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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 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: November 14, 2022

Scheduled date of commencing dividend payments: December 09, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

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, 2022 (April 01, 2022 to September 30, 2022)

(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, 2022	94,773	40.0	9,417	150.8	51,361	143.2	37,875	155.2
September 30, 2021	67,692	(19.6)	3,754	(45.1)	21,117	62.9	14,842	665.1

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 93,661 million [222.8%]

Six months ended September 30, 2021: ¥ 29,011 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	594.66	-
September 30, 2021	228.25	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	507,406	461,860	85.2
March 31, 2022	414,928	375,686	84.4

(Reference) Equity: As of September 30, 2022: ¥ 432,067 million

As of March 31, 2022: ¥ 350,351 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, 2022	-	60.00	-	100.00	160.00
Fiscal year ending March 31, 2023	-	150.00			
Fiscal year ending March 31, 2023 (Forecast)			-	150.00	300.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	179,000	19.3	15,000	12.9	90,500	57.0	66,000	65.3	1,036.15

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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, 2022: 65,000,000 shares

March 31, 2022: 65,000,000 shares

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

September 30, 2022: 1,302,789 shares

March 31, 2022: 1,313,215 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 63,691,977 shares

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

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	99,717	155,393
Notes and accounts receivable - trade	25,144	29,635
Securities	20	2,000
Merchandise and finished goods	18,360	21,482
Work in process	555	632
Raw materials and supplies	20,926	24,443
Other	3,007	4,083
Allowance for doubtful accounts	(22)	(24)
Total current assets	167,710	237,646
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,310	11,871
Machinery, equipment and vehicles, net	26,832	28,361
Land	17,815	19,024
Construction in progress	1,550	1,841
Other, net	2,251	2,527
Total property, plant and equipment	59,761	63,627
Intangible assets		
Goodwill	810	758
Other	822	1,112
Total intangible assets	1,632	1,871
Investments and other assets		
Investment securities	56,255	71,187
Investments in capital	78,826	87,267
Long-term loans receivable from subsidiaries and associates	23,067	27,247
Long-term time deposits	23,660	13,918
Retirement benefit asset	917	917
Other	3,396	4,026
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	185,823	204,261
Total non-current assets	247,217	269,759
Total assets	414,928	507,406

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,033	11,084
Income taxes payable	1,908	2,537
Provision for bonuses	744	1,379
Other	5,725	8,058
Total current liabilities	19,411	23,059
Non-current liabilities		
Deferred tax liabilities	13,874	16,191
Retirement benefit liability	1,975	1,944
Other	3,981	4,350
Total non-current liabilities	19,830	22,486
Total liabilities	39,242	45,546
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	-	15
Retained earnings	320,784	352,313
Treasury shares	(1,412)	(1,379)
Total shareholders' equity	327,369	358,945
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490	4,360
Foreign currency translation adjustment	18,649	68,914
Remeasurements of defined benefit plans	(157)	(153)
Total accumulated other comprehensive income	22,982	73,121
Non-controlling interests	25,335	29,792
Total net assets	375,686	461,860
Total liabilities and net assets	414,928	507,406

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 30,2021	For the six months ended September 30,2022
Net sales	67,692	94,773
Cost of sales	57,903	77,639
Gross profit	9,789	17,134
Selling, general and administrative expenses		
Packing and transportation costs	2,593	3,464
Salaries and allowances	812	845
Provision for bonuses	254	423
Retirement benefit expenses	5	9
Other	2,368	2,973
Total selling, general and administrative expenses	6,034	7,716
Operating profit	3,754	9,417
Non-operating income		
Interest income	227	741
Dividend income	146	241
Equity in earnings of affiliates	16,343	35,065
Foreign exchange gains	383	5,541
Other	409	469
Total non-operating income	17,510	42,059
Non-operating expenses		
Interest expenses	43	42
Loss on investments in investment partnerships	29	-
Loss on valuation of derivatives	56	34
Loss on disaster	-	22
Other	17	15
Total non-operating expenses	147	115
Ordinary profit	21,117	51,361
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on change in equity	2	-
Gain on sale of shares of subsidiaries and associates	2	-
Other	0	-
Total extraordinary income	6	2
Extraordinary losses		
Loss on retirement of non-current assets	24	11
Provision of loss on fair-trade act	-	1,185
Other	1	11
Total extraordinary losses	26	1,208
Profit before income taxes	21,097	50,156
Income taxes - current	4,620	9,869
Income taxes - refund	-	(1,480)
Income taxes - deferred	420	1,702
Total income taxes	5,040	10,090
Profit	16,057	40,065
Profit attributable to non-controlling interests	1,215	2,190
Profit attributable to owners of parent	14,842	37,875

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	16,057	40,065
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	(136)
Foreign currency translation adjustment	7,044	31,067
Remeasurements of defined benefit plans, net of tax	(3)	4
Share of other comprehensive income of entities accounted for using equity method	6,044	22,659
Total other comprehensive income	12,953	53,595
Comprehensive income	29,011	93,661
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,642	88,014
Comprehensive income attributable to non-controlling interests	1,368	5,646

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	21,097	50,156
Depreciation	2,825	2,906
Interest and dividend income	(373)	(982)
Interest expenses	43	42
Equity in (earnings) losses of affiliates	(16,343)	(35,065)
Decrease (increase) in trade receivables	(5,979)	(3,809)
Decrease (increase) in inventories	(7,378)	(3,298)
Increase (decrease) in trade payables	1,986	(424)
Loss (gain) on sale of shares of subsidiaries and associates	(2)	-
Other, net	(652)	(2,616)
Subtotal	(4,776)	6,908
Interest and dividends received	11,175	35,255
Interest paid	(0)	-
Income taxes paid	(2,149)	(8,695)
Net cash provided by (used in) operating activities	4,248	33,468
Cash flows from investing activities		
Payments into time deposits	(5,300)	(1,428)
Proceeds from withdrawal of time deposits	34,457	1,422
Purchase of property, plant and equipment	(2,204)	(1,470)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(2,153)	-
Other, net	(526)	(447)
Net cash provided by (used in) investing activities	24,271	(1,924)
Cash flows from financing activities		
Purchase of treasury shares	(3,634)	(0)
Dividends paid	(2,616)	(6,340)
Dividends paid to non-controlling interests	(1,240)	(1,188)
Other, net	(163)	(172)
Net cash provided by (used in) financing activities	(7,654)	(7,702)
Effect of exchange rate change on cash and cash equivalents	802	19,070
Net increase (decrease) in cash and cash equivalents	21,668	42,912
Cash and cash equivalents at beginning of period	19,163	95,467
Cash and cash equivalents at end of period	40,831	138,379