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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

October 29, 2021

Company name: YAMATO KOGYO CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5444

URL: <http://www.yamatokogyo.co.jp>

Representative: Mikio Kobayashi

President

Contact: Kazumi Yonezawa

Director, Managing Executive Officer

Phone: 079-273-1061

Scheduled date of filing quarterly securities report: November 12, 2021

Scheduled date of commencing dividend payments: December 10, 2021

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 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	%
Six months ended September 30, 2021	67,692	(19.6)	3,754	(45.1)	21,117	62.9	14,842	665.1
September 30, 2020	84,236	(14.6)	6,832	(1.9)	12,961	(12.6)	1,940	(80.8)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 29,011 million [-%]

Six months ended September 30, 2020: ¥ (4,603) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	228.25	-
September 30, 2020	29.07	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2021	382,196	347,364	84.6
March 31, 2021	359,788	325,797	84.0

(Reference) Equity: As of September 30, 2021: ¥ 323,485 million

As of March 31, 2021: ¥ 302,046 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen -	Yen 40.00	Yen -	Yen 40.00	Yen 80.00
Fiscal year ending March 31, 2022	-	60.00			
Fiscal year ending March 31, 2022 (Forecast)			-	60.00	120.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 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	150,000	10.3	12,500	24.8	55,000	155.0	38,000	662.4	587.36

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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):

September 30, 2021: 67,670,000 shares

March 31, 2021: 67,670,000 shares

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

September 30, 2021: 2,974,264 shares

March 31, 2021: 1,987,442 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 65,028,714 shares

Six months ended September 30, 2020: 66,727,857 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	101,572	98,717
Notes and accounts receivable - trade	17,616	23,574
Securities	-	3
Merchandise and finished goods	10,627	14,159
Work in process	492	456
Raw materials and supplies	16,931	20,785
Other	2,775	3,326
Allowance for doubtful accounts	(15)	(18)
Total current assets	150,000	161,004
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,502	11,619
Machinery, equipment and vehicles, net	28,864	27,763
Land	17,630	17,905
Construction in progress	1,609	1,637
Other, net	2,534	2,346
Total property, plant and equipment	62,142	61,272
Intangible assets		
Goodwill	912	861
Other	574	720
Total intangible assets	1,486	1,581
Investments and other assets		
Investment securities	45,660	49,831
Investments in capital	54,489	60,762
Long-term loans receivable from subsidiaries and associates	20,886	21,116
Long-term time deposits	21,253	22,732
Retirement benefit asset	995	994
Other	3,144	3,173
Allowance for doubtful accounts	(272)	(272)
Total investments and other assets	146,158	158,337
Total non-current assets	209,787	221,192
Total assets	359,788	382,196

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,528	9,506
Income taxes payable	570	1,354
Provision for bonuses	552	853
Other	7,180	4,604
Total current liabilities	15,831	16,318
Non-current liabilities		
Deferred tax liabilities	12,011	12,608
Retirement benefit liability	2,068	1,933
Other	4,080	3,972
Total non-current liabilities	18,159	18,513
Total liabilities	33,990	34,831
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	-	9
Retained earnings	295,740	307,964
Treasury shares	(2,966)	(6,560)
Total shareholders' equity	300,770	309,410
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,566	3,434
Foreign currency translation adjustment	(2,213)	10,722
Remeasurements of defined benefit plans	(77)	(80)
Total accumulated other comprehensive income	1,275	14,075
Non-controlling interests	23,750	23,879
Total net assets	325,797	347,364
Total liabilities and net assets	359,788	382,196

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	84,236	67,692
Cost of sales	70,308	57,903
Gross profit	13,927	9,789
Selling, general and administrative expenses		
Packing and transportation costs	3,068	2,593
Salaries and allowances	1,158	812
Provision for bonuses	218	254
Retirement benefit expenses	108	5
Provision for retirement benefits for directors (and other officers)	9	-
Other	2,532	2,368
Total selling, general and administrative expenses	7,095	6,034
Operating profit	6,832	3,754
Non-operating income		
Interest income	1,009	227
Dividend income	161	146
Equity in earnings of affiliates	4,953	16,343
Foreign exchange gains	-	383
Other	405	409
Total non-operating income	6,529	17,510
Non-operating expenses		
Interest expenses	5	43
Loss on investments in investment partnerships	-	29
Foreign exchange losses	362	-
Loss on valuation of derivatives	5	56
Other	27	17
Total non-operating expenses	400	147
Ordinary profit	12,961	21,117
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on change in equity	-	2
Gain on sale of shares of subsidiaries and associates	-	2
Other	-	0
Total extraordinary income	2	6
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	7,427	-
Loss on retirement of non-current assets	140	24
Other	12	1
Total extraordinary losses	7,579	26
Profit before income taxes	5,384	21,097
Income taxes - current	3,357	4,620
Income taxes - deferred	(730)	420
Total income taxes	2,626	5,040
Profit	2,757	16,057
Profit attributable to non-controlling interests	817	1,215
Profit attributable to owners of parent	1,940	14,842

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

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	2,757	16,057
Other comprehensive income		
Valuation difference on available-for-sale securities	(235)	(131)
Foreign currency translation adjustment	(5,667)	7,044
Remeasurements of defined benefit plans, net of tax	15	(3)
Share of other comprehensive income of entities accounted for using equity method	(1,473)	6,044
Total other comprehensive income	(7,360)	12,953
Comprehensive income	(4,603)	29,011
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,366)	27,642
Comprehensive income attributable to non-controlling interests	(236)	1,368

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	5,384	21,097
Depreciation	3,645	2,825
Interest and dividend income	(1,171)	(373)
Interest expenses	5	43
Equity in (earnings) losses of affiliates	(4,953)	(16,343)
Decrease (increase) in trade receivables	1,513	(5,979)
Decrease (increase) in inventories	2,597	(7,378)
Increase (decrease) in trade payables	565	1,986
Loss (gain) on sale of shares of subsidiaries and associates	7,427	(2)
Other, net	(1,136)	(652)
Subtotal	13,879	(4,776)
Interest and dividends received	8,292	11,175
Interest paid	(5)	(0)
Income taxes paid	(3,276)	(2,149)
Net cash provided by (used in) operating activities	18,889	4,248
Cash flows from investing activities		
Payments into time deposits	(8,497)	(5,300)
Proceeds from withdrawal of time deposits	997	34,457
Purchase of property, plant and equipment	(3,638)	(2,204)
Purchase of shares of subsidiaries and associates	(15)	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(47)	(2,153)
Loan advances to subsidiaries and associates	(2,347)	-
Other, net	46	(526)
Net cash provided by (used in) investing activities	(13,502)	24,271
Cash flows from financing activities		
Purchase of treasury shares	(1,567)	(3,634)
Dividends paid	(3,320)	(2,616)
Dividends paid to non-controlling interests	(597)	(1,240)
Other, net	(41)	(163)
Net cash provided by (used in) financing activities	(5,527)	(7,654)
Effect of exchange rate change on cash and cash equivalents	(879)	802
Net increase (decrease) in cash and cash equivalents	(1,020)	21,668
Cash and cash equivalents at beginning of period	26,487	19,163
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	670	-
Cash and cash equivalents at end of period	26,137	40,831