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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Under Japanese GAAP]

May 12, 2022

Company name : Tsurumi Manufacturing Co.,Ltd.
 Listing : Tokyo Stock Exchange
 Securities code : 6351
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Scheduled date of annual general meeting of shareholders : June 24, 2022
 Scheduled date to commence dividend payments : June 27, 2022
 Scheduled date to file annual securities report : June 27, 2022
 Preparation of supplementary material on financial results : None
 Holding of financial results briefing : None

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

1. Consolidated financial results for the fiscal 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	%
Fiscal year ended								
March 31,2022	51,214	13.0	5,508	(0.7)	7,368	15.0	4,817	15.9
March 31,2021	45,325	(0.6)	5,549	7.4	6,404	17.0	4,156	5.2

(Note) Comprehensive income

For the fiscal year ended March 31, 2022 : ¥6,217 million [7.8%]

For the fiscal year ended March 31, 2021 : ¥5,765 million [67.3%]

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31,2022	192.50	—	7.0	8.7	10.8
March 31,2021	166.00	—	6.5	8.1	12.2

(Reference) Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2022 : —

For the fiscal year ended March 31, 2021 : —

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31,2022	87,299	71,848	81.1	2,841.77
March 31,2021	81,487	66,874	81.0	2,635.21

(Reference) Equity

As of March 31, 2022 : ¥70,833 million

As of March 31, 2021 : ¥65,980 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
March 31,2022	2,003	(2,508)	(1,964)	14,288
March 31,2021	4,866	(3,357)	(233)	15,696

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	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	%	%
March 31,2021	—	14.00	—	22.00	36.00	901	21.7	1.4
Fiscal year ended	—	17.00	—	23.00	40.00	998	20.8	1.5
Fiscal year ending	—	20.00	—	22.00	42.00		24.3	
March 31,2023 (Forecast)								

(Note) Breakdown of the second quarter-end dividend forecast for the fiscal year ending March 31, 2023

Ordinary dividend : ¥18.00 per share

Commemorative dividend* : ¥ 2.00 per share

* Commemorative dividend will be implemented for the 25th anniversary of foundation of our Taiwan plant and its annual production volume exceeding 400,000 units.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2023(from April 1, 2022 to March 31, 2023)

(Percentages indicate 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, 2022	22,300	0.7	2,430	0.4	2,660	(8.8)	1,850	(10.5)	74.22
Fiscal year ending									
March 31,2023	52,500	2.5	5,600	1.7	6,200	(15.9)	4,300	(10.7)	172.51

Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the 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 . Number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022: 27,500,000 shares

As of March 31, 2021: 27,500,000 shares

ii . Number of treasury shares at the end of the period

As of March 31, 2022: 2,574,311 shares

As of March 31, 2021: 2,461,871 shares

iii . Average number of shares outstanding during the period

Fiscal year ended March 31, 2022: 25,025,067 shares

Fiscal year ended March 31, 2021: 25,038,129 shares

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

* Explanations of the appropriate use of financial forecasts and other special notes

The forecasts, including financial results forecast, given in this document are based on information available to the Company and on certain assumptions deemed to be reasonable at the time of the issuance of this document. And the Company does not guarantee the achievement of these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

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Consolidated Financial Statements and Primary Notes

1. Consolidated Balance Sheet

As of March 31, 2021 and March 31, 2022

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	15,707	14,484
Notes and accounts receivable - trade	18,505	—
Notes and accounts receivable - trade, and contract assets	—	20,697
Securities	1,308	1,701
Merchandise	1,307	1,675
Finished goods	4,180	5,456
Semi-finished goods	1,550	1,764
Work in process	1,025	1,047
Raw materials and supplies	2,429	3,187
Other	3,034	2,962
Allowance for doubtful accounts	(40)	(37)
Total current assets	49,010	52,940
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,444	11,508
Accumulated depreciation	(4,970)	(5,358)
Buildings and structures, net	4,473	6,149
Machinery, equipment and vehicles	3,400	3,768
Accumulated depreciation	(2,652)	(2,832)
Machinery, equipment and vehicles, net	748	935
Tools, furniture and fixtures	2,498	2,595
Accumulated depreciation	(2,158)	(2,270)
Tools, furniture and fixtures, net	339	324
Land	8,189	8,302
Leased assets	116	127
Accumulated depreciation	(56)	(77)
Leased assets, net	59	49
Construction in progress	604	105
Total property, plant and equipment	14,415	15,868
Intangible assets	1,435	1,481
Investments and other assets		
Investment securities	14,368	13,893
Retirement benefit asset	46	53
Deferred tax assets	534	463
Other	1,833	2,754
Allowance for doubtful accounts	(2)	(2)
Allowance for investment loss	(154)	(154)
Total investments and other assets	16,626	17,009
Total non-current assets	32,477	34,359
Total assets	81,487	87,299

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	6,519	7,168
Current portion of long-term borrowings	300	—
Current portion of bonds payable	700	—
Income taxes payable	1,164	1,274
Provision for bonuses	953	1,129
Other	2,472	3,145
Total current liabilities	12,109	12,717
Non-current liabilities		
Long-term borrowings	1,800	2,100
Deferred tax liabilities	159	123
Provision for retirement benefits for directors	195	210
Retirement benefit liability	140	127
Other	207	172
Total non-current liabilities	2,502	2,733
Total liabilities	14,612	15,451
Net assets		
Shareholders' equity		
Share capital	5,188	5,188
Capital surplus	7,810	7,810
Retained earnings	52,133	55,957
Treasury shares	(2,119)	(2,321)
Total shareholders' equity	63,012	66,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,078	1,652
Foreign currency translation adjustment	834	2,482
Remeasurements of defined benefit plans	54	63
Total accumulated other comprehensive income	2,968	4,198
Non-controlling interests	894	1,015
Total net assets	66,874	71,848
Total liabilities and net assets	81,487	87,299

2. Consolidated Statement of Income and Comprehensive Income

From April 1 to March 31, 2021 and 2022

(Consolidated Statement of Income (Year ended))

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	45,325	51,214
Cost of sales	30,225	34,543
Gross profit	15,100	16,671
Selling, general and administrative expenses		
Freight costs	552	1,249
Advertising expenses	154	224
Salaries and allowances	3,799	4,185
Provision for bonuses	614	731
Retirement benefit expenses	96	74
Provision for retirement benefits for directors	13	15
Rent expenses	190	178
Depreciation	273	292
Other	3,856	4,211
Total selling, general and administrative expenses	9,551	11,162
Operating profit	5,549	5,508
Non-operating income		
Interest income	256	266
Dividend income	199	262
Gain on investments in securities	175	—
Foreign exchange gains	252	1,153
Other	177	215
Total non-operating income	1,061	1,897
Non-operating expenses		
Interest expenses	22	10
Loss on investments in securities	—	15
Loss on swap valuation	108	—
Other	75	12
Total non-operating expenses	206	37
Ordinary profit	6,404	7,368
Extraordinary income		
Gain on sale of investment securities	106	—
Total extraordinary income	106	—
Extraordinary losses		
Loss on valuation of investments in capital of subsidiaries and associates	743	—
Total extraordinary losses	743	—
Profit before income taxes	5,768	7,368
Income taxes - current	1,818	2,270
Income taxes - deferred	(271)	230
Income taxes	1,546	2,501
Profit	4,221	4,867
Profit attributable to non-controlling interests	65	49
Profit attributable to owners of parent	4,156	4,817

(Consolidated Statement of Comprehensive Income (Year ended))

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Profit	4,221	4,867
Other comprehensive income		
Valuation difference on available-for-sale securities	748	(426)
Foreign currency translation adjustment	560	1,768
Remeasurements of defined benefit plans	234	8
Total other comprehensive income	1,543	1,350
Comprehensive income	5,765	6,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,684	6,047
Comprehensive income attributable to non-controlling interests	81	170

3. Consolidated Statements of Changes in Equity
Previous consolidated fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	7,810	48,828	(2,119)	59,707
Cumulative effects of changes in accounting policies					—
Restated balance	5,188	7,810	48,828	(2,119)	59,707
Changes during period					
Dividends of surplus			(851)		(851)
Profit attributable to owners of parent			4,156		4,156
Purchase of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes during period	—	—	3,304	—	3,304
Balance at the end of the period	5,188	7,810	52,133	(2,119)	63,012

	Other accumulated 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 other accumulated comprehensive income		
Balance at the beginning of the period	1,329	290	(179)	1,440	862	62,010
Cumulative effects of changes in accounting policies						—
Restated balance	1,329	290	(179)	1,440	862	62,010
Changes during period						
Dividends of surplus						(851)
Profit attributable to owners of parent						4,156
Purchase of treasury shares						—
Net changes of items other than shareholders' equity	748	544	234	1,527	31	1,559
Total changes during period	748	544	234	1,527	31	4,864
Balance at the end of the period	2,078	834	54	2,968	894	66,874

Current consolidated fiscal year (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	5,188	7,810	52,133	(2,119)	63,012
Cumulative effects of changes in accounting policies			(16)		(16)
Restated balance	5,188	7,810	52,116	(2,119)	62,996
Changes during period					
Dividends of surplus			(976)		(976)
Profit attributable to owners of parent			4,817		4,817
Purchase of treasury shares				(202)	(202)
Net changes of items other than shareholders' equity					
Total changes during period	—	—	3,840	(202)	3,638
Balance at the end of the period	5,188	7,810	55,957	(2,321)	66,634

	Other accumulated 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 other accumulated comprehensive income		
Balance at the beginning of the period	2,078	834	54	2,968	894	66,874
Cumulative effects of changes in accounting policies						(16)
Restated balance	2,078	834	54	2,968	894	66,858
Changes during period						
Dividends of surplus						(976)
Profit attributable to owners of parent						4,817
Purchase of treasury shares						(202)
Net changes of items other than shareholders' equity	(426)	1,647	8	1,230	120	1,351
Total changes during period	(426)	1,647	8	1,230	120	4,989
Balance at the end of the period	1,652	2,482	63	4,198	1,015	71,848

4. Consolidated Statement of Cash flows
From April 1 to March 31, 2021 and 2022

(Millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	5,768	7,368
Depreciation	903	1,009
Increase (decrease) in allowance for doubtful accounts	(8)	(6)
Increase (decrease) in provision for bonuses	(42)	175
Increase (decrease) in retirement benefit liability	(276)	(13)
Interest and dividend income	(456)	(529)
Interest expenses	22	10
Loss (gain) on investments in securities	(175)	15
Loss (gain) on swap valuation	108	(21)
Loss (gain) on sale of investment securities	(106)	—
Loss on valuation of investments in capital	743	—
Decrease (increase) in trade receivables	(160)	(1,884)
Decrease (increase) in inventories	615	(2,142)
Increase (decrease) in trade payables	(385)	286
Other, net	(587)	(643)
Subtotal	5,962	3,625
Interest and dividends received	407	583
Interest paid	(12)	(22)
Income taxes paid	(1,491)	(2,183)
Net cash provided by (used in) operating activities	4,866	2,003
Cash flows from investing activities		
Purchase of securities	(330)	(327)
Proceeds from sale and redemption of securities	575	265
Purchase of property, plant and equipment	(1,669)	(1,815)
Purchase of intangible assets	(864)	(233)
Purchase of investment securities	(698)	(1,100)
Proceeds from sale and redemption of investment securities	1,063	947
loan advances	(2,195)	(2,546)
Proceeds from collection of loans receivable	609	2,464
Other, net	152	(161)
Net cash provided by (used in) investing activities	(3,357)	(2,508)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,200	300
Repayments of long-term borrowings	(500)	(300)
Redemption of bonds	—	(700)
Purchase of treasury shares	—	(202)
Dividends paid	(851)	(976)
Dividends paid to non-controlling interests	(49)	(49)
Other, net	(32)	(35)
Net cash provided by (used in) financing activities	(233)	(1,964)
Effect of exchange rate change on cash and cash equivalents	336	1,060
Net increase (decrease) in cash and cash equivalents	1,611	(1,407)
Cash and cash equivalents at beginning of period	14,084	15,696
Cash and cash equivalents at end of period	15,696	14,288

5. Note to Consolidated Financial Statements

(Segment Information)

Previous consolidated fiscal year (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Reportable segments				Other	Total	Adjustments	Amount in consolidated financial statements
	Japan	North America	China	Total				
Net sales								
Sales to external customers	34,744	6,211	1,553	42,508	2,817	45,325	—	45,325
Intersegment sales or transfers	5,589	—	1,801	7,391	3,354	10,745	(10,745)	—
Total	40,334	6,211	3,354	49,899	6,171	56,071	(10,745)	45,325
Segment profit	4,868	758	387	6,014	419	6,434	(884)	5,549
Segment assets	46,614	7,548	4,575	58,738	7,922	66,661	14,826	81,487
Other items								
Depreciation	636	37	82	756	126	883	20	903
Increase in property, plant and equipment, and intangible assets	1,625	36	15	1,677	554	2,232	—	2,232

Current consolidated fiscal year (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Reportable segments				Other	Total	Adjustments	Amount in consolidated financial statements
	Japan	North America	China	Total				
Net sales								
Goods and services transferred at a point in time	31,057	9,444	1,922	42,424	3,934	46,358	—	46,358
Goods and services transferred over time	4,856	—	—	4,856	—	4,856	—	4,856
Revenue from contracts with customers	35,913	9,444	1,922	47,280	3,934	51,214	—	51,214
Other income	—	—	—	—	—	—	—	—
Sales to external customers	35,913	9,444	1,922	47,280	3,934	51,214	—	51,214
Intersegment sales or transfers	8,685	—	2,459	11,144	5,405	16,549	(16,549)	—
Total	44,599	9,444	4,381	58,425	9,339	67,764	(16,549)	51,214
Segment profit	4,420	914	435	5,770	801	6,572	(1,064)	5,508
Segment assets	51,775	10,022	5,639	67,437	9,823	77,260	10,038	87,299
Other items								
Depreciation	702	47	95	845	143	988	20	1,009
Increase in property, plant and equipment, and intangible assets	1,890	128	29	2,048	36	2,084	—	2,084