

Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]



February 3, 2022

Company name: DAIICHI JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8059
 URL: <https://www.djk.co.jp/>
 Representative: Ichiro Uno, President & CEO
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 Scheduled date of filing quarterly securities report: February 14, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: None
 Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 - December 31, 2021)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	107,980	—	4,987	23.7	5,612	22.6	3,986	18.8
December 31, 2020	98,882	(15.9)	4,030	(17.5)	4,578	(14.3)	3,355	(7.2)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥4,238 million [(4.8)%]
 Nine months ended December 31, 2020: ¥4,451 million [22.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	372.50	370.96
December 31, 2020	313.83	312.49

* 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 nine months ended December 31, 2021, is not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	133,295	57,017	42.7
As of March 31, 2021	119,958	53,845	44.8

(Reference) Equity: As of December 31, 2021: ¥56,885 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: None

*** 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):

December 31, 2021: 11,086,400 shares

March 31, 2021: 11,086,400 shares

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

December 31, 2021: 377,139 shares

March 31, 2021: 394,862 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 10,703,011 shares

Nine months ended December 31, 2020: 10,692,414 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).

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	33,295	31,139
Notes and accounts receivable - trade, and contract assets	–	34,053
Notes and accounts receivable - trade	32,572	–
Electronically recorded monetary claims	2,081	6,061
Merchandise and finished goods	13,314	21,771
Work in process	1,256	1,525
Raw materials and supplies	437	565
Accounts prepaid	13,935	13,399
Other	6,023	8,049
Allowance for doubtful accounts	(76)	(106)
Total current assets	102,839	116,460
Fixed assets		
Net property, plant and equipment	3,137	3,014
Intangible fixed assets	1,320	1,446
Investment and other assets		
Investment securities	9,932	9,734
Retirement benefit asset	1,283	1,265
Deferred tax assets	513	503
Other	1,093	1,017
Allowance for doubtful accounts	(163)	(146)
Total investment and other assets	12,661	12,374
Total fixed assets	17,118	16,834
Total assets	119,958	133,295
Liabilities		
Current liabilities		
Notes and accounts payable	30,678	36,148
Short-term bank loans	7,113	6,334
Income taxes payable	1,096	483
Advances received	21,347	24,752
Provisions	1,703	927
Other	1,949	5,206
Total current liabilities	63,889	73,852
Long-term liabilities		
Long-term loans	480	390
Deferred tax liabilities	994	1,259
Provisions	32	19
Retirement benefit liability	420	462
Other	296	294
Total long-term liabilities	2,224	2,425
Total liabilities	66,113	76,277

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Equity		
Shareholders' equity		
Common stock	5,105	5,105
Capital surplus	3,788	3,812
Retained earnings	42,436	45,307
Treasury stock	(895)	(857)
Total shareholders' equity	50,434	53,366
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	3,099	2,768
Deferred gain or loss on derivatives under hedge accounting	(141)	(187)
Foreign currency translation adjustments	81	690
Remeasurements of defined benefit plans	237	247
Total accumulated other comprehensive income	3,276	3,518
Stock acquisition rights	107	96
Non-controlling interests	26	36
Total equity	53,845	57,017
Total liabilities and equity	119,958	133,295

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	98,882	107,980
Cost of sales	83,423	90,374
Gross profit	15,459	17,605
Selling, general and administrative expenses	11,428	12,617
Operating income	4,030	4,987
Non-operating income		
Interest received	71	66
Dividend income	168	189
Purchase discounts	146	225
Share of profit of entities accounted for using equity method	18	12
Foreign exchange gains	22	81
Subsidy income	169	89
Other	76	90
Total non-operating income	673	756
Non-operating expenses		
Interest expense	32	23
Commission expenses	56	62
Commitment fees	25	7
Other	11	37
Total non-operating expenses	125	131
Ordinary income	4,578	5,612
Extraordinary profit		
Gain on sale of membership	5	–
Gain on sale of investment securities	326	177
Total extraordinary profit	331	177
Extraordinary loss		
Loss on sale of investment securities	62	5
Total extraordinary loss	62	5
Income before income taxes	4,847	5,784
Income taxes	1,306	1,455
Deferred taxes	186	331
Total income taxes	1,492	1,787
Profit	3,354	3,997
Profit (loss) attributable to non-controlling interests	(1)	10
Profit attributable to owners of parent	3,355	3,986

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	3,354	3,997
Other comprehensive income		
Unrealized gain on available-for-sale securities	1,167	(330)
Deferred gain or loss on derivatives under hedge accounting	61	(45)
Foreign currency translation adjustments	(148)	608
Remeasurements of defined benefit plans	15	10
Total other comprehensive income	1,097	241
Comprehensive income	4,451	4,238
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,452	4,229
Comprehensive income attributable to non-controlling interests	(0)	9