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February 6, 2024

Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (Under Japanese GAAP)



Company name: TACHIKAWA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 7989
 URL: <https://www.blind.co.jp/english>
 Representative: Hisaya Ikezaki, President and Representative Director
 Inquiries: Toshiya Ono, Director and General Manager of Administration Headquarters
 Telephone: +81-3-5484-6142
 Scheduled date of annual general meeting of shareholders: March 28, 2024
 Scheduled date to commence dividend payments: March 29, 2024
 Scheduled date to file annual securities report: March 28, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	41,305	0.0	4,046	5.9	4,327	8.0	2,708	7.5
December 31, 2022	41,296	0.1	3,822	(16.1)	4,005	(14.1)	2,520	(12.1)

Note: Comprehensive income For the fiscal year ended December 31, 2023: ¥3,601 million [50.0%]
 For the fiscal year ended December 31, 2022: ¥2,401 million [(28.4)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2023	143.20	—	6.0	6.9	9.8
December 31, 2022	129.74	—	5.8	6.5	9.3

Note: Equity in earnings (losses) of affiliates: For the fiscal year ended December 31, 2023: ¥- million
 For the fiscal year ended December 31, 2022: ¥- million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	63,142	50,442	72.9	2,477.47
December 31, 2022	62,586	48,632	70.1	2,287.34

Reference: Equity
 As of December 31, 2023: ¥46,019 million
 As of December 31, 2022: ¥43,871 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 end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	4,314	(2,928)	(1,978)	15,402
December 31, 2022	2,140	(3,040)	(1,064)	15,978

2. Cash dividends

	Annual dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2022	–	10.00	–	21.00	31.00	597	23.9	1.4
December 31, 2023	–	12.00	–	24.00	36.00	673	25.1	1.5
Fiscal year ending December 31, 2024 (Forecast)	–	14.00	–	27.00	41.00		27.4	

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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
First half	20,650	1.2	2,010	(5.6)	2,100	(8.9)	1,370	(7.6)	74.21
Full year	42,800	3.6	4,180	3.3	4,360	0.8	2,760	1.9	149.49

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in 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 December 31, 2023	20,763,600 shares
As of December 31, 2022	20,763,600 shares

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

As of December 31, 2023	2,188,321 shares
As of December 31, 2022	1,583,609 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2023	18,915,118 shares
Fiscal year ended December 31, 2022	19,427,194 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	31,410	1.0	2,641	4.0	3,197	3.7	2,199	1.4
December 31, 2022	31,112	(1.6)	2,540	(18.8)	3,084	(13.3)	2,168	(8.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	116.28	—
December 31, 2022	111.60	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	45,512	36,101	79.3	1,943.55
December 31, 2022	45,185	35,066	77.6	1,828.29

Reference: Equity

As of December 31, 2023: ¥36,101 million
As of December 31, 2022: ¥35,066 million

* These financial results are exempt from audits conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

The financial results forecasts herein are based on information available to the Company as of the date of publication of this document, and actual results may differ from these forecasts due to a wide range of factors. For matters related to financial results forecasts, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the Japanese version of the attachment.

4. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	16,128,635	15,462,818
Notes and accounts receivable - trade, and contract assets	9,999,267	9,136,733
Electronically recorded monetary claims - operating	6,200,449	6,976,485
Merchandise and finished goods	878,451	791,935
Work in process	1,598,911	1,621,465
Costs on uncompleted construction contracts	22,563	18,359
Raw materials and supplies	4,758,754	4,645,549
Advance payments to suppliers	23,415	25,603
Prepaid expenses	208,555	210,622
Other	221,091	300,643
Allowance for doubtful accounts	(73,886)	(79,641)
Total current assets	39,966,209	39,110,573
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,891,151	16,524,063
Accumulated depreciation	(10,139,915)	(10,362,137)
Buildings and structures, net	5,751,236	6,161,926
Machinery, equipment and vehicles	11,505,665	11,689,711
Accumulated depreciation	(8,806,992)	(9,236,624)
Machinery, equipment and vehicles, net	2,698,673	2,453,086
Tools, furniture and fixtures	5,679,516	5,657,587
Accumulated depreciation	(5,517,738)	(5,490,882)
Tools, furniture and fixtures, net	161,777	166,705
Land	7,518,688	8,606,178
Leased assets	368,823	356,661
Accumulated depreciation	(265,775)	(256,755)
Leased assets, net	103,048	99,906
Construction in progress	449,431	292,619
Total property, plant and equipment	16,682,855	17,780,421
Intangible assets		
Software	246,445	154,023
Leased assets	10,288	3,974
Other	118,642	147,268
Total intangible assets	375,376	305,266
Investments and other assets		
Investment securities	2,873,734	3,340,814
Deferred tax assets	1,111,386	805,500
Retirement benefit asset	389,938	558,702
Other	1,301,251	1,344,669
Allowance for doubtful accounts	(114,059)	(103,707)
Total investments and other assets	5,562,251	5,945,979
Total non-current assets	22,620,483	24,031,667
Total assets	62,586,693	63,142,241

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,697,689	2,470,740
Electronically recorded obligations - operating	3,343,876	3,384,781
Lease liabilities	62,070	37,716
Accounts payable - other	1,322,921	1,319,294
Income taxes payable	537,668	941,379
Provision for bonuses	225,729	227,128
Provision for bonuses for directors (and other officers)	59,030	63,282
Provision for product warranties	11,109	19,425
Provision for loss on construction contracts	–	22,597
Other	1,709,183	1,476,796
Total current liabilities	10,969,280	9,963,143
Non-current liabilities		
Lease liabilities	63,914	77,136
Provision for retirement benefits for directors (and other officers)	405,029	427,897
Retirement benefit liability	2,502,282	2,217,264
Other	14,028	14,028
Total non-current liabilities	2,985,254	2,736,326
Total liabilities	13,954,535	12,699,469
Net assets		
Shareholders' equity		
Share capital	4,475,000	4,475,000
Capital surplus	4,395,094	4,580,829
Retained earnings	35,941,556	38,019,861
Treasury shares	(986,467)	(1,805,212)
Total shareholders' equity	43,825,183	45,270,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	363,692	677,627
Deferred gains or losses on hedges	(9,663)	(1,576)
Foreign currency translation adjustment	72,572	84,737
Remeasurements of defined benefit plans	(380,562)	(11,523)
Total accumulated other comprehensive income	46,039	749,265
Non-controlling interests	4,760,935	4,423,027
Total net assets	48,632,158	50,442,771
Total liabilities and net assets	62,586,693	63,142,241

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	41,296,102	41,305,422
Cost of sales	24,366,430	24,432,378
Gross profit	16,929,671	16,873,043
Selling, general and administrative expenses		
Transportation costs	1,831,070	1,742,422
Promotion expenses	1,245,623	1,053,293
Provision of allowance for doubtful accounts	20,120	(245)
Provision for product warranties	4,392	14,791
Remuneration, salaries and allowances for directors (and other officers)	5,334,245	5,388,948
Provision for bonuses	149,012	151,165
Provision for bonuses for directors (and other officers)	58,930	63,192
Retirement benefit expenses	197,387	215,913
Provision for retirement benefits for directors (and other officers)	40,390	43,398
Depreciation	228,846	234,771
Other	3,997,043	3,918,828
Total selling, general and administrative expenses	13,107,062	12,826,481
Operating profit	3,822,609	4,046,562
Non-operating income		
Interest income	2,676	3,392
Dividend income	81,297	88,254
Rental income from real estate	35,760	36,994
Insurance claim income	7,855	75,382
Dividend income of insurance	12,561	28,368
Foreign exchange gains	14,208	9,936
Other	41,867	54,904
Total non-operating income	196,226	297,233
Non-operating expenses		
Interest expenses	6	5
Rental costs on real estate	6,572	7,451
Commission for purchase of treasury shares	1,567	3,958
Other	5,267	5,297
Total non-operating expenses	13,412	16,714
Ordinary profit	4,005,423	4,327,081

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Extraordinary income		
Gain on sale of non-current assets	–	4,265
Gain on sale of investment securities	63,186	28,813
Gain on liquidation of subsidiaries and associates	11,957	–
Compensation income	–	33,500
Total extraordinary income	75,143	66,578
Extraordinary losses		
Loss on sale and retirement of non-current assets	51,749	51,612
Loss on valuation of membership	150	–
Loss on liquidation of subsidiaries and associates	1,278	–
Total extraordinary losses	53,178	51,612
Profit before income taxes	4,027,388	4,342,047
Income taxes - current	1,240,484	1,479,142
Income taxes - deferred	106,842	(9,422)
Total income taxes	1,347,326	1,469,719
Profit	2,680,061	2,872,328
Profit attributable to non-controlling interests	159,670	163,770
Profit attributable to owners of parent	2,520,390	2,708,557

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	2,680,061	2,872,328
Other comprehensive income		
Valuation difference on available-for-sale securities	83,751	330,576
Deferred gains or losses on hedges	(10,223)	8,087
Foreign currency translation adjustment	14,579	12,164
Remeasurements of defined benefit plans, net of tax	(366,881)	378,505
Total other comprehensive income	(278,773)	729,335
Comprehensive income	2,401,288	3,601,663
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,220,413	3,411,783
Comprehensive income attributable to non-controlling interests	180,875	189,879

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,475,000	4,395,060	34,004,861	(672,690)	42,202,231
Changes during period					
Dividends of surplus			(583,696)		(583,696)
Profit attributable to owners of parent			2,520,390		2,520,390
Purchase of treasury shares				(313,810)	(313,810)
Disposal of treasury shares		33		33	67
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity					
Total changes during period	–	33	1,936,694	(313,776)	1,622,951
Balance at end of period	4,475,000	4,395,094	35,941,556	(986,467)	43,825,183

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	321,484	559	57,993	(34,020)	346,017	4,625,212	47,173,461
Changes during period							
Dividends of surplus							(583,696)
Profit attributable to owners of parent							2,520,390
Purchase of treasury shares							(313,810)
Disposal of treasury shares							67
Purchase of shares of consolidated subsidiaries							–
Net changes in items other than shareholders' equity	42,207	(10,223)	14,579	(346,541)	(299,977)	135,722	(164,255)
Total changes during period	42,207	(10,223)	14,579	(346,541)	(299,977)	135,722	1,458,696
Balance at end of period	363,692	(9,663)	72,572	(380,562)	46,039	4,760,935	48,632,158

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,475,000	4,395,094	35,941,556	(986,467)	43,825,183
Changes during period					
Dividends of surplus			(630,253)		(630,253)
Profit attributable to owners of parent			2,708,557		2,708,557
Purchase of treasury shares				(818,744)	(818,744)
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries		185,735			185,735
Net changes in items other than shareholders' equity					
Total changes during period	-	185,735	2,078,304	(818,744)	1,445,295
Balance at end of period	4,475,000	4,580,829	38,019,861	(1,805,212)	45,270,478

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	363,692	(9,663)	72,572	(380,562)	46,039	4,760,935	48,632,158
Changes during period							
Dividends of surplus							(630,253)
Profit attributable to owners of parent							2,708,557
Purchase of treasury shares							(818,744)
Disposal of treasury shares							-
Purchase of shares of consolidated subsidiaries						(485,539)	(299,804)
Net changes in items other than shareholders' equity	313,935	8,087	12,164	369,038	703,225	147,631	850,857
Total changes during period	313,935	8,087	12,164	369,038	703,225	(337,907)	1,810,613
Balance at end of period	677,627	(1,576)	84,737	(11,523)	749,265	4,423,027	50,442,771

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,027,388	4,342,047
Depreciation	965,695	1,205,495
Increase (decrease) in provision for bonuses	4,487	1,398
Increase (decrease) in provision for bonuses for directors (and other officers)	(4,600)	4,252
Decrease (increase) in retirement benefit asset	(347,642)	229,347
Increase (decrease) in retirement benefit liability	376,572	(138,178)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	31,310	22,868
Increase (decrease) in provision for product warranties	(12,287)	8,316
Increase (decrease) in provision for loss on construction contracts	–	22,597
Increase (decrease) in allowance for doubtful accounts	15,702	(8,542)
Loss (gain) on sale and retirement of non-current assets	51,749	47,347
Loss on valuation of membership	150	–
Loss (gain) on sale of investment securities	(63,186)	(28,813)
Interest and dividend income	(83,974)	(91,646)
Interest expenses	6	5
Foreign exchange losses (gains)	(11,589)	(10,424)
Decrease (increase) in trade receivables	(376,513)	144,478
Decrease (increase) in inventories	(1,079,740)	187,363
Increase (decrease) in trade payables	129,958	(1,044,280)
Increase (decrease) in accounts payable - other	184,684	(83,937)
Other, net	(183,622)	497,105
Subtotal	3,624,547	5,306,797
Interest and dividends received	83,817	91,653
Interest paid	(5)	(11)
Income taxes paid	(1,568,280)	(1,084,435)
Net cash provided by (used in) operating activities	2,140,078	4,314,003
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,474,639)	(2,866,684)
Proceeds from sale of property, plant and equipment	–	17,912
Purchase of intangible assets	(56,169)	(47,802)
Proceeds from sale of investment securities	95,002	49,165
Purchase of investment securities	(601,150)	(11,559)
Decrease (increase) in investments and other assets	(3,517)	(159,161)
Net decrease (increase) in time deposits	(1)	89,998
Net cash provided by (used in) investing activities	(3,040,476)	(2,928,131)
Cash flows from financing activities		
Repayments of lease liabilities	(74,753)	(68,877)
Dividends paid	(583,880)	(630,549)
Dividends paid to non-controlling interests	(45,218)	(42,249)
Purchase of treasury shares	(313,432)	(818,536)
Decrease (increase) in deposit paid for purchase of treasury shares	(46,823)	(117,937)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(299,804)
Other, net	(311)	(241)
Net cash provided by (used in) financing activities	(1,064,418)	(1,978,195)
Effect of exchange rate change on cash and cash equivalents	14,916	16,504
Net increase (decrease) in cash and cash equivalents	(1,949,899)	(575,818)
Cash and cash equivalents at beginning of period	17,927,970	15,978,071
Cash and cash equivalents at end of period	15,978,071	15,402,174