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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 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

Contact: Yoshikazu Kotera

Managing Executive Officer

Phone: +81-79-273-1061

Scheduled date of filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: December 8, 2023

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, 2023 (April 1, 2023 to September 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	%
Six months ended September 30, 2023	80,373	(15.2)	7,854	(16.6)	50,621	(1.4)	36,342	(4.0)
September 30, 2022	94,773	40.0	9,417	150.8	51,361	143.2	37,875	155.2

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 73,972 million [(21.0)%]
Six months ended September 30, 2022: ¥ 93,661 million [222.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2023	Yen 570.53	Yen -
September 30, 2022	594.66	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2023	Millions of yen 581,830	Millions of yen 533,344	86.3
March 31, 2023	515,000	470,211	85.6

(Reference) Equity: As of September 30, 2023: ¥ 502,285 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 150.00	Yen -	Yen 150.00	Yen 300.00
Fiscal year ending March 31, 2024	-	150.00	-	-	-
Fiscal year ending March 31, 2024(Forecast)	-	-	-	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
Full year	157,000	(13.0)	14,000	(16.7)	90,000	(0.5)	63,000	(3.5)	988.93

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 30, 2023: 65,000,000 shares

March 31, 2023: 65,000,000 shares

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

September 30, 2023: 1,294,619 shares

March 31, 2023: 1,302,901 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 63,699,771 shares

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

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	162,422	225,977
Notes and accounts receivable - trade	28,231	32,448
Securities	19	-
Merchandise and finished goods	18,324	16,932
Work in process	652	733
Raw materials and supplies	20,855	20,493
Other	7,760	4,790
Allowance for doubtful accounts	(22)	(27)
Total current assets	238,243	301,347
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	11,664
Machinery, equipment and vehicles, net	27,669	27,986
Land	18,884	19,640
Construction in progress	2,782	3,741
Other, net	2,462	2,556
Total property, plant and equipment	63,392	65,589
Intangible assets		
Goodwill	707	656
Other	1,130	1,241
Total intangible assets	1,838	1,898
Investments and other assets		
Investment securities	73,173	85,559
Investments in capital	102,143	87,417
Long-term loans receivable from subsidiaries and associates	25,144	28,137
Long-term time deposits	9,462	10,422
Retirement benefit asset	895	896
Other	1,007	862
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	211,526	212,995
Total non-current assets	276,756	280,483
Total assets	515,000	581,830

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,592	9,922
Income taxes payable	3,036	2,653
Provision for bonuses	752	956
Other	7,117	7,546
Total current liabilities	21,498	21,078
Non-current liabilities		
Deferred tax liabilities	17,269	19,774
Retirement benefit liability	2,050	2,188
Other	3,969	5,444
Total non-current liabilities	23,289	27,407
Total liabilities	44,788	48,486
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	15	41
Retained earnings	370,233	397,054
Treasury shares	(1,380)	(1,354)
Total shareholders' equity	376,865	403,738
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,473	8,209
Foreign currency translation adjustment	58,456	90,507
Remeasurements of defined benefit plans	(172)	(169)
Total accumulated other comprehensive income	63,757	98,547
Non-controlling interests	29,588	31,058
Total net assets	470,211	533,344
Total liabilities and net assets	515,000	581,830

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	94,773	80,373
Cost of sales	77,639	65,495
Gross profit	17,134	14,877
Selling, general and administrative expenses		
Packing and transportation costs	3,464	2,728
Salaries and allowances	845	964
Provision for bonuses	423	251
Retirement benefit expenses	9	104
Other	2,973	2,974
Total selling, general and administrative expenses	7,716	7,023
Operating profit	9,417	7,854
Non-operating income		
Interest income	741	5,187
Dividend income	241	241
Equity in earnings of affiliates	35,065	33,187
Foreign exchange gains	5,541	3,961
Other	469	369
Total non-operating income	42,059	42,948
Non-operating expenses		
Interest expenses	42	45
Loss on valuation of derivatives	34	106
Loss on disaster	22	16
Other	15	12
Total non-operating expenses	115	181
Ordinary profit	51,361	50,621
Extraordinary income		
Gain on sale of non-current assets	2	-
Gain on sale of investment securities	-	6
Total extraordinary income	2	6
Extraordinary losses		
Provision of loss on fair-trade act	1,185	-
Provision for loss on litigation	-	1,254
Other	23	180
Total extraordinary losses	1,208	1,434
Profit before income taxes	50,156	49,192
Income taxes - current	9,869	11,048
Income taxes - refund	(1,480)	-
Income taxes - deferred	1,702	866
Total income taxes	10,090	11,915
Profit	40,065	37,276
Profit attributable to non-controlling interests	2,190	934
Profit attributable to owners of parent	37,875	36,342

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	40,065	37,276
Other comprehensive income		
Valuation difference on available-for-sale securities	(136)	2,740
Foreign currency translation adjustment	31,067	20,395
Remeasurements of defined benefit plans, net of tax	4	3
Share of other comprehensive income of entities accounted for using equity method	22,659	13,556
Total other comprehensive income	53,595	36,695
Comprehensive income	93,661	73,972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	88,014	71,132
Comprehensive income attributable to non-controlling interests	5,646	2,839

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	50,156	49,192
Depreciation	2,906	3,142
Interest and dividend income	(982)	(5,428)
Interest expenses	42	45
Equity in (earnings) losses of affiliates	(35,065)	(33,187)
Decrease (increase) in trade receivables	(3,809)	(3,812)
Decrease (increase) in inventories	(3,298)	3,098
Increase (decrease) in trade payables	(424)	(836)
Other, net	(2,616)	(26)
Subtotal	6,908	12,186
Interest and dividends received	35,255	58,038
Income taxes paid	(8,695)	(9,896)
Net cash provided by (used in) operating activities	33,468	60,329
Cash flows from investing activities		
Payments into time deposits	(1,428)	(9,929)
Proceeds from withdrawal of time deposits	1,422	18,330
Purchase of property, plant and equipment	(1,470)	(2,586)
Other, net	(447)	1,023
Net cash provided by (used in) investing activities	(1,924)	6,838
Cash flows from financing activities		
Purchase of treasury shares	(0)	(1)
Dividends paid	(6,340)	(9,509)
Dividends paid to non-controlling interests	(1,188)	(1,369)
Other, net	(172)	(187)
Net cash provided by (used in) financing activities	(7,702)	(11,067)
Effect of exchange rate change on cash and cash equivalents	19,070	14,291
Net increase (decrease) in cash and cash equivalents	42,912	70,391
Cash and cash equivalents at beginning of period	95,467	133,859
Cash and cash equivalents at end of period	138,379	204,250