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November 9, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (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 10, 2022
 Scheduled date to commence dividend payments: December 12, 2022
 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	31,775	23.1	2,221	14.5	2,359	18.4	1,643	21.2
September 30, 2021	25,818	44.8	1,940	232.8	1,993	223.3	1,355	216.6

Note: Comprehensive income For the six months ended September 30, 2022: ¥1,802 million [29.6%]
 For the six months ended September 30, 2021: ¥1,391 million [227.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	144.90	—
September 30, 2021	119.51	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	43,722	20,871	47.7
March 31, 2022	41,780	19,829	47.5

Reference: Equity As of September 30, 2022: ¥20,871 million
 As of March 31, 2022: ¥19,829 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, 2022	—	48.00	—	67.00	115.00
Fiscal year ending March 31, 2023	—	58.00			
Fiscal year ending March 31, 2023 (Forecast)			—	51.00	109.00

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 9, 2022).

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
Full year	62,100	12.0	3,970	(6.7)	4,080	(6.7)	2,860	(3.5)	252.16

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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (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, 2022	11,343,300 shares
As of March 31, 2022	11,343,300 shares

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

As of September 30, 2022	1,515 shares
As of March 31, 2022	1,515 shares

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

Six months ended September 30, 2022	11,341,785 shares
Six months ended September 30, 2021	11,341,852 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	8,674,821	7,883,433
Notes and accounts receivable - trade	13,322,545	13,969,757
Electronically recorded monetary claims - operating	3,687,848	4,205,606
Merchandise and finished goods	7,770,408	9,250,079
Raw materials and supplies	32,108	35,633
Other	154,456	214,217
Allowance for doubtful accounts	△26,474	△29,789
Total current assets	33,615,714	35,528,937
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,766,535	7,813,559
Accumulated depreciation	△6,129,659	△6,210,318
Buildings and structures, net	1,636,876	1,603,240
Machinery, equipment and vehicles	7,776,485	7,942,596
Accumulated depreciation	△5,281,475	△5,523,629
Machinery, equipment and vehicles, net	2,495,009	2,418,966
Land	1,899,876	1,899,876
Other	629,515	659,467
Accumulated depreciation	△563,279	△576,290
Other, net	66,235	83,176
Total property, plant and equipment	6,097,997	6,005,260
Intangible assets	509,318	574,550
Investments and other assets		
Investment securities	944,065	1,001,164
Deferred tax assets	428,919	414,302
Other	184,570	198,049
Total investments and other assets	1,557,555	1,613,517
Total non-current assets	8,164,872	8,193,328
Total assets	41,780,586	43,722,265

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	7,844,404	8,112,205
Electronically recorded obligations – operating	10,808,557	12,137,949
Accrued expenses	986,691	814,891
Income taxes payable	1,145,670	769,772
Provision for bonuses	604,959	583,569
Provision for bonuses for directors (and other officers)	213,634	70,846
Provision for shareholder benefit program	—	48,509
Other	299,259	255,041
Total current liabilities	21,903,177	22,792,784
Non-current liabilities		
Deferred tax liabilities	466	402
Long-term guarantee deposits	15,150	15,150
Retirement benefit liability	10,735	11,439
Other	21,982	30,872
Total non-current liabilities	48,334	57,864
Total liabilities	21,951,511	22,850,648
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	621,397	621,397
Retained earnings	17,739,890	18,623,399
Treasury shares	△1,878	△1,878
Total shareholders' equity	19,359,409	20,242,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150,395	186,445
Foreign currency translation adjustment	319,269	442,251
Total accumulated other comprehensive income	469,664	628,697
Non-controlling interests	1	1
Total net assets	19,829,075	20,871,616
Total liabilities and net assets	41,780,586	43,722,265

Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	25,818,829	31,775,493
Cost of sales	20,971,444	26,372,498
Gross profit	4,847,384	5,402,994
Selling, general and administrative expenses	2,907,131	3,181,485
Operating profit	1,940,252	2,221,509
Non-operating income		
Interest income	3,747	5,324
Dividend income	27,922	45,132
Rental income from real estate	43,424	51,005
Foreign exchange gains	—	44,111
Other	2,237	4,602
Total non-operating income	77,332	150,175
Non-operating expenses		
Rental expenses on real estate	7,921	9,373
Loss on disposal of non-current assets	1,628	1,358
Commission expenses	251	251
Foreign exchange losses	11,271	—
Other	3,039	723
Total non-operating expenses	24,113	11,707
Ordinary profit	1,993,472	2,359,977
Profit before income taxes	1,993,472	2,359,977
Income taxes	638,038	716,568
Profit	1,355,434	1,643,408
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,355,434	1,643,408

Quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,355,434	1,643,408
Other comprehensive income		
Valuation difference on available-for-sale securities	2,626	36,050
Foreign currency translation adjustment	33,101	122,982
Total other comprehensive income	35,727	159,032
Comprehensive income	1,391,162	1,802,441
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,391,161	1,802,441
Comprehensive income attributable to non-controlling interests	0	0