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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 31, 2023

Company name: YAMATO KOGYO CO.,LTD.

Stock exchange listing: Tokyo

Code number: 5444

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

Representative: Mikio Kobayashi

President

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Managing Executive Officer

Phone: +81-79-273-1061

Scheduled date of filing quarterly securities report: August 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	42,527	(9.5)	4,115	(2.5)	25,400	9.6	18,311	1.5
June 30, 2022	46,992	43.2	4,221	161.1	23,174	179.1	18,039	226.0

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 24,033 million [(37.9)%]
 Three months ended June 30, 2022: ¥ 38,708 million [87.9%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	287.48	-
June 30, 2022	283.25	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	531,649	483,352	85.4
March 31, 2023	515,000	470,211	85.6

(Reference) Equity: As of June 30, 2023: ¥ 454,019 million
 As of March 31, 2023: ¥ 440,622 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen
Fiscal year ending March 31, 2023	-	150.00	-	150.00	300.00
Fiscal year ending March 31, 2024(Forecast)	-	150.00	-	150.00	300.00

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

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	79,500	(16.1)	7,500	(20.4)	47,000	(8.5)	33,000	(12.9)	518.08
Full year	154,000	(14.7)	13,000	(22.7)	82,000	(9.4)	58,000	(11.2)	910.56

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(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: No

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):

June 30, 2023: 65,000,000 shares

March 31, 2023: 65,000,000 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,303,052 shares

March 31, 2023: 1,302,901 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 63,696,988 shares

Three months ended June 30, 2022: 63,686,744 shares

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	162,422	199,951
Notes and accounts receivable - trade	28,231	30,522
Securities	19	-
Merchandise and finished goods	18,324	18,590
Work in process	652	864
Raw materials and supplies	20,855	20,566
Other	7,760	4,799
Allowance for doubtful accounts	(22)	(24)
Total current assets	238,243	275,271
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	11,560
Machinery, equipment and vehicles, net	27,669	27,867
Land	18,884	18,736
Construction in progress	2,782	2,905
Other, net	2,462	2,483
Total property, plant and equipment	63,392	63,552
Intangible assets		
Goodwill	707	682
Other	1,130	1,224
Total intangible assets	1,838	1,906
Investments and other assets		
Investment securities	73,173	77,646
Investments in capital	102,143	74,409
Long-term loans receivable from subsidiaries and associates	25,144	27,281
Long-term time deposits	9,462	9,559
Retirement benefit asset	895	896
Other	1,007	1,427
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	211,526	190,919
Total non-current assets	276,756	256,378
Total assets	515,000	531,649

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,592	10,038
Income taxes payable	3,036	3,521
Provision for bonuses	752	491
Other	7,117	8,995
Total current liabilities	21,498	23,047
Non-current liabilities		
Deferred tax liabilities	17,269	18,154
Retirement benefit liability	2,050	2,135
Other	3,969	4,958
Total non-current liabilities	23,289	25,249
Total liabilities	44,788	48,297
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	15	15
Retained earnings	370,233	379,023
Treasury shares	(1,380)	(1,380)
Total shareholders' equity	376,865	385,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,473	7,623
Foreign currency translation adjustment	58,456	60,913
Remeasurements of defined benefit plans	(172)	(171)
Total accumulated other comprehensive income	63,757	68,365
Non-controlling interests	29,588	29,332
Total net assets	470,211	483,352
Total liabilities and net assets	515,000	531,649

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	46,992	42,527
Cost of sales	39,074	34,788
Gross profit	7,918	7,739
Selling, general and administrative expenses		
Packing and transportation costs	1,716	1,462
Salaries and allowances	414	474
Provision for bonuses	210	128
Retirement benefit expenses	2	66
Other	1,353	1,490
Total selling, general and administrative expenses	3,697	3,623
Operating profit	4,221	4,115
Non-operating income		
Interest income	196	2,147
Dividend income	235	234
Equity in earnings of affiliates	15,154	16,085
Foreign exchange gains	3,176	2,699
Other	259	163
Total non-operating income	19,022	21,330
Non-operating expenses		
Interest expenses	20	22
Loss on valuation of derivatives	19	-
Loss on disaster	22	16
Other	6	5
Total non-operating expenses	69	45
Ordinary profit	23,174	25,400
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	-	5
Total extraordinary income	0	5
Extraordinary losses		
Provision for loss on litigation	-	973
Other	0	59
Total extraordinary losses	0	1,033
Profit before income taxes	23,175	24,372
Income taxes - current	4,668	5,698
Income taxes - refund	(1,400)	-
Income taxes - deferred	786	(83)
Total income taxes	4,054	5,614
Profit	19,120	18,757
Profit attributable to non-controlling interests	1,080	446
Profit attributable to owners of parent	18,039	18,311

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	19,120	18,757
Other comprehensive income		
Valuation difference on available-for-sale securities	(478)	2,154
Foreign currency translation adjustment	12,665	2,320
Remeasurements of defined benefit plans, net of tax	2	1
Share of other comprehensive income of entities accounted for using equity method	7,398	798
Total other comprehensive income	19,587	5,275
Comprehensive income	38,708	24,033
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,724	22,919
Comprehensive income attributable to non-controlling interests	2,983	1,113

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	23,175	24,372
Depreciation	1,410	1,544
Interest and dividend income	(431)	(2,382)
Interest expenses	20	22
Equity in (earnings) losses of affiliates	(15,154)	(16,085)
Decrease (increase) in trade receivables	(5,398)	(2,135)
Decrease (increase) in inventories	(912)	364
Increase (decrease) in trade payables	285	(627)
Other, net	(2,087)	(2,175)
Subtotal	907	2,898
Interest and dividends received	25,262	46,279
Income taxes paid	(956)	(2,747)
Net cash provided by (used in) operating activities	25,213	46,431
Cash flows from investing activities		
Payments into time deposits	(12)	(4,041)
Proceeds from withdrawal of time deposits	1,379	-
Purchase of property, plant and equipment	(945)	(1,333)
Other, net	(73)	665
Net cash provided by (used in) investing activities	347	(4,709)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(5,771)	(8,608)
Dividends paid to non-controlling interests	(1,188)	(1,369)
Other, net	(19)	(24)
Net cash provided by (used in) financing activities	(6,980)	(10,003)
Effect of exchange rate change on cash and cash equivalents	6,681	1,392
Net increase (decrease) in cash and cash equivalents	25,261	33,110
Cash and cash equivalents at beginning of period	95,467	133,859
Cash and cash equivalents at end of period	120,729	166,969