

# Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]



November 5, 2021

Company name: DAIICHI JITSUGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 8059

URL: <https://www.djk.co.jp/>

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Scheduled date of filing quarterly securities report: November 12, 2021

Scheduled date of commencing dividend payments: November 30, 2021

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2021	68,585	—	3,043	11.8	3,251	7.1	2,253	11.2
September 30, 2020	68,041	(14.1)	2,722	(24.3)	3,037	(19.0)	2,026	(22.7)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥2,442 million [(5.9)%]

Six months ended September 30, 2020: ¥2,595 million [6.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	210.63	209.74
September 30, 2020	189.51	188.73

\* The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. Since this adoption significantly affects net sales figures, the percentage change in net sales from the previous corresponding period for the six months ended September 30, 2021, is not presented.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2021	129,345	55,865	43.1
As of March 31, 2021	119,958	53,845	44.8

(Reference) Equity: As of September 30, 2021: ¥55,735 million

As of March 31, 2021: ¥53,711 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	60.00	–	70.00	130.00
Fiscal year ending March 31, 2022	–	60.00			
Fiscal year ending March 31, 2022 (Forecast)			–	70.00	130.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	152,000	8.5	6,600	15.2	6,900	6.7	4,800	1.0	448.59

(Note) Revision to the financial results forecast announced most recently: Yes

**\* Notes:**

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

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

September 30, 2021: 11,086,400 shares

March 31, 2021: 11,086,400 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 376,874 shares

March 31, 2021: 394,862 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 10,700,293 shares

Six months ended September 30, 2020: 10,692,588 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to “(3) Explanation Regarding Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the Appendix (available in Japanese only).

The Company plans to hold a financial results briefing session for institutional investors and analysts on Thursday, November 18, 2021. Reference materials to be distributed at the briefing session will be available on the Company’s corporate website immediately after the session.

Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	33,295	29,970
Notes and accounts receivable - trade, and contract assets	–	31,847
Notes and accounts receivable - trade	32,572	–
Electronically recorded monetary claims	2,081	3,925
Merchandise and finished goods	13,314	23,784
Work in process	1,256	1,389
Raw materials and supplies	437	451
Accounts prepaid	13,935	13,776
Other	6,023	7,315
Allowance for doubtful accounts	(76)	(94)
<b>Total current assets</b>	<b>102,839</b>	<b>112,366</b>
Fixed assets		
Net property, plant and equipment	3,137	2,991
Intangible fixed assets	1,320	1,441
Investment and other assets		
Investment securities	9,932	9,892
Retirement benefit asset	1,283	1,271
Deferred tax assets	513	486
Other	1,093	1,051
Allowance for doubtful accounts	(163)	(156)
<b>Total investment and other assets</b>	<b>12,661</b>	<b>12,545</b>
<b>Total fixed assets</b>	<b>17,118</b>	<b>16,979</b>
<b>Total assets</b>	<b>119,958</b>	<b>129,345</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	30,678	34,323
Short-term bank loans	7,113	6,653
Income taxes payable	1,096	808
Advances received	21,347	23,715
Provisions	1,703	1,307
Other	1,949	4,488
<b>Total current liabilities</b>	<b>63,889</b>	<b>71,296</b>
Long-term liabilities		
Long-term loans	480	420
Deferred tax liabilities	994	1,037
Provisions	32	18
Retirement benefit liability	420	420
Other	296	286
<b>Total long-term liabilities</b>	<b>2,224</b>	<b>2,183</b>
<b>Total liabilities</b>	<b>66,113</b>	<b>73,480</b>

(Million yen)

	As of March 31, 2021	As of September 30, 2021
<b>Equity</b>		
Shareholders' equity		
Common stock	5,105	5,105
Capital surplus	3,788	3,812
Retained earnings	42,436	44,216
Treasury stock	(895)	(856)
<b>Total shareholders' equity</b>	<b>50,434</b>	<b>52,277</b>
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	3,099	2,820
Deferred gain or loss on derivatives under hedge accounting	(141)	(154)
Foreign currency translation adjustments	81	547
Remeasurements of defined benefit plans	237	243
<b>Total accumulated other comprehensive income</b>	<b>3,276</b>	<b>3,457</b>
Stock acquisition rights	107	96
Non-controlling interests	26	33
<b>Total equity</b>	<b>53,845</b>	<b>55,865</b>
<b>Total liabilities and equity</b>	<b>119,958</b>	<b>129,345</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net sales	68,041	68,585
Cost of sales	57,663	57,182
Gross profit	10,377	11,403
Selling, general and administrative expenses	7,654	8,359
Operating income	2,722	3,043
Non-operating income		
Interest received	57	46
Dividend income	105	117
Purchase discounts	87	172
Share of profit of entities accounted for using equity method	35	11
Other	134	34
Total non-operating income	421	382
Non-operating expenses		
Interest expense	22	16
Commission expenses	42	39
Foreign exchange losses	12	76
Commitment fees	23	7
Other	5	33
Total non-operating expenses	106	174
Ordinary income	3,037	3,251
Extraordinary profit		
Gain on sale of membership	5	–
Gain on sale of investment securities	–	59
Total extraordinary profit	5	59
Extraordinary loss		
Loss on sale of investment securities	62	5
Total extraordinary loss	62	5
Income before income taxes	2,979	3,305
Income taxes	1,000	940
Deferred taxes	(46)	102
Total income taxes	954	1,042
Profit	2,025	2,262
Profit (loss) attributable to non-controlling interests	(0)	8
Profit attributable to owners of parent	2,026	2,253

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Profit	2,025	2,262
Other comprehensive income		
Unrealized gain on available-for-sale securities	777	(278)
Deferred gain or loss on derivatives under hedge accounting	46	(12)
Foreign currency translation adjustments	(264)	464
Remeasurements of defined benefit plans	10	6
Total other comprehensive income	569	179
Comprehensive income	2,595	2,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,595	2,434
Comprehensive income attributable to non-controlling interests	(0)	7

## (3) Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	2,979	3,305
Depreciation and amortization	435	372
Share-based payment expenses	14	17
Increase (decrease) in allowance for doubtful accounts	(8)	11
Increase (decrease) in allowance	(180)	(412)
Decrease (increase) in retirement benefit asset	6	12
Increase (decrease) in retirement benefit liability	20	0
Interest and dividend income	(163)	(163)
Interest expense	22	16
Share of loss (profit) of entities accounted for using equity method	(35)	(11)
Loss (gain) on sale of investment securities	62	(53)
Decrease (increase) in notes and accounts receivable-trade, and contract assets	–	(807)
Decrease (increase) in notes and accounts receivable-trade	4,783	–
Decrease (increase) in advance payments to suppliers	945	385
Decrease (increase) in inventories	(568)	(10,422)
Decrease (increase) in other current assets	581	(1,234)
Increase (decrease) in notes and accounts payable-trade	(3,189)	3,314
Increase (decrease) in advances from customers	2,472	1,897
Increase (decrease) in other current liabilities	73	2,480
Other, net	12	460
Subtotal	8,264	(833)
Interest and dividends received	180	173
Interest paid	(23)	(17)
Income taxes-paid	(1,402)	(1,188)
Net cash (used in) provided by operating activities	7,018	(1,866)
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(860)	(190)
Purchase of property, plant and equipment	(210)	(134)
Proceeds from sale of property, plant and equipment	3	–
Purchase of intangible assets	(390)	(185)
Purchase of investment securities	(19)	(469)
Proceeds from sale of investment securities	73	136
Loan advances	–	(15)
Proceeds from collection of loans receivable	0	4
Other, net	16	(14)
Net cash (used in) provided by investing activities	(1,385)	(869)



(Million yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Cash flows from financing activities		
Increase (decrease) in short-term bank loans-net	(1,188)	(389)
Repayments of long-term borrowings	(201)	(135)
Purchase of treasury shares	(1)	(3)
Dividends paid	(748)	(747)
Other, net	(64)	(82)
Net cash (used in) provided by financing activities	(2,205)	(1,359)
Foreign currency translation adjustments on cash and cash equivalents	(157)	657
Net increase (decrease) in cash and cash equivalents	3,270	(3,437)
Cash and cash equivalents at beginning of year	23,137	31,267
Cash and cash equivalents at end of period	26,408	27,830