

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 2022

Company name: KYODEN COMPANY, LIMITED
 Stock exchange listing: Tokyo
 Stock code: 6881 URL <https://www.kyoden.co.jp>
 Representative: Representative Director and President Kiyotaka Mori
 General Manager, Finance and Accounting
 Inquiries: Department Toshiaki Ichihara TEL 03-5789-2273
 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 9, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the 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	%
Year ended March 31, 2022	57,358	22.0	5,096	115.4	5,109	104.0	3,744	42.3
Year ended March 31, 2021	47,016	(11.6)	2,366	8.1	2,504	16.9	2,631	62.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	75.37	–	16.8	10.1	8.9
Year ended March 31, 2021	52.96	–	13.4	5.4	5.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	53,412	23,978	44.7	480.53
As of March 31, 2021	47,846	20,771	43.2	416.23

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	3,396	(3,955)	(1,690)	6,578
Year ended March 31, 2021	3,042	(512)	988	8,680

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	0.00	–	10.00	10.00	496	18.9	2.5
Year ended March 31, 2022	–	0.00	–	17.00	17.00	844	22.6	3.8
Year ending March 31, 2023 (Forecast)	–	0.00	–	20.00	20.00		24.2	

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	65,000	13.3	5,800	13.8	5,700	11.6	4,100	9.5	82.52

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	52,279,051 shares	As of March 31, 2021	52,279,051 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	2,592,895 shares	As of March 31, 2021	2,592,855 shares
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Average number of shares during the period

Year ended March 31, 2022	49,686,181 shares	Year ended March 31, 2021	49,686,196 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	8,680	6,578
Notes and accounts receivable - trade	13,388	–
Notes receivable - trade	–	1,343
Accounts receivable - trade	–	13,711
Contract assets	–	84
Electronically recorded monetary claims - operating	2,485	3,038
Merchandise and finished goods	2,108	2,860
Work in process	2,176	3,293
Raw materials and supplies	3,041	4,226
Other	532	739
Allowance for doubtful accounts	(130)	(136)
Total current assets	32,284	35,738
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,220	11,294
Accumulated depreciation	(6,353)	(6,655)
Buildings and structures, net	3,867	4,639
Machinery, equipment and vehicles	19,252	21,551
Accumulated depreciation	(15,816)	(16,760)
Machinery, equipment and vehicles, net	3,436	4,790
Land	3,529	3,580
Leased assets	2,434	1,968
Accumulated depreciation	(1,110)	(1,030)
Leased assets, net	1,324	938
Construction in progress	622	1,064
Other	3,311	3,395
Accumulated depreciation	(2,843)	(3,006)
Other, net	467	388
Total property, plant and equipment	13,246	15,401
Intangible assets	263	255
Investments and other assets		
Investment securities	319	253
Deferred tax assets	1,268	1,360
Other	619	558
Allowance for doubtful accounts	(155)	(155)
Total investments and other assets	2,051	2,016
Total non-current assets	15,562	17,673
Total assets	47,846	53,412

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,949	8,279
Electronically recorded obligations - operating	921	1,658
Short-term borrowings	3,600	5,700
Current portion of bonds payable	240	180
Current portion of long-term borrowings	2,654	2,345
Lease liabilities	372	289
Income taxes payable	749	769
Contract liabilities	–	21
Provision for bonuses	416	444
Other	2,510	2,941
Total current liabilities	17,414	22,627
Non-current liabilities		
Bonds payable	240	60
Long-term borrowings	5,411	3,066
Lease liabilities	828	538
Deferred tax liabilities	218	175
Provision for retirement benefits for directors (and other officers)	8	8
Retirement benefit liability	2,782	2,787
Other	170	170
Total non-current liabilities	9,659	6,806
Total liabilities	27,074	29,433
Net assets		
Shareholders' equity		
Share capital	4,358	4,358
Capital surplus	4,174	4,174
Retained earnings	13,450	16,634
Treasury shares	(491)	(491)
Total shareholders' equity	21,491	24,675
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	126	76
Foreign currency translation adjustment	(908)	(885)
Remeasurements of defined benefit plans	(28)	10
Total accumulated other comprehensive income	(810)	(799)
Non-controlling interests	90	103
Total net assets	20,771	23,978
Total liabilities and net assets	47,846	53,412

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	47,016	57,358
Cost of sales	39,016	46,089
Gross profit	8,000	11,268
Selling, general and administrative expenses	5,633	6,171
Operating profit	2,366	5,096
Non-operating income		
Interest income	1	0
Dividend income	21	3
Rental income	16	13
Foreign exchange gains	139	94
Subsidy income	–	71
Other	144	139
Total non-operating income	323	323
Non-operating expenses		
Interest expenses	78	66
Commission expenses	59	81
Loss on retirement of non-current assets	11	80
Loss on abandonment of non-current assets	–	35
Other	35	46
Total non-operating expenses	185	310
Ordinary profit	2,504	5,109
Extraordinary income		
Gain on sale of non-current assets	1,474	–
Total extraordinary income	1,474	–
Profit before income taxes	3,978	5,109
Income taxes - current	1,305	1,443
Income taxes - deferred	26	(96)
Total income taxes	1,331	1,347
Profit	2,647	3,761
Profit attributable to non-controlling interests	16	17
Profit attributable to owners of parent	2,631	3,744

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,647	3,761
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(49)
Foreign currency translation adjustment	(351)	22
Remeasurements of defined benefit plans, net of tax	(22)	38
Total other comprehensive income	(395)	11
Comprehensive income	2,252	3,773
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,235	3,756
Comprehensive income attributable to non-controlling interests	16	17

Consolidated statements 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	4,358	4,174	11,075	(491)	19,116
Changes during period					
Dividends of surplus			(248)		(248)
Profit attributable to owners of parent			2,631		2,631
Other			(7)		(7)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,375	–	2,375
Balance at end of period	4,358	4,174	13,450	(491)	21,491

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	147	(557)	(6)	(415)	74	18,775
Changes during period						
Dividends of surplus						(248)
Profit attributable to owners of parent						2,631
Other						(7)
Net changes in items other than shareholders' equity	(21)	(351)	(22)	(395)	16	(379)
Total changes during period	(21)	(351)	(22)	(395)	16	1,996
Balance at end of period	126	(908)	(28)	(810)	90	20,771

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	4,358	4,174	13,450	(491)	21,491
Cumulative effects of changes in accounting policies			(64)		(64)
Restated balance	4,358	4,174	13,386	(491)	21,427
Changes during period					
Dividends of surplus			(496)		(496)
Profit attributable to owners of parent			3,744		3,744
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,247	(0)	3,247
Balance at end of period	4,358	4,174	16,634	(491)	24,675

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	126	(908)	(28)	(810)	90	20,771
Cumulative effects of changes in accounting policies						(64)
Restated balance	126	(908)	(28)	(810)	90	20,707
Changes during period						
Dividends of surplus						(496)
Profit attributable to owners of parent						3,744
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(49)	22	38	11	12	23
Total changes during period	(49)	22	38	11	12	3,271
Balance at end of period	76	(885)	10	(799)	103	23,978

Consolidated statements 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	3,978	5,109
Depreciation	1,993	2,163
Amortization of goodwill	4	–
Increase (decrease) in provision for bonuses	9	27
Increase (decrease) in allowance for doubtful accounts	(13)	5
Increase (decrease) in retirement benefit liability	123	55
Interest and dividend income	(22)	(4)
Interest expenses	78	66
Foreign exchange losses (gains)	(131)	(116)
Loss (gain) on sale of non-current assets	(1,474)	–
Decrease (increase) in trade receivables	607	(2,298)
Decrease (increase) in inventories	236	(3,056)
Increase (decrease) in trade payables	(901)	3,049
Increase (decrease) in accrued consumption taxes	17	(343)
Increase (decrease) in accrued expenses	(34)	87
Other, net	(155)	147
Subtotal	4,317	4,896
Interest and dividends received	22	4
Interest paid	(78)	(66)
Income taxes paid	(1,218)	(1,436)
Net cash provided by (used in) operating activities	3,042	3,396
Cash flows from investing activities		
Purchase of non-current assets	(2,794)	(3,963)
Proceeds from sale of non-current assets	2,279	12
Purchase of investment securities	(4)	(5)
Proceeds from sale of investment securities	2	–
Proceeds from collection of long-term loans receivable	0	0
Other, net	3	0
Net cash provided by (used in) investing activities	(512)	(3,955)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,191	2,100
Proceeds from long-term borrowings	3,700	–
Repayments of long-term borrowings	(2,721)	(2,654)
Redemption of bonds	(326)	(240)
Repayments of lease liabilities	(606)	(393)
Purchase of treasury shares	–	(0)
Dividends paid	(248)	(496)
Dividends paid to non-controlling interests	–	(4)
Net cash provided by (used in) financing activities	988	(1,690)
Effect of exchange rate change on cash and cash equivalents	(10)	145
Net increase (decrease) in cash and cash equivalents	3,507	(2,102)
Cash and cash equivalents at beginning of period	5,173	8,680
Cash and cash equivalents at end of period	8,680	6,578