



Consolidated Financial Results for the Year Ended December 31, 2021 [Japanese GAAP]

February 15, 2022

Company name: ISEKI&CO., LTD.

Stock exchange listing: Tokyo

Code number: 6310

URL: <https://www.iseki.co.jp>

Representative: Shiro Tomiyasu

Contact: Yoshikazu Ogusu

Phone: +81-3-5604-7671

Scheduled date of Annual General Meeting of Shareholders: March 30, 2022

Scheduled date of commencing dividend payments: March 31, 2022

Scheduled date of filing annual securities report: March 31, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 01, 2021 to December 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2021	158,192	6.0	4,147	99.0	4,687	175.3	3,196	-
December 31, 2020	149,304	(0.4)	2,084	(24.1)	1,702	53.6	(5,641)	-

(Note) Comprehensive income: Fiscal year ended December 31, 2021: ¥ 4,131 million [-%]
Fiscal year ended December 31, 2020: ¥ (6,151) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2021	141.40	141.31	5.1	2.5	2.6
December 31, 2020	(249.58)	-	(8.8)	0.9	1.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2021: ¥ (321) million
Fiscal year ended December 31, 2020: ¥ (460) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2021	187,684	66,561	34.5	2,864.47
December 31, 2020	187,428	62,419	32.4	2,683.14

(Reference) Equity: As of December 31, 2021: ¥ 64,768 million
As of December 31, 2020: ¥ 60,657 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 the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2021	14,233	(2,039)	(8,338)	14,800
December 31, 2020	9,694	(5,167)	(2,179)	10,752

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2020	-	-	-	0.00	0.00	-	-	-
December 31, 2021	-	-	-	30.00	30.00	678	21.2	1.1
Fiscal year ending December 31, 2022 (Forecast)	-	-	-	30.00	30.00		21.9	

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2021 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	166,500	5.3	4,700	13.3	4,600	(1.9)	3,100	(3.0)	137.12

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

December 31, 2021:	22,984,993 shares
December 31, 2020:	22,984,993 shares

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

December 31, 2021:	374,045 shares
December 31, 2020:	378,173 shares

3) Average number of shares during the period:

Fiscal Year ended December 31, 2021:	22,608,354 shares
Fiscal Year ended December 31, 2020:	22,603,897 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 01, 2021 to December 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	91,792	15.8	854	-	3,825	-	2,924	-
December 31, 2020	79,251	(12.0)	(1,358)	-	(257)	-	(13,291)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	129.37	129.29
December 31, 2020	(588.04)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2021	118,536	47,766	40.3	2,111.34
December 31, 2020	111,470	44,489	39.9	1,966.29

(Reference) Equity: As of December 31, 2021: ¥ 47,739 million
As of December 31, 2020: ¥ 44,451 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of December 31,2020	As of December 31,2021
Assets		
Current assets		
Cash and deposits	10,787	14,850
Notes and accounts receivable - trade	21,780	21,537
Merchandise and finished goods	43,881	41,532
Work in process	6,775	7,089
Raw materials and supplies	1,189	1,250
Other	5,599	4,864
Allowance for doubtful accounts	(35)	(21)
Total current assets	89,979	91,103
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,212	25,645
Machinery, equipment and vehicles, net	7,516	6,790
Tools, furniture and fixtures, net	2,902	2,406
Land	44,690	44,475
Leased assets, net	5,340	5,001
Construction in progress	596	616
Other, net	28	26
Total property, plant and equipment	86,287	84,962
Intangible assets	1,967	2,290
Investments and other assets		
Investment securities	4,609	5,054
Long-term loans receivable	42	37
Deferred tax assets	2,152	1,714
Retirement benefit asset	397	828
Other	2,129	1,804
Allowance for doubtful accounts	(136)	(110)
Total investments and other assets	9,193	9,328
Total non-current assets	97,449	96,581
Total assets	187,428	187,684

(Million yen)

	As of December 31,2020	As of December 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,206	20,280
Electronically recorded obligations - operating	16,666	18,999
Short-term borrowings	29,781	23,745
Current portion of long-term borrowings	7,679	6,465
Lease obligations	1,999	1,735
Accrued consumption taxes	1,636	724
Income taxes payable	438	496
Accrued expenses	4,381	4,456
Provision for bonuses	425	524
Other	2,933	3,915
Total current liabilities	86,147	81,342
Non-current liabilities		
Long-term borrowings	24,114	24,728
Lease obligations	5,776	5,503
Deferred tax liabilities	57	28
Deferred tax liabilities for land revaluation	4,097	4,097
Provision for retirement benefits for directors	145	156
Retirement benefit liability	3,144	2,912
Asset retirement obligations	322	881
Other	1,203	1,472
Total non-current liabilities	38,861	39,780
Total liabilities	125,009	121,123
Net assets		
Shareholders' equity		
Share capital	23,344	23,344
Capital surplus	13,449	13,462
Retained earnings	14,493	17,690
Treasury shares	(941)	(930)
Total shareholders' equity	50,346	53,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(91)	250
Deferred gains or losses on hedges	(2)	2
Revaluation reserve for land	8,835	8,835
Foreign currency translation adjustment	588	804
Remeasurements of defined benefit plans	980	1,307
Total accumulated other comprehensive income	10,310	11,201
Share acquisition rights	37	26
Non-controlling interests	1,724	1,766
Total net assets	62,419	66,561
Total liabilities and net assets	187,428	187,684

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Net sales	149,304	158,192
Cost of sales	105,828	111,351
Gross profit	43,476	46,841
Selling, general and administrative expenses	41,392	42,693
Operating profit	2,084	4,147
Non-operating income		
Interest income	172	144
Dividend income	162	155
Bounty income	33	34
Rental income	177	185
Gain on sale of scraps	41	200
Foreign exchange gains	-	353
Settlement received	-	401
Other	652	505
Total non-operating income	1,240	1,981
Non-operating expenses		
Interest expenses	634	551
Sales discounts	84	90
Foreign exchange losses	63	-
Share of loss of entities accounted for using equity method	460	321
Other	379	478
Total non-operating expenses	1,621	1,442
Ordinary profit	1,702	4,687
Extraordinary income		
Gain on sale of non-current assets	28	92
Gain on sale of investment securities	0	4
Gain on change in equity	650	-
Total extraordinary income	679	96
Extraordinary losses		
Loss on sale and retirement of non-current assets	193	301
Impairment losses	9,301	115
Loss on sale of investment securities	0	0
Other	0	-
Total extraordinary losses	9,496	417
Profit (loss) before income taxes	(7,114)	4,366
Income taxes - current	606	994
Income taxes - deferred	(2,116)	138
Total income taxes	(1,510)	1,133
Profit (loss)	(5,604)	3,233
Profit attributable to non-controlling interests	36	36
Profit (loss) attributable to owners of parent	(5,641)	3,196

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Profit (loss)	(5,604)	3,233
Other comprehensive income		
Valuation difference on available-for-sale securities	(472)	354
Deferred gains or losses on hedges	(2)	4
Foreign currency translation adjustment	49	185
Remeasurements of defined benefit plans, net of tax	(9)	327
Share of other comprehensive income of entities accounted for using equity method	(112)	25
Total other comprehensive income	(547)	897
Comprehensive income	(6,151)	4,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,185)	4,087
Comprehensive income attributable to non-controlling interests	33	43

Consolidated Statements of Changes in Net Assets

For the fiscal year ended December 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,344	13,452	17,025	(982)	52,840
Changes during period					
Dividends of surplus			(677)		(677)
Profit attributable to owners of parent			(5,641)		(5,641)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(3)		41	38
Reversal of revaluation reserve for land			3,787		3,787
Net changes in items other than shareholders' equity					
Total changes during period	-	(3)	(2,532)	41	(2,494)
Balance at end of period	23,344	13,449	14,493	(941)	50,346

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	380	(0)	12,622	648	989	14,641	75	1,694	69,252
Changes during period									
Dividends of surplus									(677)
Profit attributable to owners of parent									(5,641)
Purchase of treasury shares									(0)
Disposal of treasury shares									38
Reversal of revaluation reserve for land									3,787
Net changes in items other than shareholders' equity	(471)	(2)	(3,787)	(59)	(9)	(4,330)	(38)	29	(4,339)
Total changes during period	(471)	(2)	(3,787)	(59)	(9)	(4,330)	(38)	29	(6,833)
Balance at end of period	(91)	(2)	8,835	588	980	10,310	37	1,724	62,419

For the fiscal year ended December 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	23,344	13,449	14,493	(941)	50,346
Changes during period					
Profit attributable to owners of parent			3,196		3,196
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		11	11
Capital increase of consolidated subsidiaries		(21)			(21)
Change in ownership interest of parent due to transactions with non-controlling interests		35			35
Net changes in items other than shareholders' equity					
Total changes during period	-	12	3,196	10	3,220
Balance at end of period	23,344	13,462	17,690	(930)	53,567

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(91)	(2)	8,835	588	980	10,310	37	1,724	62,419
Changes during period									
Profit attributable to owners of parent									3,196
Purchase of treasury shares									(1)
Disposal of treasury shares									11
Capital increase of consolidated subsidiaries									(21)
Change in ownership interest of parent due to transactions with non-controlling interests									35
Net changes in items other than shareholders' equity	342	4	-	216	327	890	(10)	41	921
Total changes during period	342	4	-	216	327	890	(10)	41	4,141
Balance at end of period	250	2	8,835	804	1,307	11,201	26	1,766	66,561

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(7,114)	4,366
Depreciation	6,987	6,563
Impairment losses	9,301	115
Amortization of goodwill	2	2
Increase (decrease) in retirement benefit liability	46	(241)
Loss (gain) on sale of investment securities	0	(4)
Interest and dividend income	(335)	(300)
Interest expenses	634	551
Foreign exchange losses (gains)	(29)	(144)
Loss (gain) on sale of property, plant and equipment and intangible assets	164	209
Loss (gain) on change in equity	(650)	-
Decrease (increase) in trade receivables	(1,807)	423
Decrease (increase) in inventories	3,299	2,418
Increase (decrease) in trade payables	(884)	2,111
Other, net	872	(690)
Subtotal	10,486	15,380
Interest and dividends received	343	307
Interest paid	(635)	(546)
Income taxes paid	(500)	(907)
Net cash provided by (used in) operating activities	9,694	14,233
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(6,626)	(4,646)
Proceeds from sale of property, plant and equipment and intangible assets	329	816
Purchase of investment securities	(55)	(0)
Proceeds from sale of investment securities	45	21
Decrease (increase) in loans receivable	1,174	1,624
Decrease (increase) in time deposits	(0)	(14)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	24	-
Other, net	(59)	161
Net cash provided by (used in) investing activities	(5,167)	(2,039)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	87	(6,342)
Proceeds from long-term borrowings	10,900	7,360
Repayments of long-term borrowings	(11,288)	(8,060)
Proceeds from sale and leaseback transactions	912	755
Repayments of lease obligations	(2,108)	(2,059)
Purchase of treasury shares	(0)	(1)
Dividends paid	(678)	(1)
Dividends paid to non-controlling interests	(3)	(4)
Proceeds from share issuance to non-controlling shareholders	-	16
Net cash provided by (used in) financing activities	(2,179)	(8,338)
Effect of exchange rate change on cash and cash equivalents	36	191
Net increase (decrease) in cash and cash equivalents	2,383	4,048
Cash and cash equivalents at beginning of period	8,369	10,752
Cash and cash equivalents at end of period	10,752	14,800

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of December 31,2020	As of December 31,2021
Assets		
Current assets		
Cash and deposits	6,051	8,956
Notes receivable - trade	2,133	2,593
Accounts receivable - trade	17,561	22,817
Merchandise and finished goods	16,202	15,872
Work in process	54	64
Raw materials and supplies	264	221
Advance payments to suppliers	292	238
Prepaid expenses	305	342
Short-term loans receivable	14,016	8,777
Other	3,488	3,849
Allowance for doubtful accounts	(961)	(92)
Total current assets	59,410	63,640
Non-current assets		
Property, plant and equipment		
Buildings, net	4,714	4,940
Structures, net	520	521
Machinery and equipment, net	1,633	1,507
Vehicles, net	3	2
Tools, furniture and fixtures, net	1,059	740
Land	17,605	17,636
Leased assets, net	310	339
Construction in progress	56	81
Total property, plant and equipment	25,902	25,768
Intangible assets		
Leasehold interests in land	85	85
Software	474	402
Leased assets	240	273
Other	240	496
Total intangible assets	1,040	1,257
Investments and other assets		
Investment securities	4,477	4,924
Shares of subsidiaries and associates	16,089	18,273
Investments in capital	94	95
Investments in capital of subsidiaries and associates	493	-
Long-term loans receivable	2,784	2,704
Long-term prepaid expenses	418	305
Prepaid pension costs	1,182	1,393
Deferred tax assets	1,095	691
Other	315	315
Allowance for doubtful accounts	(1,009)	(9)
Allowance for investment loss	(825)	(825)
Total investments and other assets	25,116	27,869
Total non-current assets	52,059	54,895
Total assets	111,470	118,536

(Million yen)

	As of December 31,2020	As of December 31,2021
Liabilities		
Current liabilities		
Notes payable - trade	3,258	3,858
Electronically recorded obligations - operating	8,652	9,705
Accounts payable - trade	15,527	17,811
Short-term borrowings	6,000	6,000
Current portion of long-term borrowings	3,831	3,694
Lease obligations	194	234
Accounts payable - other	894	840
Accrued expenses	1,739	1,490
Income taxes payable	107	176
Advances received	73	410
Deposits received	123	157
Provision for bonuses	80	90
Other	175	189
Total current liabilities	40,659	44,659
Non-current liabilities		
Long-term borrowings	19,119	18,375
Lease obligations	404	435
Deferred tax liabilities for land revaluation	3,368	3,368
Provision for retirement benefits	2,781	2,820
Asset retirement obligations	113	574
Long-term deposits received	533	511
Other	-	26
Total non-current liabilities	26,321	26,111
Total liabilities	66,980	70,770
Net assets		
Shareholders' equity		
Share capital	23,344	23,344
Capital surplus		
Legal capital surplus	11,554	11,554
Other capital surplus	2,445	2,444
Total capital surplus	14,000	13,999
Retained earnings		
Other retained earnings		
Retained earnings brought forward	962	3,887
Total retained earnings	962	3,887
Treasury shares	(941)	(930)
Total shareholders' equity	37,367	40,301
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(90)	262
Revaluation reserve for land	7,174	7,174
Total valuation and translation adjustments	7,084	7,437
Share acquisition rights	37	26
Total net assets	44,489	47,766
Total liabilities and net assets	111,470	118,536

Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Net sales	79,251	91,792
Cost of sales	69,850	79,624
Gross profit	9,401	12,168
Selling, general and administrative expenses	10,759	11,314
Operating profit (loss)	(1,358)	854
Non-operating income		
Interest income	359	293
Dividend income	908	2,113
Rental income	1,088	1,227
Settlement received	-	373
Other	462	623
Total non-operating income	2,818	4,631
Non-operating expenses		
Interest expenses	196	194
Sales discounts	41	41
Rental expenses	1,160	1,133
Other	318	291
Total non-operating expenses	1,717	1,661
Ordinary profit (loss)	(257)	3,825
Extraordinary income		
Gain on sale of non-current assets	18	18
Gain on sale of investment securities	0	4
Total extraordinary income	18	23
Extraordinary losses		
Loss on sale and retirement of non-current assets	56	70
Loss on valuation of shares of subsidiaries and associates	3,007	-
Loss on valuation of investments in capital of subsidiaries and associates	-	493
Impairment losses	10,774	-
Loss on sale of investment securities	-	0
Provision of allowance for doubtful accounts	1,958	-
Total extraordinary losses	15,796	564
Profit (loss) before income taxes	(16,035)	3,284
Income taxes - current	(207)	70
Income taxes - deferred	(2,535)	288
Total income taxes	(2,743)	359
Profit (loss)	(13,291)	2,924

Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended December 31,2020

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	23,344	11,554	2,448	14,003	9,485	9,485	(982)	45,851
Changes during period								
Dividends of surplus					(677)	(677)		(677)
Profit					(13,291)	(13,291)		(13,291)
Purchase of treasury shares							(0)	(0)
Disposal of treasury shares			(3)	(3)			41	38
Reversal of revaluation reserve for land					5,447	5,447		5,447
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(3)	(3)	(8,522)	(8,522)	41	(8,484)
Balance at end of period	23,344	11,554	2,445	14,000	962	962	(941)	37,367

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	380	12,622	13,002	75	58,929
Changes during period					
Dividends of surplus					(677)
Profit					(13,291)
Purchase of treasury shares					(0)
Disposal of treasury shares					38
Reversal of revaluation reserve for land					5,447
Net changes in items other than shareholders' equity	(470)	(5,447)	(5,917)	(38)	(5,955)
Total changes during period	(470)	(5,447)	(5,917)	(38)	(14,440)
Balance at end of period	(90)	7,174	7,084	37	44,489

For the fiscal year ended December 31,2021

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	23,344	11,554	2,445	14,000	962	962	(941)	37,367
Changes during period								
Profit					2,924	2,924		2,924
Purchase of treasury shares							(1)	(1)
Disposal of treasury shares			(0)	(0)			11	11
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(0)	(0)	2,924	2,924	10	2,934
Balance at end of period	23,344	11,554	2,444	13,999	3,887	3,887	(930)	40,301

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at beginning of period	(90)	7,174	7,084	37	44,489
Changes during period					
Profit					2,924
Purchase of treasury shares					(1)
Disposal of treasury shares					11
Net changes in items other than shareholders' equity	353	-	353	(10)	342
Total changes during period	353	-	353	(10)	3,276
Balance at end of period	262	7,174	7,437	26	47,766