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Consolidated Financial Results for the Three Months Ended August 31, 2023 [Japanese GAAP]

October 5, 2023

Company name: Sankyo Tateyama, Inc.

Stock exchange listing: Tokyo

Code number: 5932

URL: <https://www.st-grp.co.jp/>

Representative: Shozo Hirano

Contact: Yasunori Yoshida

Phone: +81-766-20-2122

Scheduled date of filing quarterly securities report: October 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

President and Chief Executive Officer

Executive Officer and General Manager, Accounting Department

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

1. Consolidated Financial Results for the Three Months Ended August 31, 2023 (June 1, 2023 to August 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	%
Three months ended August 31, 2023	88,483	1.1	654	-	1,076	-	613	-
August 31, 2022	87,559	11.9	(950)	-	(790)	-	(1,030)	-

(Note) Comprehensive income: Three months ended August 31, 2023: ¥ 2,635 million [-%]
Three months ended August 31, 2022: ¥ (543) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended August 31, 2023	Yen 19.56	Yen -
August 31, 2022	(32.88)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 31, 2023	Millions of yen 285,775	Millions of yen 94,985	% 32.1
May 31, 2023	282,932	92,667	31.6

(Reference) Equity: As of August 31, 2023: ¥ 91,836 million
As of May 31, 2023: ¥ 89,495 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 May 31, 2023	-	10.00	-	10.00	20.00
Fiscal year ending May 31, 2024	-				
Fiscal year ending May 31, 2024 (Forecast)		10.00	-	10.00	20.00

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending May 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2024(June 1, 2023 to May 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 November 30, 2023	189,000	1.0	3,000	242.7	3,000	126.6	1,500	191.3	47.84
Full year	375,000	1.2	6,000	124.8	5,500	60.9	3,000	84.0	95.69

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended August 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):

August 31, 2023: 31,554,629 shares

May 31, 2023: 31,554,629 shares

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

August 31, 2023: 205,087 shares

May 31, 2023: 204,216 shares

3) Average number of shares outstanding during the period:

Three months ended August 31, 2023: 31,349,897 shares

Three months ended August 31, 2022: 31,354,384 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	22,377	22,910
Notes and accounts receivable - trade, and contract assets	57,247	57,523
Electronically recorded monetary claims - operating	6,653	6,378
Securities	10	11
Merchandise and finished goods	21,637	21,639
Work in process	16,399	15,857
Raw materials and supplies	19,249	19,734
Other	8,298	8,256
Allowance for doubtful accounts	(606)	(614)
Total current assets	151,268	151,697
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,149	22,137
Land	54,478	54,762
Other, net	26,950	27,857
Total property, plant and equipment	103,577	104,757
Intangible assets		
Goodwill	1,152	1,101
Other	2,593	2,643
Total intangible assets	3,745	3,744
Investments and other assets		
Investment securities	11,848	12,407
Other	13,181	13,546
Allowance for doubtful accounts	(688)	(378)
Total investments and other assets	24,341	25,576
Total non-current assets	131,664	134,078
Total assets	282,932	285,775

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,284	44,273
Electronically recorded obligations - operating	20,698	20,181
Short-term borrowings	23,761	29,040
Current portion of long-term borrowings	16,528	16,001
Income taxes payable	815	441
Provision for bonuses	360	2,130
Provisions	4	24
Other	20,553	18,889
Total current liabilities	128,008	130,983
Non-current liabilities		
Long-term borrowings	42,261	38,691
A product repair reserve fund	953	923
Retirement benefit liability	8,976	9,604
Asset retirement obligations	484	486
Other	9,581	10,101
Total non-current liabilities	62,256	59,807
Total liabilities	190,265	190,790
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,932
Retained earnings	27,324	27,623
Treasury shares	(255)	(255)
Total shareholders' equity	74,002	74,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,010	1,481
Deferred gains or losses on hedges	(196)	20
Revaluation reserve for land	3,858	3,858
Foreign currency translation adjustment	1,954	3,083
Remeasurements of defined benefit plans	8,867	9,091
Total accumulated other comprehensive income	15,493	17,536
Non-controlling interests	3,172	3,148
Total net assets	92,667	94,985
Total liabilities and net assets	282,932	285,775

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 August 31, 2022	For the three months ended August 31, 2023
Net sales	87,559	88,483
Cost of sales	72,587	71,554
Gross profit	14,972	16,929
Selling, general and administrative expenses	15,923	16,274
Operating profit (loss)	(950)	654
Non-operating income		
Interest income	14	19
Dividend income	126	74
Share of profit of entities accounted for using equity method	82	110
Foreign exchange gains	56	477
Other	189	157
Total non-operating income	469	838
Non-operating expenses		
Interest expenses	165	330
Other	143	86
Total non-operating expenses	309	417
Ordinary profit (loss)	(790)	1,076
Extraordinary income		
Gain on sale of non-current assets	9	8
Gain on sale of investment securities	1	2
Gain on extinguishment of tie-in shares	-	16
Total extraordinary income	11	27
Extraordinary losses		
Loss on sale of non-current assets	1	2
Loss on retirement of non-current assets	52	80
Loss on valuation of investment securities	1	4
Total extraordinary losses	56	87
Profit (loss) before income taxes	(834)	1,015
Income taxes	211	440
Profit (loss)	(1,046)	575
Loss attributable to non-controlling interests	(15)	(37)
Profit (loss) attributable to owners of parent	(1,030)	613

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

(Millions of yen)

	For the three months ended August 31, 2022	For the three months ended August 31, 2023
Profit (loss)	(1,046)	575
Other comprehensive income		
Valuation difference on available-for-sale securities	82	472
Deferred gains or losses on hedges	(908)	217
Foreign currency translation adjustment	1,323	1,144
Remeasurements of defined benefit plans, net of tax	4	224
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	502	2,059
Comprehensive income	(543)	2,635
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(543)	2,656
Comprehensive income attributable to non-controlling interests	(0)	(20)