

Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 3, 2023

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, 2023
 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, 2022 (April 1, 2022 - December 31, 2022)

(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, 2022	105,833	(2.0)	4,434	(11.1)	4,960	(11.6)	4,780	19.9
December 31, 2021	107,980	–	4,987	23.7	5,612	22.6	3,986	18.8

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥6,238 million [47.2%]
 Nine months ended December 31, 2021: ¥4,238 million [(4.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	446.69	444.94
December 31, 2021	372.50	370.96

* 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 ended March 31, 2022. Accordingly, 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, 2022	145,023	62,988	43.3
As of March 31, 2022	132,235	58,722	44.3

(Reference) Equity: As of December 31, 2022: ¥62,820 million

As of March 31, 2022: ¥58,587 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, 2022	–	60.00	–	85.00	145.00
Fiscal year ending March 31, 2023	–	64.00	–		
Fiscal year ending March 31, 2023 (Forecast)				83.00	147.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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	151,000	2.0	5,500	(19.9)	5,900	(24.3)	5,200 (3.0)	485.30

(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, 2022: 11,086,400 shares

March 31, 2022: 11,086,400 shares

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

December 31, 2022: 460,731 shares

March 31, 2022: 377,294 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 10,702,790 shares

Nine months ended December 31, 2021: 10,703,011 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	28,422	33,053
Notes and accounts receivable - trade, and contract assets	–	29,898
Notes and accounts receivable - trade	35,184	–
Electronically recorded monetary claims	9,486	9,867
Merchandise and finished goods	19,402	21,307
Work in process	1,392	1,475
Raw materials and supplies	550	671
Accounts prepaid	15,938	25,923
Other	4,752	6,290
Allowance for doubtful accounts	(109)	(116)
Total current assets	115,021	128,373
Fixed assets		
Tangible fixed assets	3,073	3,105
Intangible fixed assets	1,651	1,484
Investment and other assets		
Investment securities	9,858	9,402
Retirement benefit asset	1,270	1,253
Deferred tax assets	484	519
Other	1,017	1,043
Allowance for doubtful accounts	(142)	(158)
Total investment and other assets	12,488	12,060
Total fixed assets	17,213	16,650
Total assets	132,235	145,023
Liabilities		
Current liabilities		
Notes and accounts payable	28,682	29,391
Short-term bank loans	7,082	4,429
Income taxes payable	1,375	697
Advances received	27,362	38,045
Provisions	1,451	996
Other	5,337	5,865
Total current liabilities	71,292	79,427
Long-term liabilities		
Long-term loans	360	270
Deferred tax liabilities	974	1,426
Provisions	20	23
Retirement benefit liability	463	479
Other	402	407
Total long-term liabilities	2,220	2,607
Total liabilities	73,512	82,034

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Equity		
Shareholders' equity		
Common stock	5,105	5,105
Capital surplus	3,812	3,826
Retained earnings	46,683	49,781
Treasury stock	(858)	(1,240)
Total shareholders' equity	54,742	57,472
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	2,737	2,567
Deferred gain or loss on derivatives under hedge accounting	(414)	96
Foreign currency translation adjustments	1,274	2,437
Remeasurements of defined benefit plans	248	246
Total accumulated other comprehensive income	3,845	5,348
Stock acquisition rights	96	96
Non-controlling interests	38	72
Total equity	58,722	62,988
Total liabilities and equity	132,235	145,023

(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, 2021	For the nine months ended December 31, 2022
Net sales	107,980	105,833
Cost of sales	90,374	87,103
Gross profit	17,605	18,730
Selling, general and administrative expenses	12,617	14,295
Operating income	4,987	4,434
Non-operating income		
Penalty income	–	133
Interest received	66	84
Dividend income	189	241
Purchase discounts	225	177
Share of profit of entities accounted for using equity method	12	28
Foreign exchange gains	81	–
Other	180	272
Total non-operating income	756	937
Non-operating expenses		
Interest expenses	23	21
Commission expenses	62	71
Foreign exchange losses	–	282
Commitment fees	7	8
Other	37	29
Total non-operating expenses	131	412
Ordinary income	5,612	4,960
Extraordinary profit		
Gain on sale of investment securities	177	1,893
Total extraordinary profit	177	1,893
Extraordinary loss		
Loss on sale of investment securities	5	1
Loss on valuation of investment securities	–	0
Total extraordinary loss	5	1
Income before income taxes	5,784	6,852
Income taxes	1,455	1,858
Deferred taxes	331	280
Total income taxes	1,787	2,138
Profit	3,997	4,713
Profit (loss) attributable to non-controlling interests	10	(67)
Profit attributable to owners of parent	3,986	4,780

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	3,997	4,713
Other comprehensive income		
Unrealized gain or loss on available-for-sale securities	(330)	(169)
Deferred gain or loss on derivatives under hedge accounting	(45)	511
Foreign currency translation adjustments	608	1,184
Remeasurements of defined benefit plans	10	(1)
Total other comprehensive income	241	1,524
Comprehensive income	4,238	6,238
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,229	6,283
Comprehensive income attributable to non-controlling interests	9	(44)