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Consolidated Financial Results for the Three Months Ended January 31, 2020 [Japanese GAAP]

March 13, 2020

Company name: KOBAYASHI METALS LIMITED
Stock exchange listing: Tokyo
Code number: 8077
URL: https://www.kobayashi-metals.co.jp
Representative: Higaki Toshiyuki , President
Contact: Nishijima Hiroshi , General Manager, Administration Department
Phone: 06-6535-3690
Scheduled date of filing quarterly securities report: March 16, 2020
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended January 31, 2020 (November 01, 2019 to January 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2020	5,042	(9.6)	43	(72.1)	82	(53.5)	45	(62.0)
January 31, 2019	5,577	(2.3)	155	30.6	176	19.9	119	25.0

(Note) Comprehensive income: Three months ended January 31, 2020: ¥ (177) million [-%]
Three months ended January 31, 2019: ¥ (478) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2020	1.80	-
January 31, 2019	4.66	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
January 31, 2020	25,350	11,378	44.9
October 31, 2019	25,938	11,632	44.8

(Reference) Equity: As of January 31, 2020: ¥ 11,378 million
As of October 31, 2019: ¥ 11,632 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 October 31, 2019	-	3.00	-	3.00	6.00
Fiscal year ending October 31, 2020	-				
Fiscal year ending October 31, 2020 (Forecast)		3.00	-	3.00	6.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2020(November 01, 2019 to October 31, 2020)

(% 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
Six months ended April 30, 2020	11,330	1.8	250	1.1	370	1.3	270	8.5	10.62
Full year	22,710	3.0	440	1.7	700	5.7	500	6.6	19.66

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended January 31, 2020 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

January 31, 2020: 28,007,448 shares
October 31, 2019: 28,007,448 shares

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

January 31, 2020: 2,759,512 shares
October 31, 2019: 2,759,512 shares

3) Average number of shares during the period:

Three months ended January 31, 2020: 25,247,936 shares
Three months ended January 31, 2019: 25,696,456 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2019	As of January 31,2020
Assets		
Current assets		
Cash and deposits	2,249,538	2,152,728
Notes and accounts receivable - trade	7,622,272	7,283,297
Merchandise	3,851,367	3,980,928
Other	253,141	258,872
Allowance for doubtful accounts	(8,748)	(8,684)
Total current assets	13,967,570	13,667,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	610,022	602,090
Machinery, equipment and vehicles, net	102,065	98,182
Land	4,495,128	4,495,128
Other, net	97,364	136,840
Total property, plant and equipment	5,304,580	5,332,241
Intangible assets	105,082	110,441
Investments and other assets		
Investment securities	6,096,001	5,817,482
Claims provable in bankruptcy, claims provable in rehabilitation and other	8,633	8,771
Other	464,776	422,927
Allowance for doubtful accounts	(8,633)	(8,771)
Total investments and other assets	6,560,777	6,240,409
Total non-current assets	11,970,440	11,683,092
Total assets	25,938,011	25,350,235

(Thousand yen)

	As of October 31,2019	As of January 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,418,036	4,337,201
Short-term borrowings	6,260,000	6,260,000
Provision for bonuses	129,307	57,488
Other	619,270	525,922
Total current liabilities	11,426,614	11,180,612
Non-current liabilities		
Long-term borrowings	1,300,000	1,300,000
Deferred tax liabilities	1,375,637	1,283,683
Retirement benefit liability	197,054	199,091
Long-term guarantee deposits	4,500	6,500
Other	2,074	1,708
Total non-current liabilities	2,879,266	2,790,983
Total liabilities	14,305,880	13,971,595
Net assets		
Shareholders' equity		
Share capital	2,712,335	2,712,335
Capital surplus	1,728,146	1,728,146
Retained earnings	4,784,392	4,754,088
Treasury shares	(806,125)	(806,125)
Total shareholders' equity	8,418,749	8,388,445
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,157,872	2,938,027
Remeasurements of defined benefit plans	55,507	52,167
Total accumulated other comprehensive income	3,213,380	2,990,194
Total net assets	11,632,130	11,378,639
Total liabilities and net assets	25,938,011	25,350,235

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended January 31,2019	For the three months ended January 31,2020
Net sales	5,577,312	5,042,703
Cost of sales	4,444,509	4,011,462
Gross profit	1,132,803	1,031,240
Selling, general and administrative expenses	976,845	987,700
Operating profit	155,957	43,540
Non-operating income		
Dividend income	8,427	11,009
Rental income	3,732	3,652
Purchase discounts	23,683	21,571
Gain on valuation of securities	-	12,986
Other	7,958	6,988
Total non-operating income	43,801	56,208
Non-operating expenses		
Interest expenses	5,018	7,194
Sales discounts	8,384	9,437
Loss on valuation of securities	9,212	-
Other	676	1,090
Total non-operating expenses	23,291	17,721
Ordinary profit	176,467	82,027
Extraordinary income		
Gain on sales of investment securities	66	-
Gain on reversal of share acquisition rights	2,975	-
Total extraordinary income	3,041	-
Profit before income taxes	179,508	82,027
Income taxes - current	21,917	19,873
Income taxes - deferred	37,965	16,714
Total income taxes	59,883	36,588
Profit	119,625	45,439
Profit attributable to owners of parent	119,625	45,439

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousand yen)

	For the three months ended January 31,2019	For the three months ended January 31,2020
Profit	119,625	45,439
Other comprehensive income		
Valuation difference on available-for-sale securities	(595,062)	(219,845)
Remeasurements of defined benefit plans, net of tax	(3,353)	(3,340)
Total other comprehensive income	(598,415)	(223,186)
Comprehensive income	(478,790)	(177,746)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(478,790)	(177,746)