

Developing the conveyor parts business as a stable revenue source and the robot SI business as a growth area

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【6224 JRC Sector : Machinery】

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)
Feb.2022	8,085	-	856	-	844	-	545	-	43.2	215.9	7.9
Feb.2023	8,961	10.8	1,252	46.3	1,270	50.5	830	52.3	65.8	273.3	7.9
Feb.2024 f	9,541	6.5	1,364	8.9	1,354	6.6	910	9.6	72.0	-	21.0

Note: Consolidated basis. Figures for the fiscal year ending February 2024 are the company's forecasts.

It conducted 1:20 stock split on June 16, 2023. Per share indices are adjusted retroactively.

Developing Conveyor Business and Robot SI Business

JRC operates in the conveyor business, which involves the manufacturing and selling of outdoor belt conveyor components and the robot SI business which offers support for introducing and integrating robots into factories and other facilities.

The conveyor business accounted for 94.4% of net sales in fiscal year ended February 2023, and its segment profit margin is high, at 14.9%. JRC is focusing on the robot SI business as a growth area. While the robot SI business accounted for 5.6% of net sales in fiscal year ended February 2023, it recorded a segment loss of 12 million yen.

Conveyor Business

JRC designs, manufactures and sells outdoor conveyor parts including rollers, pulleys, stands, idlers and belt cleaners. Outdoor belt conveyors are used in large-scale and demanding environments to transport heavy loads over long distances. They are essential components in steel mills, construction and engineering sites, cement plants, mines and power plants.

According to estimates from JRC, in fiscal year of 2021, among 10 domestic conveyor parts manufacturers, JRC held approximately 52% of the market share. Moreover, amidst rising material costs, JRC effectively transfers these costs to its sales prices, with the portion of renewals and replacements accounting for 86% of the order value in fiscal year ended February 2023. Consequently, this has put JRC in a position to secure stable earnings.

In terms of production, the JRC made it possible to manufacture products of uniform quality by being one of the first in the industry to introduce an automatic roller assembly line developed in-house at the company's main plant in Minami-Awaji City, Hyogo Prefecture, in 1989. The company has four plants, including its main plant, and can respond to customers nationwide.

Robot SI Business

In May 2018, JRC launched its fully-fledged robot SI business, under the ALFIS brand. The company provides comprehensive support for the needs assessment and introduction of robots, from concept proposals to operation. As a conveyor parts manufacturer, JRC leverages its expertise in robotization and automation to meet end-users' needs, such as high-mix low-volume production and shorter lead times.

Financial Statements

Statement of income	Fiscal Year	Feb.2022		Feb.2023		Three months to May 2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		8,085	100.0	8,961	100.0	1,972	100.0
Cost of sales		5,444	67.3	5,937	66.3	1,320	66.9
Gross profit		2,641	32.7	3,023	33.7	652	33.1
Selling, general and administrative expenses		1,784	22.1	1,771	19.8	456	23.1
Operating profit		856	10.6	1,252	14.0	195	9.9
Non-operating income		202	-	323	-	50	-
Non-operating expenses		214	-	305	-	55	-
Ordinary profit		844	10.4	1,270	14.2	191	9.7
Profit before income taxes		838	10.4	1,270	14.2	198	10.0
Profit attributable to owners of parent		545	6.7	830	9.3	127	6.4

Balance sheet	Fiscal Year	Feb.2022		Feb.2023		Three months to May 2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,843	54.2	5,939	59.6	5,641	58.5
Cash and deposits		1,243	13.9	1,640	16.5	1,405	14.6
Accounts receivable-trade		2,540	28.4	3,133	31.4	2,814	29.2
Inventories		969	10.8	1,120	11.2	1,338	13.9
Non-current assets		4,087	45.8	4,022	40.4	3,997	41.5
Property, plant and equipment		3,183	35.6	3,069	30.8	3,044	31.6
Intangible assets		56	0.6	49	0.5	60	0.6
Investments and other assets		847	9.5	902	9.1	892	9.3
Total assets		8,931	100.0	9,962	100.0	9,639	100.0
Current liabilities		2,229	25.0	2,967	29.8	2,611	27.1
Accounts payable - trade		1,307	14.6	1,584	15.9	1,534	15.9
Current portion of long-term borrowings.		426	4.8	426	4.3	426	4.4
Non-current liabilities		3,977	44.5	3,544	35.6	3,546	36.8
Long-term borrowings		3,722	41.7	3,296	33.1	3,296	34.2
Net assets		2,724	30.5	3,450	34.6	3,480	36.1
Owners' equity		2,724	30.5	3,449	34.6	3,479	36.1

Statement of cash flows	Fiscal Year	Feb.2022	Feb.2023
		(mn yen)	(mn yen)
Cash flows from operating activities		1,021	1,030
Depreciation		271	232
Amortization of goodwill		2	1
Cash flows from investing activities		-260	-104
Cash flows from financing activities		-528	-530
Dividends paid		-100	-100
Net increase in cash and cash equivalents		232	396
Cash and cash equivalents		1,193	1,590

Note: Consolidated

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