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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

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: February 14, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 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	%
Nine months ended December 31, 2023	122,205	(12.2)	12,773	(5.9)	73,351	0.8	51,861	(2.4)
December 31, 2022	139,120	29.2	13,573	59.1	72,787	83.7	53,140	91.0

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 101,809 million [(19.1)%]
 Nine months ended December 31, 2022: ¥ 125,816 million [197.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	814.13	-
December 31, 2022	834.32	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	604,031	551,033	86.1
March 31, 2023	515,000	470,211	85.6

(Reference) Equity: As of December 31, 2023: ¥ 519,972 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	-	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	163,000	(9.7)	16,000	(4.8)	94,500	4.4	66,500	1.8	1,043.87

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

* Notes:

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

December 31, 2023: 65,000,000 shares

March 31, 2023: 65,000,000 shares

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

December 31, 2023: 1,294,646 shares

March 31, 2023: 1,302,901 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 63,701,635 shares

Nine months ended December 31, 2022: 63,693,699 shares

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	162,422	230,057
Notes and accounts receivable - trade	28,231	33,064
Securities	19	-
Merchandise and finished goods	18,324	17,108
Work in process	652	800
Raw materials and supplies	20,855	20,455
Short-term loans receivable from subsidiaries and associates	-	1,389
Other	7,760	4,911
Allowance for doubtful accounts	(22)	(27)
Total current assets	238,243	307,759
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,593	11,685
Machinery, equipment and vehicles, net	27,669	27,517
Land	18,884	19,741
Construction in progress	2,782	4,830
Other, net	2,462	2,539
Total property, plant and equipment	63,392	66,315
Intangible assets		
Goodwill	707	631
Other	1,130	1,253
Total intangible assets	1,838	1,884
Investments and other assets		
Investment securities	73,173	90,278
Investments in capital	102,143	100,232
Long-term loans receivable from subsidiaries and associates	25,144	25,299
Long-term time deposits	9,462	10,802
Retirement benefit asset	895	897
Other	1,007	862
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	211,526	228,071
Total non-current assets	276,756	296,272
Total assets	515,000	604,031

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,592	11,138
Income taxes payable	3,036	2,039
Provision for bonuses	752	820
Other	7,117	10,096
Total current liabilities	21,498	24,093
Non-current liabilities		
Deferred tax liabilities	17,269	20,322
Retirement benefit liability	2,050	2,169
Other	3,969	6,411
Total non-current liabilities	23,289	28,903
Total liabilities	44,788	52,997
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	15	41
Retained earnings	370,233	403,050
Treasury shares	(1,380)	(1,354)
Total shareholders' equity	376,865	409,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,473	8,636
Foreign currency translation adjustment	58,456	101,770
Remeasurements of defined benefit plans	(172)	(168)
Total accumulated other comprehensive income	63,757	110,238
Non-controlling interests	29,588	31,061
Total net assets	470,211	551,033
Total liabilities and net assets	515,000	604,031

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	139,120	122,205
Cost of sales	114,186	98,723
Gross profit	24,933	23,482
Selling, general and administrative expenses		
Packing and transportation costs	5,177	4,220
Salaries and allowances	1,457	1,640
Provision for bonuses	336	273
Retirement benefit expenses	51	119
Other	4,336	4,454
Total selling, general and administrative expenses	11,360	10,708
Operating profit	13,573	12,773
Non-operating income		
Interest income	1,884	8,470
Dividend income	453	488
Equity in earnings of affiliates	52,483	48,875
Foreign exchange gains	3,906	2,527
Other	682	505
Total non-operating income	59,409	60,867
Non-operating expenses		
Interest expenses	64	68
Loss on valuation of derivatives	74	184
Loss on disaster	23	16
Other	33	20
Total non-operating expenses	195	289
Ordinary profit	72,787	73,351
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	4	6
Total extraordinary income	7	10
Extraordinary losses		
Provision of loss on fair-trade act	1,197	-
Provision for loss on litigation	-	1,276
Value added taxes for prior periods	-	905
Other	42	305
Total extraordinary losses	1,240	2,488
Profit before income taxes	71,555	70,873
Income taxes - current	15,361	16,658
Income taxes - refund	(1,539)	-
Income taxes - deferred	2,046	1,097
Total income taxes	15,868	17,756
Profit	55,686	53,117
Profit attributable to non-controlling interests	2,545	1,255
Profit attributable to owners of parent	53,140	51,861

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	55,686	53,117
Other comprehensive income		
Valuation difference on available-for-sale securities	565	3,167
Foreign currency translation adjustment	37,528	25,979
Remeasurements of defined benefit plans, net of tax	6	4
Share of other comprehensive income of entities accounted for using equity method	32,029	19,541
Total other comprehensive income	70,129	48,692
Comprehensive income	125,816	101,809
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	119,695	98,342
Comprehensive income attributable to non-controlling interests	6,120	3,466

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	71,555	70,873
Depreciation	4,434	4,795
Interest and dividend income	(2,337)	(8,958)
Interest expenses	64	68
Equity in (earnings) losses of affiliates	(52,483)	(48,875)
Decrease (increase) in trade receivables	(6,809)	(4,373)
Decrease (increase) in inventories	(8)	3,102
Increase (decrease) in trade payables	(373)	324
Other, net	(761)	2,294
Subtotal	13,281	19,252
Interest and dividends received	41,874	67,319
Income taxes paid	(14,362)	(16,472)
Net cash provided by (used in) operating activities	40,793	70,099
Cash flows from investing activities		
Payments into time deposits	(3,727)	(41,881)
Proceeds from withdrawal of time deposits	1,437	18,931
Purchase of securities	(4,000)	-
Purchase of property, plant and equipment	(2,398)	(3,835)
Purchase of shares of subsidiaries and associates	(724)	-
Other, net	(515)	956
Net cash provided by (used in) investing activities	(9,929)	(25,827)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(1)
Dividends paid	(14,998)	(18,139)
Dividends paid to non-controlling interests	(1,641)	(1,994)
Other, net	(196)	(213)
Net cash provided by (used in) financing activities	(16,837)	(20,348)
Effect of exchange rate change on cash and cash equivalents	25,361	16,540
Net increase (decrease) in cash and cash equivalents	39,388	40,463
Cash and cash equivalents at beginning of period	95,467	133,859
Cash and cash equivalents at end of period	134,855	174,323