

Planning and developing rice grain packaging materials and machines as well as purchase and sales of logistics packing products

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[7131 NOMURA Sector : Retail Trade]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Oct. 2019	5,047	-	300	-	306	-	181	-	130.3	746.3	26.0
Oct. 2020	4,898	-3.0	264	-12.0	265	-13.4	54	-70.2	39.4	757.9	8.0
Oct. 2021 f	5,112	4.4	314	18.9	321	21.1	201	3.7x	144.7	-	-

Note: Consolidated basis. Figures for the fiscal year ending October 2021 are the company's forecasts.
It conducted 1-to-25 stock split on August 12, 2020. Per share indices are adjusted retroactively.

Mainly Handles Packaging Materials and Machines for Rice Grain Industry

NOMURA and its consolidated subsidiaries, YAMAHA PRINTING and PACWELL, are conducting the packaging-related and logistics packing businesses. In the fiscal year ended October 2020, the packaging related business accounted for 85.3% of the net sales and the logistics packing business accounted for 14.7%. NOMURA conducts planning, development and sales of packaging machines and packaging materials, YAMAHA PRINTING manufactures packaging materials, and PACWELL purchases machines and products required for packing and sells them.

The company expanded its business field by taking over a polyethylene printing business in November 2017 and making PACWELL its wholly-owned subsidiary in February 2018.

Packaging-Related Business

The packaging-related business is comprised of the packaging material segment and the packaging machine segment.

1) Packaging Material Segment

In the packaging material segment, the company conducts planning, design and sales of packaging materials for food such as bags for polished rice grains. The company sells packaging materials planned and designed by the company and outsourced to and supplied from YAMAHA PRINTING and outside manufacturers. In addition, it also purchases packaging materials from manufactures and trading companies. The buyers are rice polishing plants, rice grain retailers, food service companies as well as business operators handling confectioneries, fertilizers and pet-related products.

2) Packaging Machine Segment

In this segment, the company conducts planning, development and sales as well as provision of after-sales services for rice grain automatic weighing and packaging machines and weighing and packaging machines for the food industry. The features of the company's machines are that the weighing function and packaging function are built into a single unit, and that they are small in size and extremely accurate. The manufacturing is outsourced to machine manufacturers, component manufacturers and trading companies. The buyers are the same as those of the packaging materials.

Logistics Packing Business

This business is conducted by its subsidiary PACWELL, which purchases manufacturing machines of air buffer materials, urethane foam material generating machines, box making and sealing machines such as packaging tape dispenser/sealing machines and buffering materials mainly from overseas and sells them, while also providing machine introduction support and maintenance. Major buyers include online store companies and dispatching agency companies.

Financial Statements

Statement of income	Fiscal Year	Oct.2019		Oct.2020		Nine months to Jul. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		5,047	100.0	4,898	100.0	3,525	100.0
Cost of sales		3,682	73.0	3,655	74.6	2,636	74.8
Gross profit		1,364	27.0	1,243	25.4	888	25.2
Selling, general and administrative expenses		1,064	21.1	978	20.0	714	20.3
Operating profit		300	5.9	264	5.4	174	4.9
Non-operating income		11	-	4	-	2	-
Non-operating expenses		5	-	3	-	2	-
Ordinary profit		306	6.1	265	5.4	174	4.9
Profit before income taxes		306	6.1	163	3.3	174	4.9
Profit attributable to owners of parent		181	3.6	54	1.1	106	3.0

Balance sheet	Fiscal Year	Oct.2019		Oct.2020		Jul. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,305	66.0	2,132	67.3	2,186	68.4
Cash and deposits		1,005	28.8	640	20.2	754	23.6
Accounts receivable-trade		745	21.3	954	30.1	863	27.0
Inventories		538	15.4	489	15.4	556	17.4
Non-current assets		1,190	34.0	1,034	32.7	1,009	31.6
Property, plant and equipment		703	20.1	711	22.5	713	22.3
Intangible assets		330	9.4	163	5.1	133	4.2
Investments and other assets		157	4.5	158	5.0	163	5.1
Total assets		3,495	100.0	3,166	100.0	3,196	100.0
Current liabilities		1,857	53.1	1,630	51.5	1,647	51.5
Accounts payable - trade		1,367	39.1	1,185	37.4	1,344	42.1
Short-term borrowings		115	3.3	65	2.1	32	1.0
Current portion of long-term borrowings		128	3.7	128	4.0	128	4.0
Non-current liabilities		599	17.1	482	15.2	397	12.4
Long-term borrowings		545	15.6	416	13.1	320	10.0
Net assets		1,038	29.7	1,054	33.3	1,151	36.0
Owners' equity		1,038	29.7	1,054	33.3	1,151	36.0

Statement of cash flows	Fiscal Year	Oct.2019	Oct.2020
		(mn yen)	(mn yen)
Cash flows from operating activities		333	-120
Depreciation		29	34
Amortization of goodwill		57	57
Cash flows from investing activities		-39	-10
Cash flows from financing activities		-197	-233
Dividends paid		-	-36
Net increase in cash and cash equivalents		96	-365
Cash and cash equivalents		1,005	640

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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