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February 8, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (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 9, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	47,379	17.1	3,166	1.1	3,369	4.8	2,289	4.6
December 31, 2021	40,474	45.6	3,130	163.6	3,216	156.9	2,187	151.7

Note: Comprehensive income For the nine months ended December 31, 2022: ¥2,319 million [2.6%]
 For the nine months ended December 31, 2021: ¥2,261 million [158.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	201.82	–
December 31, 2021	192.89	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	44,678	20,731	46.4
March 31, 2022	41,780	19,829	47.5

Reference: Equity As of December 31, 2022: ¥20,731 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: None

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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	11,341,785 shares
Nine months ended December 31, 2021	11,341,842 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	8,674,821	7,743,479
Notes and accounts receivable - trade	13,322,545	13,285,217
Electronically recorded monetary claims - operating	3,687,848	4,891,083
Merchandise and finished goods	7,770,408	10,110,183
Raw materials and supplies	32,108	41,793
Other	154,456	421,128
Allowance for doubtful accounts	△26,474	△26,659
Total current assets	33,615,714	36,466,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,766,535	7,805,183
Accumulated depreciation	△6,129,659	△6,239,035
Buildings and structures, net	1,636,876	1,566,148
Machinery, equipment and vehicles	7,776,485	7,982,731
Accumulated depreciation	△5,281,475	△5,539,507
Machinery, equipment and vehicles, net	2,495,009	2,443,224
Land	1,899,876	1,899,876
Other	629,515	660,982
Accumulated depreciation	△563,279	△580,544
Other, net	66,235	80,438
Total property, plant and equipment	6,097,997	5,989,686
Intangible assets	509,318	595,924
Investments and other assets		
Investment securities	944,065	1,008,672
Deferred tax assets	428,919	428,146
Other	184,570	189,946
Total investments and other assets	1,557,555	1,626,765
Total non-current assets	8,164,872	8,212,377
Total assets	41,780,586	44,678,603

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,844,404	8,192,587
Electronically recorded obligations - operating	10,808,557	13,556,963
Accrued expenses	986,691	871,801
Income taxes payable	1,145,670	401,592
Provision for bonuses	604,959	275,749
Provision for bonuses for directors (and other officers)	213,634	92,250
Provision for shareholder benefit program	—	15,044
Other	299,259	484,445
Total current liabilities	21,903,177	23,890,433
Non-current liabilities		
Deferred tax liabilities	466	617
Long-term guarantee deposits	15,150	14,650
Retirement benefit liability	10,735	11,583
Other	21,982	30,061
Total non-current liabilities	48,334	56,913
Total liabilities	21,951,511	23,947,346
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	621,397	621,397
Retained earnings	17,739,890	18,611,193
Treasury shares	△1,878	△1,878
Total shareholders' equity	19,359,409	20,230,712
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	150,395	156,201
Foreign currency translation adjustment	319,269	344,341
Total accumulated other comprehensive income	469,664	500,542
Non-controlling interests	1	1
Total net assets	19,829,075	20,731,256
Total liabilities and net assets	41,780,586	44,678,603

Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	40,474,008	47,379,125
Cost of sales	32,903,281	39,505,021
Gross profit	7,570,727	7,874,103
Selling, general and administrative expenses	4,439,825	4,707,349
Operating profit	3,130,902	3,166,753
Non-operating income		
Interest income	5,644	7,480
Dividend income	30,374	101,560
Rental income from real estate	65,302	76,472
Foreign exchange gains	7,256	32,019
Other	2,566	5,804
Total non-operating income	111,143	223,336
Non-operating expenses		
Rental expenses on real estate	19,208	13,608
Loss on disposal of non-current assets	3,268	4,885
Commission expenses	378	378
Other	3,183	1,562
Total non-operating expenses	26,038	20,433
Ordinary profit	3,216,007	3,369,656
Profit before income taxes	3,216,007	3,369,656
Income taxes	1,028,227	1,080,630
Profit	2,187,779	2,289,026
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,187,779	2,289,026

Quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,187,779	2,289,026
Other comprehensive income		
Valuation difference on available-for-sale securities	△3,891	5,805
Foreign currency translation adjustment	77,855	25,071
Total other comprehensive income	73,963	30,877
Comprehensive income	2,261,743	2,319,904
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,261,743	2,319,903
Comprehensive income attributable to non-controlling interests	0	0