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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

January 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: Kazumi Yonezawa

Director, Executive Managing Officer

Phone: 079-273-1061

Scheduled date of filing quarterly securities report: February 14, 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 Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	139,120	29.2	13,573	59.1	72,787	83.7	53,140	91.0
December 31, 2021	107,706	(1.0)	8,531	(1.8)	39,622	126.3	27,823	470.8

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 125,816 million [197.3%]
 Nine months ended December 31, 2021: ¥ 42,326 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	834.32	-
December 31, 2021	429.34	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	532,045	484,040	85.4
March 31, 2022	414,928	375,686	84.4

(Reference) Equity: As of December 31, 2022: ¥ 454,225 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: No

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	180,000	20.0	16,000	20.4	88,500	53.5	64,000	60.3	1,004.75

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

* Notes:

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

December 31, 2022: 65,000,000 shares

March 31, 2022: 65,000,000 shares

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

December 31, 2022: 1,302,859 shares

March 31, 2022: 1,313,215 shares

3) Average number of shares during the period:

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

Nine months ended December 31, 2021: 64,805,621 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	99,717	157,082
Notes and accounts receivable - trade	25,144	32,544
Securities	20	4,000
Merchandise and finished goods	18,360	17,545
Work in process	555	602
Raw materials and supplies	20,926	24,936
Other	3,007	8,055
Allowance for doubtful accounts	(22)	(28)
Total current assets	167,710	244,737
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,310	11,709
Machinery, equipment and vehicles, net	26,832	27,880
Land	17,815	18,559
Construction in progress	1,550	2,492
Other, net	2,251	2,497
Total property, plant and equipment	59,761	63,137
Intangible assets		
Goodwill	810	733
Other	822	1,123
Total intangible assets	1,632	1,856
Investments and other assets		
Investment securities	56,255	76,955
Investments in capital	78,826	104,266
Long-term loans receivable from subsidiaries and associates	23,067	24,987
Long-term time deposits	23,660	14,776
Retirement benefit asset	917	917
Other	3,396	710
Allowance for doubtful accounts	(301)	(301)
Total investments and other assets	185,823	222,313
Total non-current assets	247,217	287,307
Total assets	414,928	532,045

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,033	11,084
Income taxes payable	1,908	1,949
Provision for bonuses	744	993
Other	5,725	10,568
Total current liabilities	19,411	24,595
Non-current liabilities		
Deferred tax liabilities	13,874	16,992
Retirement benefit liability	1,975	1,993
Other	3,981	4,423
Total non-current liabilities	19,830	23,409
Total liabilities	39,242	48,005
Net assets		
Shareholders' equity		
Share capital	7,996	7,996
Capital surplus	-	15
Retained earnings	320,784	358,056
Treasury shares	(1,412)	(1,379)
Total shareholders' equity	327,369	364,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,490	5,062
Foreign currency translation adjustment	18,649	84,625
Remeasurements of defined benefit plans	(157)	(150)
Total accumulated other comprehensive income	22,982	89,536
Non-controlling interests	25,335	29,814
Total net assets	375,686	484,040
Total liabilities and net assets	414,928	532,045

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	107,706	139,120
Cost of sales	89,557	114,186
Gross profit	18,149	24,933
Selling, general and administrative expenses		
Packing and transportation costs	4,148	5,177
Salaries and allowances	1,338	1,457
Provision for bonuses	334	336
Retirement benefit expenses	30	51
Other	3,765	4,336
Total selling, general and administrative expenses	9,617	11,360
Operating profit	8,531	13,573
Non-operating income		
Interest income	320	1,884
Dividend income	316	453
Equity in earnings of affiliates	28,801	52,483
Foreign exchange gains	1,276	3,906
Other	572	682
Total non-operating income	31,288	59,409
Non-operating expenses		
Interest expenses	62	64
Loss on investments in investment partnerships	29	-
Loss on valuation of derivatives	54	74
Loss on disaster	-	23
Other	50	33
Total non-operating expenses	197	195
Ordinary profit	39,622	72,787
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	-
Gain on sale of investment securities	0	4
Total extraordinary income	6	7
Extraordinary losses		
Loss on retirement of non-current assets	24	30
Provision of loss on fair-trade act	-	1,197
Other	6	11
Total extraordinary losses	31	1,240
Profit before income taxes	39,597	71,555
Income taxes - current	8,875	15,361
Income taxes - refund	-	(1,539)
Income taxes - deferred	391	2,046
Total income taxes	9,267	15,868
Profit	30,330	55,686
Profit attributable to non-controlling interests	2,506	2,545
Profit attributable to owners of parent	27,823	53,140

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	30,330	55,686
Other comprehensive income		
Valuation difference on available-for-sale securities	(111)	565
Foreign currency translation adjustment	4,841	37,528
Remeasurements of defined benefit plans, net of tax	(5)	6
Share of other comprehensive income of entities accounted for using equity method	7,269	32,029
Total other comprehensive income	11,995	70,129
Comprehensive income	42,326	125,816
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,587	119,695
Comprehensive income attributable to non-controlling interests	1,739	6,120

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Cash flows from operating activities		
Profit before income taxes	39,597	71,555
Depreciation	4,235	4,434
Interest and dividend income	(637)	(2,337)
Interest expenses	62	64
Equity in (earnings) losses of affiliates	(28,801)	(52,483)
Decrease (increase) in trade receivables	(11,362)	(6,809)
Decrease (increase) in inventories	(9,577)	(8)
Increase (decrease) in trade payables	3,059	(373)
Loss (gain) on sale of shares of subsidiaries and associates	(2)	-
Other, net	(424)	(761)
Subtotal	(3,849)	13,281
Interest and dividends received	14,483	41,874
Interest paid	(0)	-
Income taxes paid	(5,768)	(14,362)
Net cash provided by (used in) operating activities	4,865	40,793
Cash flows from investing activities		
Payments into time deposits	(5,515)	(3,727)
Proceeds from withdrawal of time deposits	81,405	1,437
Purchase of securities	(21)	(4,000)
Purchase of property, plant and equipment	(2,630)	(2,398)
Purchase of shares of subsidiaries and associates	-	(724)
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	(2,141)	-
Other, net	(1,089)	(515)
Net cash provided by (used in) investing activities	71,343	(9,929)
Cash flows from financing activities		
Purchase of treasury shares	(6,881)	(0)
Dividends paid	(6,136)	(14,998)
Dividends paid to non-controlling interests	(2,337)	(1,641)
Other, net	(182)	(196)
Net cash provided by (used in) financing activities	(15,537)	(16,837)
Effect of exchange rate change on cash and cash equivalents	2,145	25,361
Net increase (decrease) in cash and cash equivalents	62,817	39,388
Cash and cash equivalents at beginning of period	19,163	95,467
Cash and cash equivalents at end of period	81,980	134,855