

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

May 12, 2023

Company name: Mitsuboshi Belting Ltd.
 Stock exchange listing: Tokyo
 Securities code: 5192
 URL: <https://www.mitsuboshi.com/>
 Representative: Hiroshi Ikeda, President
 Inquiries: Masatsugu Tsuji, Executive Officer, General Manager, Finance & Accounting Department
 Phone: +81-78-685-5630

Scheduled date of annual general meeting of shareholders: June 29, 2023

Scheduled date of commence dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022-March 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	%
March 31, 2023	82,911	10.7	9,030	18.2	10,471	22.4	7,071	10.8
March 31, 2022	74,870	15.4	7,640	53.8	8,552	48.5	6,380	56.9

Note: Comprehensive income Fiscal year ended March 31, 2023: ¥8,432 million (△ 23.7%)
 Fiscal year ended March 31, 2022: ¥11,045 million (40.1%)

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, 2023	249.12	—	8.1	8.7	10.9
March 31, 2022	220.26	—	7.7	7.5	10.2

(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, 2023	121,682	87,601	72.0	3,089.48
As of March 31, 2022	118,963	86,877	73.0	3,018.44

Reference: Equity As of March 31, 2023: ¥87,601 million
 As of March 31, 2022: ¥86,877 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, 2023	8,783	△ 6,439	△ 3,741	33,494
March 31, 2022	9,044	△ 7,380	△ 3,245	33,063

2. Dividends

	Annual 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, 2022	—	33.00	—	110.00	143.00	4,127	64.9	5.0
Fiscal year ended March 31, 2023	—	120.00	—	130.00	250.00	7,088	100.4	8.2
Fiscal year ending March 31, 2024 (Forecast)	—	125.00	—	125.00	250.00		99.8	

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023-March 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 of fiscal year	42,500	△ 0.2	4,300	△ 6.5	4,400	△ 23.2	3,200	△ 18.4	112.86
Full year	84,500	1.9	9,100	0.8	9,300	△ 11.2	7,100	0.4	250.40

Consolidated Financial Statements

1. Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	34,708	35,307
Notes and accounts receivable - trade, and contract assets	17,788	16,657
Merchandise and finished goods	15,324	17,395
Work in process	2,115	2,513
Raw materials and supplies	3,892	4,368
Other	833	1,188
Allowance for doubtful accounts	△123	△100
Total current assets	74,540	77,331
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,801	24,059
Accumulated depreciation	△16,471	△16,734
Buildings and structures, net	7,329	7,325
Machinery, equipment and vehicles	49,815	50,360
Accumulated depreciation	△40,699	△41,501
Machinery, equipment and vehicles, net	9,115	8,859
Tools, furniture and fixtures	15,667	16,071
Accumulated depreciation	△13,613	△14,078
Tools, furniture and fixtures, net	2,054	1,993
Land	3,958	3,978
Leased assets	1,725	1,870
Accumulated depreciation	△316	△367
Leased assets, net	1,409	1,503
Construction in progress	2,804	4,738
Total property, plant and equipment	26,671	28,399
Intangible assets		
Software	823	601
Other	67	189
Total intangible assets	891	791
Investments and other assets		
Investment securities	15,179	13,597
Deferred tax assets	1,205	1,148
Other	493	422
Allowance for doubtful accounts	△18	△8
Total investments and other assets	16,860	15,160
Total non-current assets	44,423	44,351
Total assets	118,963	121,682

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,898	9,889
Short-term borrowings	2,327	2,329
Current portion of long-term borrowings	900	1,900
Accounts payable - other	2,646	1,982
Income taxes payable	1,576	201
Provision for bonuses	928	974
Provision for product warranties	508	477
Other	3,429	4,107
Total current liabilities	22,215	21,862
Non-current liabilities		
Long-term borrowings	900	4,000
Long-term accounts payable - other	162	142
Deferred tax liabilities	5,206	4,644
Retirement benefit liability	2,226	1,948
Provision for retirement benefits for directors (and other officers)	13	16
Asset retirement obligations	363	363
Long-term guarantee deposits	386	393
Other	610	710
Total non-current liabilities	9,870	12,219
Total liabilities	32,086	34,081
Net assets		
Shareholders' equity		
Share capital	8,150	8,150
Capital surplus	2,119	2,143
Retained earnings	70,315	70,818
Treasury shares	△6,395	△7,559
Total shareholders' equity	74,188	73,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,368	8,310
Foreign currency translation adjustment	3,344	5,785
Remeasurements of defined benefit plans	△25	△48
Total accumulated other comprehensive income	12,688	14,048
Total net assets	86,877	87,601
Total liabilities and net assets	118,963	121,682

2. Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	74,870	82,911
Cost of sales	51,442	56,338
Gross profit	23,427	26,572
Selling, general and administrative expenses	15,787	17,542
Operating profit	7,640	9,030
Non-operating income		
Interest income	92	281
Dividend income	365	397
Foreign exchange gains	627	556
Other	262	688
Total non-operating income	1,347	1,924
Non-operating expenses		
Interest expenses	43	51
Loss on retirement of non-current assets	276	307
Other	114	125
Total non-operating expenses	435	484
Ordinary profit	8,552	10,471
Extraordinary income		
Gain on sale of investment securities	187	39
Total extraordinary income	187	39
Extraordinary losses		
Impairment losses	—	695
Total extraordinary losses	—	695
Profit before income taxes	8,740	9,814
Income taxes - current	2,721	2,815
Income taxes - deferred	△361	△72
Total income taxes	2,359	2,742
Profit	6,380	7,071
Profit attributable to owners of parent	6,380	7,071

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	6,380	7,071
Other comprehensive income		
Valuation difference on available-for-sale securities	1,385	△1,058
Foreign currency translation adjustment	3,097	2,441
Remeasurements of defined benefit plans, net of tax	182	△22
Total other comprehensive income	4,665	1,360
Comprehensive income	11,045	8,432
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,045	8,432
Comprehensive income attributable to non-controlling interests	—	—

3. Consolidated statements of changes in equity

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
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
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

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,150	2,119	70,315	△6,395	74,188
Changes during period					
Dividends of surplus			△6,568		△6,568
Profit attributable to owners of parent			7,071		7,071
Purchase of treasury shares				△1,204	△1,204
Disposal of treasury shares		24		40	65
Net changes in items other than shareholders' equity					
Total changes during period	—	24	503	△1,164	△636
Balance at end of period	8,150	2,143	70,818	△7,559	73,552

	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	9,368	3,344	△25	12,688	86,877
Changes during period					
Dividends of surplus					△6,568
Profit attributable to owners of parent					7,071
Purchase of treasury shares					△1,204
Disposal of treasury shares					65
Net changes in items other than shareholders' equity	△1,058	2,441	△22	1,360	1,360
Total changes during period	△1,058	2,441	△22	1,360	724
Balance at end of period	8,310	5,785	△48	14,048	87,601

4. Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	8,740	9,814
Depreciation	3,867	4,104
Impairment losses	—	695
Increase (decrease) in allowance for doubtful accounts	13	△34
Increase (decrease) in retirement benefit liability	231	△445
Increase (decrease) in long-term accounts payable - other	△30	△20
Increase (decrease) in provision for retirement benefits for directors (and other officers)	△12	2
Increase (decrease) in provision for bonuses	9	20
Interest and dividend income	△457	△679
Interest expenses	43	51
Foreign exchange losses (gains)	△124	△95
Loss (gain) on sale of property, plant and equipment	△2	6
Loss on retirement of property, plant and equipment	276	307
Loss (gain) on sale of investment securities	△187	△39
Decrease (increase) in trade receivables	△921	1,949
Decrease (increase) in inventories	△1,688	△2,036
Increase (decrease) in trade payables	175	△632
Increase (decrease) in accrued consumption taxes	△68	572
Decrease (increase) in other current assets	97	△360
Increase (decrease) in other current liabilities	529	△281
Other, net	△3	△536
Subtotal	10,488	12,363
Interest and dividends received	457	679
Interest paid	△43	△49
Income taxes paid	△1,857	△4,208
Net cash provided by (used in) operating activities	9,044	8,783
Cash flows from investing activities		
Payments into time deposits	△1,496	△3,046
Proceeds from withdrawal of time deposits	5	2,136
Purchase of property, plant and equipment	△6,058	△5,600
Proceeds from sale of property, plant and equipment	32	69
Purchase of investment securities	△4	△5
Proceeds from sale of investment securities	226	50
Other, net	△84	△43
Net cash provided by (used in) investing activities	△7,380	△6,439
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△0	2
Proceeds from long-term borrowings	—	5,000
Repayments of long-term borrowings	△900	△900
Purchase of treasury shares	△679	△1,204
Dividends paid	△1,833	△6,568
Other, net	168	△70
Net cash provided by (used in) financing activities	△3,245	△3,741
Effect of exchange rate change on cash and cash equivalents	904	1,827
Net increase (decrease) in cash and cash equivalents	△677	430
Cash and cash equivalents at beginning of period	33,741	33,063
Cash and cash equivalents at end of period	33,063	33,494