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

January 31, 2022

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, Executive Managing Officer

Phone: 079-273-1061

Scheduled date of filing quarterly securities report: February 14, 2022

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 Nine Months Ended December 31, 2021 (April 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	%
Nine months ended December 31, 2021	107,706	(1.0)	8,531	(1.8)	39,622	126.3	27,823	470.8
December 31, 2020	108,756	(22.3)	8,690	(8.7)	17,507	(9.9)	4,874	(61.7)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 42,326 million [-%]

Nine months ended December 31, 2020: ¥ (7,185) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	429.34	-
December 31, 2020	73.43	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2021	390,743	352,467	84.3
March 31, 2021	359,788	325,797	84.0

(Reference) Equity: As of December 31, 2021: ¥ 329,315 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2022	-	60.00	-		
Fiscal year ending March 31, 2022 (Forecast)				100.00	160.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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	13,500	34.8	56,000	159.6	38,500	672.4	604.52

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2021: 67,670,000 shares

March 31, 2021: 67,670,000 shares

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

December 31, 2021: 3,983,166 shares

March 31, 2021: 1,987,442 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 64,805,621 shares

Nine months ended December 31, 2020: 66,379,456 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	101,572	92,466
Notes and accounts receivable - trade	17,616	28,703
Securities	-	19
Merchandise and finished goods	10,627	15,446
Work in process	492	536
Raw materials and supplies	16,931	20,678
Other	2,775	2,292
Allowance for doubtful accounts	(15)	(24)
Total current assets	150,000	160,121
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,502	11,127
Machinery, equipment and vehicles, net	28,864	26,204
Land	17,630	17,451
Construction in progress	1,609	1,632
Other, net	2,534	2,226
Total property, plant and equipment	62,142	58,643
Intangible assets		
Goodwill	912	835
Other	574	759
Total intangible assets	1,486	1,595
Investments and other assets		
Investment securities	45,660	51,744
Investments in capital	54,489	69,999
Long-term loans receivable from subsidiaries and associates	20,886	21,688
Long-term time deposits	21,253	23,018
Retirement benefit asset	995	993
Other	3,144	3,211
Allowance for doubtful accounts	(272)	(272)
Total investments and other assets	146,158	170,383
Total non-current assets	209,787	230,622
Total assets	359,788	390,743

(Million yen)

	As of March 31,2021	As of December 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,528	10,465
Income taxes payable	570	1,733
Provision for bonuses	552	897
Other	7,180	6,768
Total current liabilities	15,831	19,864
Non-current liabilities		
Deferred tax liabilities	12,011	12,601
Retirement benefit liability	2,068	1,907
Other	4,080	3,902
Total non-current liabilities	18,159	18,411
Total liabilities	33,990	38,276
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	-	9
Retained earnings	295,740	317,077
Treasury shares	(2,966)	(9,807)
Total shareholders' equity	300,770	315,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,566	3,455
Foreign currency translation adjustment	(2,213)	10,665
Remeasurements of defined benefit plans	(77)	(82)
Total accumulated other comprehensive income	1,275	14,039
Non-controlling interests	23,750	23,152
Total net assets	325,797	352,467
Total liabilities and net assets	359,788	390,743

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

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Net sales	108,756	107,706
Cost of sales	90,334	89,557
Gross profit	18,421	18,149
Selling, general and administrative expenses		
Packing and transportation costs	4,121	4,148
Salaries and allowances	1,704	1,338
Provision for bonuses	194	334
Retirement benefit expenses	144	30
Provision for retirement benefits for directors (and other officers)	9	-
Other	3,555	3,765
Total selling, general and administrative expenses	9,730	9,617
Operating profit	8,690	8,531
Non-operating income		
Interest income	1,222	320
Dividend income	297	316
Equity in earnings of affiliates	7,647	28,801
Foreign exchange gains	-	1,276
Other	567	572
Total non-operating income	9,734	31,288
Non-operating expenses		
Interest expenses	46	62
Loss on investments in investment partnerships	-	29
Foreign exchange losses	823	-
Loss on valuation of derivatives	19	54
Other	29	50
Total non-operating expenses	918	197
Ordinary profit	17,507	39,622
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	7,381	-
Loss on retirement of non-current assets	146	24
Other	8	6
Total extraordinary losses	7,535	31
Profit before income taxes	9,974	39,597
Income taxes - current	4,863	8,875
Income taxes - deferred	(945)	391
Total income taxes	3,917	9,267
Profit	6,056	30,330
Profit attributable to non-controlling interests	1,182	2,506
Profit attributable to owners of parent	4,874	27,823

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

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	6,056	30,330
Other comprehensive income		
Valuation difference on available-for-sale securities	121	(111)
Foreign currency translation adjustment	(10,330)	4,841
Remeasurements of defined benefit plans, net of tax	23	(5)
Share of other comprehensive income of entities accounted for using equity method	(3,057)	7,269
Total other comprehensive income	(13,242)	11,995
Comprehensive income	(7,185)	42,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,340)	40,587
Comprehensive income attributable to non-controlling interests	(844)	1,739

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Cash flows from operating activities		
Profit before income taxes	9,974	39,597
Depreciation	5,089	4,235
Interest and dividend income	(1,519)	(637)
Interest expenses	46	62
Equity in (earnings) losses of affiliates	(7,647)	(28,801)
Decrease (increase) in trade receivables	(287)	(11,362)
Decrease (increase) in inventories	1,835	(9,577)
Increase (decrease) in trade payables	1,963	3,059
Loss (gain) on sale of shares of subsidiaries and associates	7,381	(2)
Other, net	(711)	(424)
Subtotal	16,123	(3,849)
Interest and dividends received	13,408	14,483
Interest paid	(5)	(0)
Income taxes paid	(4,993)	(5,768)
Net cash provided by (used in) operating activities	24,532	4,865
Cash flows from investing activities		
Payments into time deposits	(18,685)	(5,515)
Proceeds from withdrawal of time deposits	3,424	81,405
Purchase of property, plant and equipment	(4,015)	(2,630)
Purchase of shares of subsidiaries and associates	(618)	-
Proceeds from sale of shares of subsidiaries and associates	-	1,336
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(54)	(2,141)
Loan advances to subsidiaries and associates	(3,106)	-
Other, net	25	(1,111)
Net cash provided by (used in) investing activities	(23,030)	71,343
Cash flows from financing activities		
Purchase of treasury shares	(2,580)	(6,881)
Dividends paid	(5,721)	(6,136)
Dividends paid to non-controlling interests	(1,219)	(2,337)
Other, net	(166)	(182)
Net cash provided by (used in) financing activities	(9,687)	(15,537)
Effect of exchange rate change on cash and cash equivalents	(1,155)	2,145
Net increase (decrease) in cash and cash equivalents	(9,341)	62,817
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	17,816	81,980