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



May 12, 2022

Company name: Bunka Shutter Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5930
 URL: <https://www.bunka-s.co.jp/>
 Representative: Hiroyuki Ogura, Representative Director and President
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Scheduled date of ordinary general meeting of shareholders: June 21, 2022
 Scheduled date to commence dividend payments: June 22, 2022
 Scheduled date to file annual securities report: June 21, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	182,313	–	9,105	(13.4)	9,081	(23.7)	6,706	(20.2)
March 31, 2021	173,143	(6.0)	10,514	10.8	11,910	19.1	8,399	27.2

Note: Comprehensive income For the fiscal year ended March 31, 2022: ¥6,373 million [(30.1)%]
 For the fiscal year ended March 31, 2021: ¥9,119 million [77.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	97.97	85.55	8.0	5.4	5.0
March 31, 2021	117.16	103.15	10.4	7.1	6.1

Reference: Share of profit of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: ¥(769) million
 For the fiscal year ended March 31, 2021: ¥354 million

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2022 are the figures after the application of the said accounting standard, etc. However, since the standard has not been applied retrospectively to the figures for the fiscal year ended March 31, 2021, the ratio of change in net sales for the fiscal year ended March 31, 2022 to the previous year is not stated.

(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	169,205	82,512	48.7	1,225.96
March 31, 2021	168,350	84,482	50.1	1,175.90

Reference: Equity

As of March 31, 2022: ¥82,353 million

As of March 31, 2021: ¥84,303 million

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. have been applied from the beginning of the fiscal year ended March 31, 2022, and the figures for the fiscal year ended March 31, 2022 are the figures after the application of the said accounting standard, etc.

(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	9,354	13	(9,646)	35,966
March 31, 2021	17,459	(2,160)	(3,500)	36,205

2. Cash dividends

	Annual dividends					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	–	12.50	–	27.50	40.00	2,868	34.1	3.6
Fiscal year ended March 31, 2022	–	20.00	–	20.00	40.00	2,687	40.8	3.3
Fiscal year ending March 31, 2023 (Forecast)	–	21.00	–	21.00	42.00		35.3	

3. Consolidated earnings forecasts for the fiscal 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
Six months ending September 30, 2022	87,000	3.6	3,100	37.4	3,000	41.6	1,900	55.2	28.28
Fiscal year ending March 31, 2023	192,000	5.3	11,200	23.0	11,600	27.7	8,000	19.3	119.09

*** 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

(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	72,196,487 shares
As of March 31, 2021	72,196,487 shares

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

As of March 31, 2022	5,021,981 shares
As of March 31, 2021	503,470 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	68,457,632 shares
Fiscal year ended March 31, 2021	71,693,073 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to Bunka Shutter Co., Ltd. (the “Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

(How to obtain supplementary material on financial results)

The Company plans to hold a briefing for analysts and institutional investors on May 30, 2022 (Monday). The Company also plans to post the supplementary material on earnings that will be used at the briefing on the Company’s website in addition to disclosing it on TDnet.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	37,179	36,454
Notes and accounts receivable - trade	35,433	–
Notes and accounts receivable - trade, and contract assets	–	40,740
Electronically recorded monetary claims - operating	4,370	5,848
Merchandise and finished goods	11,954	8,484
Work in process	1,001	1,318
Raw materials and supplies	4,317	4,974
Other	3,285	2,729
Allowance for doubtful accounts	(99)	(114)
Total current assets	97,443	100,437
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,134	10,849
Machinery, equipment and vehicles, net	5,014	4,530
Tools, furniture and fixtures, net	789	687
Land	12,630	12,949
Leased assets, net	1,181	1,306
Right-of-use assets, net	2,203	2,342
Construction in progress	258	1,085
Total property, plant and equipment	33,212	33,752
Intangible assets		
Goodwill	4,211	4,021
Leased assets	52	44
Other	4,970	4,611
Total intangible assets	9,234	8,677
Investments and other assets		
Investment securities	18,658	16,111
Distressed receivables	196	149
Retirement benefit asset	1,672	1,713
Deferred tax assets	5,496	6,033
Other	2,736	2,572
Allowance for doubtful accounts	(300)	(241)
Total investments and other assets	28,460	26,338
Total non-current assets	70,907	68,768
Total assets	168,350	169,205

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,176	16,892
Electronically recorded obligations - operating	12,052	16,208
Short-term borrowings	1,727	1,504
Lease liabilities	733	837
Income taxes payable	2,355	1,767
Accrued consumption taxes	1,857	432
Accrued expenses	5,723	5,835
Contract liabilities	-	3,152
Provision for bonuses	3,666	3,809
Provision for bonuses for directors (and other officers)	179	154
Provision for loss on construction contracts	69	289
Notes payable - facilities	347	140
Other	4,954	1,595
Total current liabilities	49,844	52,619
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	10,000	10,000
Long-term borrowings	21	-
Lease liabilities	3,108	3,317
Deferred tax liabilities	744	712
Provision for retirement benefits for directors (and other officers)	366	253
Retirement benefit liability	19,102	19,113
Guarantee deposits received	581	577
Long-term unearned revenue	8	8
Asset retirement obligations	50	51
Other	38	39
Total non-current liabilities	34,023	34,073
Total liabilities	83,868	86,693
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	12,304	12,323
Retained earnings	54,171	57,555
Treasury shares	(157)	(5,157)
Total shareholders' equity	81,370	79,773
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,960	2,975
Revaluation reserve for land	(76)	(76)
Foreign currency translation adjustment	(995)	(515)
Remeasurements of defined benefit plans	45	197
Total accumulated other comprehensive income	2,933	2,580
Non-controlling interests	178	158
Total net assets	84,482	82,512
Total liabilities and net assets	168,350	169,205

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	173,143	182,313
Cost of sales	126,348	135,340
Gross profit	46,794	46,972
Selling, general and administrative expenses	36,280	37,866
Operating profit	10,514	9,105
Non-operating income		
Interest income	20	18
Dividend income	289	279
Rental income	77	71
Insurance claim income	15	16
Subsidy income	75	60
Share of profit of entities accounted for using equity method	354	-
Foreign exchange gains	682	374
Other	184	306
Total non-operating income	1,699	1,128
Non-operating expenses		
Interest expenses	198	216
Commitment fees	28	8
Share of loss of entities accounted for using equity method	-	769
Other	77	159
Total non-operating expenses	304	1,152
Ordinary profit	11,910	9,081
Extraordinary income		
Gain on sale of non-current assets	19	12
Gain on sale of investment securities	243	1,134
Return of surcharge	63	-
Other	21	-
Total extraordinary income	348	1,147
Extraordinary losses		
Loss on sale of non-current assets	0	1
Loss on retirement of non-current assets	29	14
Loss on sale of investment securities	-	35
Total extraordinary losses	30	51
Profit before income taxes	12,227	10,177
Income taxes - current	4,044	3,731
Income taxes - deferred	(235)	(280)
Total income taxes	3,808	3,451
Profit	8,419	6,726
Profit attributable to non-controlling interests	19	19
Profit attributable to owners of parent	8,399	6,706

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	8,419	6,726
Other comprehensive income		
Valuation difference on available-for-sale securities	1,241	(977)
Foreign currency translation adjustment	(523)	104
Remeasurements of defined benefit plans, net of tax	(4)	79
Share of other comprehensive income of entities accounted for using equity method	(14)	440
Total other comprehensive income	700	(352)
Comprehensive income	9,119	6,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,099	6,353
Comprehensive income attributable to non-controlling interests	19	19

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,051	12,304	47,564	(156)	74,763
Changes during period					
Dividends of surplus			(1,792)		(1,792)
Profit attributable to owners of parent			8,399		8,399
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	6,606	(0)	6,606
Balance at end of period	15,051	12,304	54,171	(157)	81,370

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,620	(76)	(317)	6	2,233	160	77,157
Changes during period							
Dividends of surplus							(1,792)
Profit attributable to owners of parent							8,399
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	1,339	–	(678)	38	700	18	718
Total changes during period	1,339	–	(678)	38	700	18	7,325
Balance at end of period	3,960	(76)	(995)	45	2,933	178	84,482

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,051	12,304	54,171	(157)	81,370
Cumulative effects of changes in accounting policies			(6)		(6)
Restated balance	15,051	12,304	54,164	(157)	81,363
Changes during period					
Dividends of surplus			(3,316)		(3,316)
Profit attributable to owners of parent			6,706		6,706
Purchase of treasury shares				(5,000)	(5,000)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		19			19
Net changes in items other than shareholders' equity					
Total changes during period	–	19	3,390	(5,000)	(1,590)
Balance at end of period	15,051	12,323	57,555	(5,157)	79,773

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,960	(76)	(995)	45	2,933	178	84,482
Cumulative effects of changes in accounting policies							(6)
Restated balance	3,960	(76)	(995)	45	2,933	178	84,475
Changes during period							
Dividends of surplus							(3,316)
Profit attributable to owners of parent							6,706
Purchase of treasury shares							(5,000)
Disposal of treasury shares							0
Change in ownership interest of parent due to transactions with non-controlling interests							19
Net changes in items other than shareholders' equity	(985)	–	479	152	(352)	(20)	(373)
Total changes during period	(985)	–	479	152	(352)	(20)	(1,963)
Balance at end of period	2,975	(76)	(515)	197	2,580	158	82,512

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	12,227	10,177
Depreciation	3,832	4,036
Amortization of goodwill	441	421
Increase (decrease) in allowance for doubtful accounts	(54)	(47)
Increase (decrease) in provision for bonuses	250	142
Increase (decrease) in provision for bonuses for directors (and other officers)	52	(25)
Increase (decrease) in retirement benefit liability	73	124
Interest and dividend income	(310)	(298)
Interest expenses	198	216
Loss (gain) on sale of investment securities	(243)	(1,099)
Loss (gain) on disposal of non-current assets	11	3
Share of loss (profit) of entities accounted for using equity method	(354)	769
Return of surcharge	(63)	–
Decrease (increase) in trade receivables	6,859	–
Decrease (increase) in trade receivables and contract assets	–	(6,681)
Decrease (increase) in inventories	2,425	2,604
Increase (decrease) in trade payables	(5,145)	4,494
Increase (decrease) in guarantee deposits received	0	(4)
Decrease (increase) in other assets	365	378
Increase (decrease) in other liabilities	6	(1,655)
Other, net	3	(5)
Subtotal	20,576	13,551
Interest and dividends received	354	327
Interest paid	(198)	(216)
Proceeds from return of surcharge	63	–
Income taxes paid	(3,337)	(4,307)
Net cash provided by (used in) operating activities	17,459	9,354
Cash flows from investing activities		
Decrease (increase) in time deposits	360	485
Proceeds from sale of investment securities	525	1,984
Purchase of investment securities	(21)	(21)
Proceeds from sale of property, plant and equipment	4	28
Purchase of property, plant and equipment	(2,375)	(2,232)
Purchase of intangible assets	(526)	(372)
Proceeds from cancellation of insurance funds	44	245
Loan advances	(85)	(89)
Proceeds from collection of loans receivable	111	99
Other, net	(197)	(114)
Net cash provided by (used in) investing activities	(2,160)	13

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	–
Repayments of long-term borrowings	(1,001)	(244)
Repayments of lease liabilities	(904)	(1,010)
Purchase of treasury shares	(0)	(5,057)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares of subsidiaries	–	(20)
Dividends paid	(1,793)	(3,313)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by (used in) financing activities	(3,500)	(9,646)
Effect of exchange rate change on cash and cash equivalents	13	38
Net increase (decrease) in cash and cash equivalents	11,812	(239)
Cash and cash equivalents at beginning of period	24,393	36,205
Cash and cash equivalents at end of period	36,205	35,966