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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

April 28, 2023

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: +81-79-273-1061

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 30, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	180,438	20.3	16,813	26.5	90,494	57.0	65,317	63.6
March 31, 2022	150,029	10.3	13,290	32.7	57,646	167.3	39,917	700.8

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 111,987 million [70.9%]
Fiscal year ended March 31, 2022: ¥ 65,545 million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	1,025.49	-	16.5	19.5	9.3
March 31, 2022	618.62	-	12.2	14.9	8.9

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2023: ¥ 66,258 million
Fiscal year ended March 31, 2022: ¥ 40,348 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	515,000	470,211	85.6	6,917.47
March 31, 2022	414,928	375,686	84.4	5,501.16

(Reference) Equity: As of March 31, 2023: ¥ 440,622 million
As of March 31, 2022: ¥ 350,351 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	52,654	(10,346)	(17,719)	133,859
March 31, 2022	11,457	76,736	(15,904)	95,467

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	60.00	-	100.00	160.00	10,407	25.9	3.2
March 31, 2023	-	150.00	-	150.00	300.00	19,403	29.3	4.8
Fiscal year ending March 31, 2024 (Forecast)	-	150.00	-	150.00	300.00		39.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	82,000	(13.5)	5,500	(41.6)	39,000	(24.1)	28,000	(26.1)	439.58
Full year	160,000	(11.3)	9,500	(43.5)	68,000	(24.9)	48,000	(26.5)	753.57

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
 New - (Company name:)
 Exclusion: - (Company name:)
- (2) 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
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
 March 31, 2023: 65,000,000 shares
 March 31, 2022: 65,000,000 shares
- 2) Number of treasury shares at the end of the period:
 March 31, 2023: 1,302,901 shares
 March 31, 2022: 1,313,215 shares
- 3) Average number of shares outstanding during the period:
 Fiscal Year ended March 31, 2023: 63,694,549 shares
 Fiscal Year ended March 31, 2022: 64,525,916 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	99,717	162,422
Notes receivable - trade	129	256
Accounts receivable - trade	25,015	27,974
Securities	20	19
Merchandise and finished goods	18,360	18,324
Work in process	555	652
Raw materials and supplies	20,926	20,855
Other	3,007	7,760
Allowance for doubtful accounts	(22)	(22)
Total current assets	167,710	238,243
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,652	36,231
Accumulated depreciation	(22,341)	(24,638)
Buildings and structures, net	11,310	11,593
Machinery, equipment and vehicles	118,139	128,420
Accumulated depreciation	(91,307)	(100,750)
Machinery, equipment and vehicles, net	26,832	27,669
Tools, furniture and fixtures	2,479	2,769
Accumulated depreciation	(2,133)	(2,384)
Tools, furniture and fixtures, net	345	384
Land	17,815	18,884
Construction in progress	1,550	2,782
Other	2,154	2,501
Accumulated depreciation	(248)	(424)
Other, net	1,905	2,077
Total property, plant and equipment	59,761	63,392
Intangible assets		
Goodwill	810	707
Other	822	1,130
Total intangible assets	1,632	1,838
Investments and other assets		
Investment securities	56,255	73,173
Investments in capital	78,826	102,143
Long-term loans receivable from subsidiaries and associates	23,067	25,144
Long-term time deposits	23,660	9,462
Retirement benefit asset	917	895
Other	3,396	1,007
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	185,823	211,526
Total non-current assets	247,217	276,756
Total assets	414,928	515,000

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,033	10,592
Accounts payable - other	1,885	2,929
Accrued expenses	2,265	2,550
Income taxes payable	1,908	3,036
Provision for bonuses	744	752
Other	1,574	1,637
Total current liabilities	19,411	21,498
Non-current liabilities		
Deferred tax liabilities	13,874	17,269
Retirement benefit liability	1,975	2,050
Other	3,981	3,969
Total non-current liabilities	19,830	23,289
Total liabilities	39,242	44,788
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	-	15
Retained earnings	320,784	370,233
Treasury shares	(1,412)	(1,380)
Total shareholders' equity	327,369	376,865
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490	5,473
Foreign currency translation adjustment	18,649	58,456
Remeasurements of defined benefit plans	(157)	(172)
Total accumulated other comprehensive income	22,982	63,757
Non-controlling interests	25,335	29,588
Total net assets	375,686	470,211
Total liabilities and net assets	414,928	515,000

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	150,029	180,438
Cost of sales	123,788	148,755
Gross profit	26,241	31,682
Selling, general and administrative expenses		
Packing and transportation costs	5,728	6,659
Salaries and allowances	1,813	1,977
Provision for bonuses	546	510
Retirement benefit expenses	56	119
Depreciation	204	218
Taxes and dues	340	429
Other	4,260	4,953
Total selling, general and administrative expenses	12,950	14,869
Operating profit	13,290	16,813
Non-operating income		
Interest income	418	3,636
Dividend income	321	458
Equity in earnings of affiliates	40,348	66,258
Foreign exchange gains	2,773	2,558
Other	776	945
Total non-operating income	44,637	73,857
Non-operating expenses		
Interest expenses	82	86
Loss on investments in investment partnerships	19	-
Loss on valuation of derivatives	26	-
Provision of allowance for doubtful accounts	29	-
Loss on disaster	50	43
Other	73	45
Total non-operating expenses	282	175
Ordinary profit	57,646	90,494
Extraordinary income		
Gain on sale of non-current assets	1	12
Gain on change in equity	2	-
Gain on sale of shares of subsidiaries and associates	2	-
Gain on sale of investment securities	1	7
Total extraordinary income	8	19
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	31	64
Provision of Loss on Fair-trade Act	248	-
Loss on Fair-trade Act	-	1,199
Other	1	13
Total extraordinary losses	281	1,278
Profit before income taxes	57,373	89,235
Income taxes - current	12,528	20,185
Income taxes - refund	-	(1,570)
Income taxes - deferred	1,130	2,414
Total income taxes	13,659	21,030
Profit	43,714	68,205
Profit attributable to non-controlling interests	3,797	2,887
Profit attributable to owners of parent	39,917	65,317

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	43,714	68,205
Other comprehensive income		
Valuation difference on available-for-sale securities	922	980
Foreign currency translation adjustment	10,539	24,187
Remeasurements of defined benefit plans, net of tax	(80)	(16)
Share of other comprehensive income of entities accounted for using equity method	10,448	18,630
Total other comprehensive income	21,830	43,782
Comprehensive income	65,545	111,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	61,623	106,092
Comprehensive income attributable to non-controlling interests	3,921	5,894

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,996	-	295,740	(2,966)	300,770
Changes during period					
Dividends of surplus			(6,487)		(6,487)
Profit attributable to owners of parent			39,917		39,917
Purchase of treasury shares				(6,881)	(6,881)
Disposal of treasury stock upon restricted stock compensation		9		40	50
Cancellation of treasury shares		(9)	(8,386)	8,395	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	25,044	1,554	26,598
Balance at end of period	7,996	-	320,784	(1,412)	327,369

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,566	(2,213)	(77)	1,275	23,750	325,797
Changes during period						
Dividends of surplus						(6,487)
Profit attributable to owners of parent						39,917
Purchase of treasury shares						(6,881)
Disposal of treasury stock upon restricted stock compensation						50
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	924	20,862	(80)	21,706	1,584	23,290
Total changes during period	924	20,862	(80)	21,706	1,584	49,889
Balance at end of period	4,490	18,649	(157)	22,982	25,335	375,686

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,996	-	320,784	(1,412)	327,369
Changes during period					
Dividends of surplus			(15,868)		(15,868)
Profit attributable to owners of parent			65,317		65,317
Purchase of treasury shares				(0)	(0)
Disposal of treasury stock upon restricted stock compensation		15		33	48
Cancellation of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	-	15	49,449	32	49,496
Balance at end of period	7,996	15	370,233	(1,380)	376,865

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,490	18,649	(157)	22,982	25,335	375,686
Changes during period						
Dividends of surplus						(15,868)
Profit attributable to owners of parent						65,317
Purchase of treasury shares						(0)
Disposal of treasury stock upon restricted stock compensation						48
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	982	39,807	(15)	40,775	4,253	45,028
Total changes during period	982	39,807	(15)	40,775	4,253	94,525
Balance at end of period	5,473	58,456	(172)	63,757	29,588	470,211

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	57,373	89,235
Depreciation	5,687	6,017
Amortization of goodwill	102	102
Increase (decrease) in allowance for doubtful accounts	36	0
Increase (decrease) in provision for bonuses	191	8
Increase (decrease) in retirement benefit liability	(88)	(7)
Interest and dividend income	(739)	(4,095)
Interest expenses	82	86
Foreign exchange losses (gains)	(429)	(540)
Equity in (earnings) losses of affiliates	(40,348)	(66,258)
Loss (gain) on sale of non-current assets	(1)	(12)
Loss on retirement of non-current assets	31	64
Decrease (increase) in trade receivables	(7,541)	(2,524)
Decrease (increase) in inventories	(11,865)	2,819
Increase (decrease) in trade payables	3,516	(849)
Loss (gain) on sale of shares of subsidiaries and associates	(2)	-
Increase (decrease) in accounts payable - other	79	135
Other, net	(3,269)	(2,576)
Subtotal	2,814	21,606
Interest and dividends received	18,275	50,888
Interest paid	(0)	-
Income taxes paid	(9,633)	(19,839)
Net cash provided by (used in) operating activities	11,457	52,654
Cash flows from investing activities		
Payments into time deposits	(6,052)	(7,365)
Proceeds from withdrawal of time deposits	89,004	1,485
Purchase of securities	(21)	(4,000)
Proceeds from sale of securities	-	4,022
Purchase of property, plant and equipment	(3,478)	(3,866)
Proceeds from sale of property, plant and equipment	1	13
Purchase of intangible assets	(331)	(461)
Purchase of investment securities	(1,702)	(195)
Proceeds from sale of investment securities	3	724
Purchase of shares of subsidiaries and associates	-	(725)
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	(2,140)	-
Other, net	116	21
Net cash provided by (used in) investing activities	76,736	(10,346)
Cash flows from financing activities		
Purchase of treasury shares	(6,881)	(0)
Dividends paid	(6,481)	(15,854)
Dividends paid to non-controlling interests	(2,337)	(1,641)
Other, net	(203)	(223)
Net cash provided by (used in) financing activities	(15,904)	(17,719)
Effect of exchange rate change on cash and cash equivalents	4,014	13,803
Net increase (decrease) in cash and cash equivalents	76,304	38,391
Cash and cash equivalents at beginning of period	19,163	95,467
Cash and cash equivalents at end of period	95,467	133,859