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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: SHIKIBO LTD.

Stock exchange listing: Tokyo

Code number: 3109

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

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

,Representative Director,President

,Executive Officer,Division Manager,Corporate Division

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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, 2023	37,893	6.2	1,217	(10.2)	1,125	8.4	1,568	-
March 31, 2022	35,670	6.4	1,356	13.3	1,038	10.8	49	399.3

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 2,036 million [481.6%]
Fiscal year ended March 31, 2022: ¥ 350 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	135.31	-	4.8	1.4	3.2
March 31, 2022	4.38	-	0.2	1.3	3.8

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	82,043	33,357	40.6	2,875.97
March 31, 2022	81,596	31,808	39.0	2,745.79

(Reference) Equity: As of March 31, 2023: ¥ 33,337 million
As of March 31, 2022: ¥ 31,807 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,112	(682)	(579)	4,922
March 31, 2022	2,988	(654)	(3,791)	5,008

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	0.00	-	40.00	40.00	465	913.2	1.4
March 31, 2023	-	0.00	-	50.00	50.00	584	37.0	1.8
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	50.00	50.00		82.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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, 2023	19,000	2.7	700	20.7	550	(6.3)	300	(60.9)	25.89
Full year	39,000	2.9	1,600	31.4	1,300	15.5	700	(55.4)	60.40

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2023: 11,810,829 shares

March 31, 2022: 11,810,829 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 218,908 shares

March 31, 2022: 226,663 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 11,589,712 shares

Fiscal Year ended March 31, 2022: 11,225,875 shares

(Note) The Company has adopted a stock compensation plan (Board Benefit Trust). For the purpose of calculating basic earnings per share, the number of the shares of the Company remaining in the Board Benefit Trust that are recorded as treasury shares under shareholders' equity is included in the number of treasury shares to be deducted in the calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	26,557	6.0	892	(19.3)	578	(19.6)	590	19.7
March 31, 2022	25,045	5.3	1,106	0.4	719	7.7	493	91.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	50.96	-
March 31, 2022	43.96	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	76,862	30,170	39.3	2,602.72
March 31, 2022	77,416	30,029	38.8	2,592.31

(Reference) Equity: As of March 31, 2023: ¥ 30,170 million
As of March 31, 2022: ¥ 30,029 million

* These financial results are outside the scope of audits by certified public accountants or audit firms.

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

Financial results forecast and other forward-looking statements included in this material are based on information currently available to the Company and certain assumptions deemed reasonable, and actual performance and other results may differ significantly from these forecasts due to various factors.

(How to obtain supplementary briefing materials on financial results and details of financial results briefing session)

The Company plans to stream a video of a financial results briefing (recording). In addition, materials for the financial results briefing session will be posted on the Company's website.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,081	4,996
Notes and accounts receivable - trade	6,946	7,101
Electronically recorded monetary claims - operating	1,873	1,938
Merchandise and finished goods	4,857	5,911
Work in process	1,703	1,926
Raw materials and supplies	1,806	1,843
Income taxes refund receivable	-	177
Other	794	861
Allowance for doubtful accounts	(23)	(21)
Total current assets	23,039	24,738
Non-current assets		
Property, plant and equipment		
Buildings and structures	45,893	45,179
Accumulated depreciation and impairment	(33,533)	(33,666)
Buildings and structures, net	12,360	11,512
Machinery, equipment and vehicles	26,603	27,420
Accumulated depreciation and impairment	(24,802)	(25,369)
Machinery, equipment and vehicles, net	1,801	2,050
Tools, furniture and fixtures	1,672	1,647
Accumulated depreciation and impairment	(1,534)	(1,513)
Tools, furniture and fixtures, net	138	133
Land	39,859	38,270
Leased assets	1,988	1,886
Accumulated depreciation and impairment	(1,055)	(1,089)
Leased assets, net	933	797
Construction in progress	424	492
Total property, plant and equipment	55,516	53,256
Intangible assets	285	509
Investments and other assets		
Investment securities	868	889
Deferred tax assets	1,527	2,195
Other	413	505
Allowance for doubtful accounts	(54)	(51)
Total investments and other assets	2,755	3,539
Total non-current assets	58,557	57,305
Total assets	81,596	82,043

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,127	3,222
Electronically recorded obligations - operating	682	974
Short-term borrowings	7,863	9,257
Current portion of bonds payable	1,290	1,110
Accrued expenses	509	553
Income taxes payable	366	73
Accrued consumption taxes	439	-
Provision for bonuses	561	584
Provision for loss on fire	321	36
Other	1,414	1,296
Total current liabilities	16,577	17,109
Non-current liabilities		
Bonds payable	3,260	2,690
Long-term borrowings	11,623	11,021
Lease liabilities	798	688
Deferred tax liabilities	178	179
Deferred tax liabilities for land revaluation	6,236	6,216
Retirement benefit liability	6,565	6,266
Provision for retirement benefits for directors (and other officers)	62	54
Provision for repairs	62	81
Long-term leasehold and guarantee deposits received	4,145	4,145
Other	274	233
Total non-current liabilities	33,209	31,576
Total liabilities	49,787	48,686
Net assets		
Shareholders' equity		
Share capital	11,336	11,336
Capital surplus	896	896
Retained earnings	7,957	9,155
Treasury shares	(266)	(241)
Total shareholders' equity	19,923	21,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	141	180
Deferred gains or losses on hedges	5	(15)
Revaluation reserve for land	13,381	13,238
Foreign currency translation adjustment	(1,224)	(1,040)
Remeasurements of defined benefit plans	(420)	(171)
Total accumulated other comprehensive income	11,883	12,191
Non-controlling interests	1	19
Total net assets	31,808	33,357
Total liabilities and net assets	81,596	82,043

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	35,670	37,893
Cost of sales	29,072	31,287
Gross profit	6,597	6,605
Selling, general and administrative expenses	5,241	5,387
Operating profit	1,356	1,217
Non-operating income		
Interest income	5	4
Dividend income	24	25
Foreign exchange gains	16	87
Rental income	12	26
Subsidy income	103	48
Miscellaneous income	69	65
Total non-operating income	233	256
Non-operating expenses		
Interest expenses	223	215
Loss related COVID19	93	21
Bond issuance costs	30	11
Share exchange expenses	81	-
Miscellaneous expenses	121	101
Total non-operating expenses	551	349
Ordinary profit	1,038	1,125
Extraordinary income		
Insurance claim income	54	834
Gain on sale of investment securities	0	410
Gain on sale of non-current assets	2	15
Subsidy income	-	8
Total extraordinary income	56	1,268
Extraordinary losses		
Loss on sale of shares of subsidiaries	-	1,193
Loss on sale of non-current assets	0	115
Impairment losses	-	70
Loss on fire	784	43
Loss due to disaster	-	43
Loss on retirement of non-current assets	4	18
Loss on tax purpose reduction entry of non-current assets	-	8
Other	10	9
Total extraordinary losses	799	1,502
Profit before income taxes	295	891
Income taxes - current	398	145
Income taxes - deferred	(137)	(836)
Total income taxes	260	(691)
Profit	34	1,582
Profit (loss) attributable to non-controlling interests	(14)	14
Profit attributable to owners of parent	49	1,568

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	34	1,582
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	38
Deferred gains or losses on hedges	51	(21)
Foreign currency translation adjustment	303	184
Remeasurements of defined benefit plans, net of tax	(32)	251
Total other comprehensive income	315	453
Comprehensive income	350	2,036
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	361	2,018
Comprehensive income attributable to non-controlling interests	(11)	18

Consolidated Statements of Changes in Equity
For the 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	11,336	974	8,348	(1,234)	19,424
Cumulative effects of changes in accounting policies			(5)		(5)
Restated balance	11,336	974	8,343	(1,234)	19,418
Changes during period					
Dividends of surplus			(434)		(434)
Reversal of revaluation reserve for land					-
Profit attributable to owners of parent			49		49
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				13	13
Purchase of shares of consolidated subsidiaries		(77)		955	877
Net changes in items other than shareholders' equity					
Total changes during period	-	(77)	(385)	968	504
Balance at end of period	11,336	896	7,957	(266)	19,923

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	146	(46)	13,381	(1,523)	(422)	11,535	895	31,855
Cumulative effects of changes in accounting policies								(5)
Restated balance	146	(46)	13,381	(1,523)	(422)	11,535	895	31,850
Changes during period								
Dividends of surplus								(434)
Reversal of revaluation reserve for land								-
Profit attributable to owners of parent								49
Purchase of treasury shares								(0)
Disposal of treasury shares								13
Purchase of shares of consolidated subsidiaries								877
Net changes in items other than shareholders' equity	(4)	51	-	299	1	348	(893)	(545)
Total changes during period	(4)	51	-	299	1	348	(893)	(41)
Balance at end of period	141	5	13,381	(1,224)	(420)	11,883	1	31,808

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,336	896	7,957	(266)	19,923
Cumulative effects of changes in accounting policies					-
Restated balance	11,336	896	7,957	(266)	19,923
Changes during period					
Dividends of surplus			(465)		(465)
Reversal of revaluation reserve for land			112		112
Profit attributable to owners of parent			1,568		1,568
Purchase of treasury shares				(44)	(44)
Disposal of treasury shares				70	70
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity			(17)		(17)
Total changes during period	-	-	1,197	25	1,222
Balance at end of period	11,336	896	9,155	(241)	21,146

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	141	5	13,381	(1,224)	(420)	11,883	1	31,808
Cumulative effects of changes in accounting policies								-
Restated balance	141	5	13,381	(1,224)	(420)	11,883	1	31,808
Changes during period								
Dividends of surplus								(465)
Reversal of revaluation reserve for land								112
Profit attributable to owners of parent								1,568
Purchase of treasury shares								(44)
Disposal of treasury shares								70
Purchase of shares of consolidated subsidiaries								-
Net changes in items other than shareholders' equity	38	(21)	(143)	183	249	307	18	308
Total changes during period	38	(21)	(143)	183	249	307	18	1,548
Balance at end of period	180	(15)	13,238	(1,040)	(171)	12,191	19	33,357

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	295	891
Depreciation	1,871	1,820
Amortization of long-term prepaid expenses	30	25
Increase (decrease) in retirement benefit liability	(18)	36
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5)	(8)
Increase (decrease) in provision for repairs	22	18
Increase (decrease) in allowance for doubtful accounts	(10)	(5)
Increase (decrease) in provision for bonuses	0	21
Interest and dividend income	(30)	(29)
Interest expenses	223	215
Foreign exchange losses (gains)	(2)	(13)
Impairment losses	-	70
Insurance claim income	(54)	(834)
Loss on fire	784	43
Loss on disaster	-	43
Loss (gain) on sale of shares of subsidiaries	-	1,193
Loss (gain) on sale of non-current assets	(2)	99
Loss on tax purpose reduction entry of non-current assets	-	8
Loss on retirement of non-current assets	4	18
Loss (gain) on sale of investment securities	7	(409)
Loss (gain) on valuation of investment securities	2	-
Decrease (increase) in trade receivables	(614)	(183)
Decrease (increase) in inventories	(502)	(1,188)
Increase (decrease) in trade payables	515	310
Other, net	822	(700)
Subtotal	3,340	1,441
Interest and dividends received	7	4
Interest paid	(224)	(215)
Income taxes paid	(97)	(575)
Proceeds from insurance income	54	777
Payments associated with disaster loss	-	(18)
Amount payment of loss on fire	(91)	(300)
Net cash provided by (used in) operating activities	2,988	1,112
Cash flows from investing activities		
Purchase of property, plant and equipment	(568)	(1,171)
Proceeds from sale of property, plant and equipment	3	92
Purchase of investment securities	(8)	(37)
Proceeds from sale of investment securities	8	479
Proceeds from withdrawal of time deposits	71	63
Payments into time deposits	(67)	(63)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	235
Other, net	(93)	(280)
Net cash provided by (used in) investing activities	(654)	(682)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,371)	1,079
Proceeds from long-term borrowings	3,200	3,900
Repayments of long-term borrowings	(4,959)	(4,109)
Proceeds from issuance of bonds	1,369	588
Redemption of bonds	(1,380)	(1,350)
Purchase of treasury shares	(0)	(0)
Dividends paid	(431)	(463)
Dividends paid to non-controlling interests	(3)	-
Other, net	(214)	(223)
Net cash provided by (used in) financing activities	(3,791)	(579)
Effect of exchange rate change on cash and cash equivalents	93	63
Net increase (decrease) in cash and cash equivalents	(1,364)	(85)
Cash and cash equivalents at beginning of period	6,372	5,008
Cash and cash equivalents at end of period	5,008	4,922