

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

May 13, 2022

Company name: Mitsuboshi Belting Ltd.
 Stock exchange listing: Tokyo
 Securities code: 5192
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Scheduled date of annual general meeting of shareholders: June 29, 2022

Scheduled date of commence dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 29, 2022

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021-March 31, 2022)

(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	%
March 31, 2022	74,870	15.4	7,640	53.8	8,552	48.5	6,380	56.9
March 31, 2021	64,862	△ 8.7	4,968	△ 31.9	5,759	△ 24.8	4,066	△ 25.6

Note: Comprehensive income Fiscal year ended March 31, 2022: ¥11,045 million (40.1%)
 Fiscal year ended March 31, 2021: ¥7,881 million (101.7%)

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net assets ratio
	Yen	Yen	%	%	%
March 31, 2022	220.26	—	7.7	7.5	10.2
March 31, 2021	139.84	—	5.4	5.5	7.7

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	118,963	86,877	73.0	3,018.44
As of March 31, 2021	108,063	78,264	72.4	2,691.63

Reference: Equity As of March 31, 2022: ¥86,877 million
 As of March 31, 2021: ¥78,264 million

(3) Consolidated cash flows

Fiscal year ended	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
March 31, 2022	9,044	△ 7,380	△ 3,245	33,063
March 31, 2021	8,612	△ 3,071	△ 4,104	33,741

2. Dividends

	dividends per share					Total cash dividends	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter -end	2nd quarter -end	3rd quarter -end	Fiscal year -end	Total			
Fiscal year ended March 31, 2021	—	27.00	—	30.00	57.00	1,657	40.8	2.2
Fiscal year ended March 31, 2022	—	33.00	—	110.00	143.00	4,127	64.9	5.0
Fiscal year ending March 31, 2023(Forecast)	—	110.00	—	110.00	220.00		100.5	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022-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
First half of fiscal year	39,200	5.7	4,000	0.0	3,800	△ 14.4	2,700	△ 7.4	93.81
Full year	77,500	3.5	8,000	4.7	8,000	△ 6.5	6,300	△ 1.3	218.89

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	33,771	34,708
Notes and accounts receivable - trade	15,938	-
Notes and accounts receivable - trade, and contract assets	-	17,788
Merchandise and finished goods	12,944	15,324
Work in process	2,014	2,115
Raw materials and supplies	3,364	3,892
Other	825	833
Allowance for doubtful accounts	△107	△123
Total current assets	68,751	74,540
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,250	23,801
Accumulated depreciation	△15,874	△16,471
Buildings and structures, net	6,375	7,329
Machinery, equipment and vehicles	49,988	49,815
Accumulated depreciation	△41,376	△40,699
Machinery, equipment and vehicles, net	8,611	9,115
Tools, furniture and fixtures	15,627	15,667
Accumulated depreciation	△13,468	△13,613
Tools, furniture and fixtures, net	2,159	2,054
Land	3,943	3,958
Leased assets	1,487	1,725
Accumulated depreciation	△168	△316
Leased assets, net	1,318	1,409
Construction in progress	1,103	2,804
Total property, plant and equipment	23,511	26,671
Intangible assets		
Software	1,090	823
Other	59	67
Total intangible assets	1,149	891
Investments and other assets		
Investment securities	13,245	15,179
Deferred tax assets	1,029	1,205
Other	393	493
Allowance for doubtful accounts	△18	△18
Total investments and other assets	14,650	16,860
Total non-current assets	39,312	44,423
Total assets	108,063	118,963

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,716	9,898
Short-term borrowings	2,325	2,327
Current portion of long-term borrowings	900	900
Accounts payable - other	2,048	2,646
Income taxes payable	681	1,576
Provision for bonuses	886	928
Provision for product warranties	215	508
Other	3,884	3,429
Total current liabilities	19,658	22,215
Non-current liabilities		
Long-term borrowings	1,800	900
Long-term accounts payable - other	193	162
Deferred tax liabilities	4,823	5,206
Retirement benefit liability	1,999	2,226
Provision for retirement benefits for directors (and other officers)	26	13
Asset retirement obligations	367	363
Long-term guarantee deposits	376	386
Other	555	610
Total non-current liabilities	10,141	9,870
Total liabilities	29,799	32,086
Net assets		
Shareholders' equity		
Share capital	8,150	8,150
Capital surplus	2,111	2,119
Retained earnings	65,768	70,315
Treasury shares	△5,788	△6,395
Total shareholders' equity	70,241	74,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,983	9,368
Foreign currency translation adjustment	247	3,344
Remeasurements of defined benefit plans	△207	△25
Total accumulated other comprehensive income	8,023	12,688
Total net assets	78,264	86,877
Total liabilities and net assets	108,063	118,963

2. Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	64,862	74,870
Cost of sales	45,868	51,442
Gross profit	18,993	23,427
Selling, general and administrative expenses	14,025	15,787
Operating profit	4,968	7,640
Non-operating income		
Interest income	84	92
Dividend income	341	365
Foreign exchange gains	152	627
Other	544	262
Total non-operating income	1,123	1,347
Non-operating expenses		
Interest expenses	59	43
Loss on retirement of non-current assets	96	276
Sales discounts	45	51
Other	131	63
Total non-operating expenses	332	435
Ordinary profit	5,759	8,552
Extraordinary income		
Gain on sale of investment securities	97	187
Total extraordinary income	97	187
Profit before income taxes	5,857	8,740
Income taxes - current	1,876	2,721
Income taxes - deferred	△85	△361
Total income taxes	1,791	2,359
Profit	4,066	6,380
Profit attributable to owners of parent	4,066	6,380

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	4,066	6,380
Other comprehensive income		
Valuation difference on available-for-sale securities	2,313	1,385
Foreign currency translation adjustment	1,542	3,097
Remeasurements of defined benefit plans, net of tax	△41	182
Total other comprehensive income	3,815	4,665
Comprehensive income	7,881	11,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,881	11,045
Comprehensive income attributable to non-controlling interests	—	—

3. 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	8,150	2,111	63,272	△5,788	67,745
Changes during period					
Dividends of surplus			△1,570		△1,570
Profit attributable to owners of parent			4,066		4,066
Purchase of treasury shares				△0	△0
Disposal of treasury shares					—
Change in scope of consolidation		△0	0		—
Net changes in items other than shareholders' equity					
Total changes during period	—	△0	2,496	△0	2,495
Balance at end of period	8,150	2,111	65,768	△5,788	70,241

	Accumulated other comprehensive income				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	5,669	△1,294	△166	4,207	71,953
Changes during period					
Dividends of surplus					△1,570
Profit attributable to owners of parent					4,066
Purchase of treasury shares					△0
Disposal of treasury shares					—
Change in scope of consolidation					—
Net changes in items other than shareholders' equity	2,313	1,542	△41	3,815	3,815
Total changes during period	2,313	1,542	△41	3,815	6,310
Balance at end of period	7,983	247	△207	8,023	78,264

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	8,150	2,111	65,768	△5,788	70,241
Changes during period					
Dividends of surplus			△1,833		△1,833
Profit attributable to owners of parent			6,380		6,380
Purchase of treasury shares				△679	△679
Disposal of treasury shares		7		72	80
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	7	4,547	△607	3,947
Balance at end of period	8,150	2,119	70,315	△6,395	74,188

	Accumulated other comprehensive income				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	7,983	247	△207	8,023	78,264
Changes during period					
Dividends of surplus					△1,833
Profit attributable to owners of parent					6,380
Purchase of treasury shares					△679
Disposal of treasury shares					80
Change in scope of consolidation					-
Net changes in items other than shareholders' equity	1,385	3,097	182	4,665	4,665
Total changes during period	1,385	3,097	182	4,665	8,612
Balance at end of period	9,368	3,344	△25	12,688	86,877

4. 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	5,857	8,740
Depreciation	3,972	3,867
Increase (decrease) in allowance for doubtful accounts	△3	13
Increase (decrease) in retirement benefit liability	277	231
Increase (decrease) in long-term accounts payable - other	△73	△30
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	△12
Increase (decrease) in provision for bonuses	38	9
Interest and dividend income	△426	△457
Interest expenses	59	43
Foreign exchange losses (gains)	△57	△124
Loss (gain) on sale of property, plant and equipment	△3	△2
Loss on retirement of property, plant and equipment	96	276
Loss (gain) on sale of investment securities	△97	△187
Decrease (increase) in trade receivables	220	△921
Decrease (increase) in inventories	410	△1,688
Increase (decrease) in trade payables	△984	175
Increase (decrease) in accrued consumption taxes	△127	△68
Decrease (increase) in other current assets	371	97
Increase (decrease) in other current liabilities	288	529
Other, net	296	△3
Subtotal	10,119	10,488
Interest and dividends received	426	457
Interest paid	△59	△43
Income taxes paid	△1,873	△1,857
Net cash provided by (used in) operating activities	8,612	9,044
Cash flows from investing activities		
Payments into time deposits	△3	△1,496
Proceeds from withdrawal of time deposits	254	5
Purchase of property, plant and equipment	△3,718	△6,058
Proceeds from sale of property, plant and equipment	254	32
Purchase of investment securities	△36	△4
Proceeds from sale of investment securities	266	226
Other, net	△88	△84
Net cash provided by (used in) investing activities	△3,071	△7,380
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1	△0
Repayments of long-term borrowings	△2,200	△900
Purchase of treasury shares	△0	△679
Dividends paid	△1,570	△1,833
Other, net	△331	168
Net cash provided by (used in) financing activities	△4,104	△3,245
Effect of exchange rate change on cash and cash equivalents	1,160	904
Net increase (decrease) in cash and cash equivalents	2,597	△677
Cash and cash equivalents at beginning of period	31,143	33,741
Cash and cash equivalents at end of period	33,741	33,063