary memorial dividend: ¥9.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Half year	30,700	18.9	1,970	1.5	2,040	2.3	1,430	5.5	126.08
Full year	62,100	12.0	3,970	(6.7)	4,080	(6.7)	2,860	(3.5)	252.16

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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 “(5) Notes to the consolidated financial statements” of 3. Consolidated Financial Statements and Significant Notes Thereto (Japanese only) of the attached materials.

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	1,515 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)

Fiscal year ended March 31, 2022	11,341,835 shares
Fiscal year ended March 31, 2021	11,341,951 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	52,444	41.7	4,063	109.9	4,160	106.9	2,793	127.8
March 31, 2021	37,017	(5.9)	1,936	12.9	2,011	15.0	1,226	2.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	246.27	—
March 31, 2021	108.12	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	40,481	19,264	47.6	1,698.58
March 31, 2021	32,356	17,659	54.6	1,556.98

Reference: Equity

As of March 31, 2022: ¥19,264 million
As of March 31, 2021: ¥17,659 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half year	29,000	12.3	1,910	(4.2)	1,320	(2.6)	116.38
Full year	58,500	11.5	3,800	(8.7)	2,630	(5.8)	231.89

* Financial results reports are exempt from audit 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.

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,924,026	8,674,821
Notes and accounts receivable – trade	10,847,040	13,322,545
Electronically recorded monetary claims – operating	2,003,717	3,687,848
Merchandise and finished goods	5,934,987	7,770,408
Raw materials and supplies	25,847	32,108
Other	140,115	154,456
Allowance for doubtful accounts	△24,587	△26,474
Total current assets	24,851,147	33,615,714
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,673,425	7,766,535
Accumulated depreciation	△5,955,979	△6,129,659
Buildings and structures, net	1,717,445	1,636,876
Machinery, equipment and vehicles	7,348,555	7,776,485
Accumulated depreciation	△4,758,804	△5,281,475
Machinery, equipment and vehicles, net	2,589,750	2,495,009
Land	1,899,876	1,899,876
Other	708,154	629,515
Accumulated depreciation	△544,800	△563,279
Other, net	163,353	66,235
Total property, plant and equipment	6,370,426	6,097,997
Intangible assets	402,158	509,318
Investments and other assets		
Investment securities	907,682	944,065
Deferred tax assets	399,095	428,919
Other	184,930	184,570
Total investments and other assets	1,491,708	1,557,555
Total non-current assets	8,264,293	8,164,872
Total assets	33,115,440	41,780,586

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	5,797,401	7,844,404
Electronically recorded obligations – operating	7,335,415	10,808,557
Accrued expenses	749,209	986,691
Income taxes payable	469,473	1,145,670
Provision for bonuses	371,626	604,959
Provision for bonuses for directors (and other officers)	48,000	213,634
Provision for shareholder benefit program	—	—
Other	418,551	299,259
Total current liabilities	15,189,677	21,903,177
Non-current liabilities		
Deferred tax liabilities	283	466
Long-term guarantee deposits	16,150	15,150
Retirement benefit liability	14,803	10,735
Other	24,652	21,982
Total non-current liabilities	55,889	48,334
Total liabilities	15,245,567	21,951,511
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	621,397	621,397
Retained earnings	15,978,014	17,739,890
Treasury shares	△1,588	△1,878
Total shareholders' equity	17,597,823	19,359,409
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,942	150,395
Foreign currency translation adjustment	137,105	319,269
Total accumulated other comprehensive income	272,048	469,664
Non-controlling interests	0	1
Total net assets	17,869,873	19,829,075
Total liabilities and net assets	33,115,440	41,780,586

Consolidated statements of income and comprehensive income

Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	39,219,464	55,441,001
Cost of sales	32,549,342	45,131,267
Gross profit	6,670,122	10,309,733
Selling, general and administrative expenses	4,688,170	6,053,571
Operating profit	1,981,951	4,256,162
Non-operating income		
Interest income	6,760	7,179
Dividend income	7,650	30,441
Rental income from real estate	85,599	90,746
Foreign exchange gains	11,421	20,091
Other	14,549	6,193
Total non-operating income	125,980	154,652
Non-operating expenses		
Rental expenses on real estate	16,179	25,335
Commission expenses	499	499
Loss on disposal of non-current assets	4,992	3,400
Other	2,788	7,838
Total non-operating expenses	24,460	37,074
Ordinary profit	2,083,471	4,373,740
Extraordinary losses		
Retirement benefit expenses	196,732	—
Total extraordinary losses	196,732	—
Profit before income taxes	1,886,738	4,373,740
Income taxes - current	692,827	1,447,697
Income taxes - deferred	△87,889	△38,071
Total income taxes	604,938	1,409,625
Profit	1,281,800	2,964,114
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,281,800	2,964,114

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,281,800	2,964,114
Other comprehensive income		
Valuation difference on available-for-sale securities	74,983	15,452
Foreign currency translation adjustment	89,615	182,163
Total other comprehensive income	164,598	197,615
Comprehensive income	1,446,399	3,161,730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,446,399	3,161,730
Comprehensive income attributable to non-controlling interests	0	0

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,000,000	621,397	15,354,048	△1,531	16,973,914
Changes during period					
Dividends of surplus			△657,833		△657,833
Profit attributable to owners of parent			1,281,800		1,281,800
Purchase of treasury shares				△57	△57
Net changes in items other than shareholders' equity					
Total changes during period	—	—	623,966	△57	623,909
Balance at end of period	1,000,000	621,397	15,978,014	△1,588	17,597,823

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	59,959	47,490	107,449	0	17,081,364
Changes during period					
Dividends of surplus					△657,833
Profit attributable to owners of parent					1,281,800
Purchase of treasury shares					△57
Net changes in items other than shareholders' equity	74,983	89,615	164,598	0	164,598
Total changes during period	74,983	89,615	164,598	0	788,508
Balance at end of period	134,942	137,105	272,048	0	17,869,873

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,000,000	621,397	15,978,014	△1,588	17,597,823
Changes during period					
Dividends of surplus			△1,202,238		△1,202,238
Profit attributable to owners of parent			2,964,114		2,964,114
Purchase of treasury shares				△289	△289
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,761,875	△289	1,761,585
Balance at end of period	1,000,000	621,397	17,739,890	△1,878	19,359,409

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	134,942	137,105	272,048	0	17,869,873
Changes during period					
Dividends of surplus					△1,202,238
Profit attributable to owners of parent					2,964,114
Purchase of treasury shares					△289
Net changes in items other than shareholders' equity	15,452	182,163	197,615	0	197,616
Total changes during period	15,452	182,163	197,615	0	1,959,201
Balance at end of period	150,395	319,269	469,664	1	19,829,075

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,886,738	4,373,740
Depreciation	835,534	839,714
Increase (decrease) in allowance for doubtful accounts	2,153	△666
Increase (decrease) in provision for bonuses	96,726	231,941
Increase (decrease) in provision for bonuses for directors (and other officers)	11,000	165,634
Increase (decrease) in retirement benefit liability	1,631	△4,067
Interest and dividend income	△14,410	△37,620
Loss (gain) on sale of property, plant and equipment	1,467	3,400
Decrease (increase) in trade receivables	△287,773	△4,097,266
Decrease (increase) in inventories	139,733	△1,790,858
Increase (decrease) in trade payables	△386,998	5,495,618
Increase (decrease) in accrued expenses	44,511	231,251
Increase (decrease) in other current liabilities	173,118	△104,850
Other, net	49,781	19,448
Subtotal	2,553,215	5,325,420
Interest and dividends received	14,410	37,620
Income taxes paid	△439,874	△807,124
Net cash provided by (used in) operating activities	2,127,751	4,555,916
Cash flows from investing activities		
Purchase of property, plant and equipment	△441,081	△459,634
Proceeds from sale of property, plant and equipment	9,312	188
Purchase of intangible assets	△110,976	△204,187
Purchase of investment securities	△9,488	△10,769
Other payments	△2,836	△4,801
Other proceeds	2,071	2,145
Net cash provided by (used in) investing activities	△552,997	△677,057
Cash flows from financing activities		
Dividends paid	△657,367	△1,201,527
Purchase of treasury shares	△57	△289
Net cash provided by (used in) financing activities	△657,425	△1,201,816
Effect of exchange rate change on cash and cash equivalents	38,185	73,753
Net increase (decrease) in cash and cash equivalents	955,513	2,750,795
Cash and cash equivalents at beginning of period	4,968,512	5,924,026
Cash and cash equivalents at end of period	5,924,026	8,674,821