



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

January 11, 2024

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: January 11, 2024

Scheduled date of commencing dividend payments: February 14, 2024

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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 Six Months Ended November 30, 2023 (June 1, 2023 to November 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 November 30, 2023	181,372	(3.1)	2,478	183.2	2,747	107.5	1,287	150.0
November 30, 2022	187,128	13.4	875	(71.2)	1,324	(52.6)	514	(47.3)

(Note) Comprehensive income: Six months ended November 30, 2023: ¥ 4,125 million [(5.5) %]

Six months ended November 30, 2022: ¥ 4,363 million [- %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2023	41.07	-
November 30, 2022	16.42	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	289,407	96,473	32.2
May 31, 2023	282,932	92,667	31.6

(Reference) Equity: As of November 30, 2023: ¥ 93,321 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	-	10.00			
Fiscal year ending May 31, 2024 (Forecast)			-	10.00	20.00

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

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
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 six months ended November 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):

November 30, 2023: 31,554,629 shares

May 31, 2023: 31,554,629 shares

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

November 30, 2023: 206,507 shares

May 31, 2023: 204,216 shares

3) Average number of shares outstanding during the period:

Six months ended November 30, 2023: 31,349,399 shares

Six months ended November 30, 2022: 31,353,855 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	22,377	23,043
Notes and accounts receivable - trade, and contract assets	57,247	62,865
Electronically recorded monetary claims - operating	6,653	5,520
Securities	10	11
Merchandise and finished goods	21,637	20,914
Work in process	16,399	16,676
Raw materials and supplies	19,249	19,169
Other	8,298	7,208
Allowance for doubtful accounts	(606)	(668)
Total current assets	151,268	154,741
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,149	22,157
Land	54,478	54,778
Other, net	26,950	27,818
Total property, plant and equipment	103,577	104,754
Intangible assets		
Goodwill	1,152	972
Other	2,593	2,617
Total intangible assets	3,745	3,590
Investments and other assets		
Investment securities	11,848	12,812
Other	13,181	13,884
Allowance for doubtful accounts	(688)	(375)
Total investments and other assets	24,341	26,321
Total non-current assets	131,664	134,666
Total assets	282,932	289,407

(Millions of yen)

	As of May 31, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,284	44,754
Electronically recorded obligations - operating	20,698	20,539
Short-term borrowings	23,761	14,584
Current portion of long-term borrowings	16,528	18,356
Income taxes payable	815	1,537
Provision for bonuses	360	498
Provisions	4	62
Other	20,553	21,734
Total current liabilities	128,008	122,067
Non-current liabilities		
Long-term borrowings	42,261	50,142
A product repair reserve fund	953	890
Retirement benefit liability	8,976	9,176
Asset retirement obligations	484	489
Other	9,581	10,167
Total non-current liabilities	62,256	70,866
Total liabilities	190,265	192,934
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,932
Retained earnings	27,324	28,297
Treasury shares	(255)	(256)
Total shareholders' equity	74,002	74,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,010	1,720
Deferred gains or losses on hedges	(196)	28
Revaluation reserve for land	3,858	3,858
Foreign currency translation adjustment	1,954	3,273
Remeasurements of defined benefit plans	8,867	9,467
Total accumulated other comprehensive income	15,493	18,348
Non-controlling interests	3,172	3,151
Total net assets	92,667	96,473
Total liabilities and net assets	282,932	289,407

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 November 30, 2022	For the six months ended November 30, 2023
Net sales	187,128	181,372
Cost of sales	153,554	145,443
Gross profit	33,574	35,929
Selling, general and administrative expenses	32,699	33,450
Operating profit	875	2,478
Non-operating income		
Interest income	28	51
Dividend income	145	106
Share of profit of entities accounted for using equity method	161	171
Foreign exchange gains	294	528
Other	391	370
Total non-operating income	1,021	1,228
Non-operating expenses		
Interest expenses	339	645
Other	232	314
Total non-operating expenses	572	959
Ordinary profit	1,324	2,747
Extraordinary income		
Gain on sale of non-current assets	17	21
Gain on sale of investment securities	2	2
Gain on extinguishment of tie-in shares	-	16
Total extraordinary income	19	39
Extraordinary losses		
Loss on sale of non-current assets	12	4
Loss on retirement of non-current assets	130	219
Loss on valuation of investment securities	1	4
Total extraordinary losses	144	227
Profit before income taxes	1,198	2,559
Income taxes	652	1,310
Profit	546	1,249
Profit (loss) attributable to non-controlling interests	31	(37)
Profit attributable to owners of parent	514	1,287

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

(Millions of yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Profit	546	1,249
Other comprehensive income		
Valuation difference on available-for-sale securities	220	709
Deferred gains or losses on hedges	(253)	225
Foreign currency translation adjustment	1,394	1,337
Remeasurements of defined benefit plans, net of tax	2,455	605
Share of other comprehensive income of entities accounted for using equity method	0	(2)
Total other comprehensive income	3,817	2,875
Comprehensive income	4,363	4,125
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,316	4,142
Comprehensive income attributable to non-controlling interests	46	(17)

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,198	2,559
Depreciation	3,918	4,144
Amortization of goodwill	373	319
Increase (decrease) in allowance for doubtful accounts	40	(311)
Increase (decrease) in provision for bonuses	84	125
Increase (decrease) for retirement benefits asset liability	(643)	(761)
Increase (decrease) in provision for product repair	(64)	(62)
Interest and dividend income	(173)	(158)
Interest expenses	339	645
Share of loss (profit) of entities accounted for using equity method	(161)	(171)
Loss (gain) on extinguishment of tie-in shares	-	(16)
Loss (gain) on sale of investment securities	(2)	(2)
Loss (gain) on valuation of investment securities	1	4
Loss (gain) on sale of non-current assets	(5)	(16)
Loss on retirement of non-current assets	130	219
Decrease (increase) in trade receivables	(6,622)	(3,580)
Decrease (increase) in inventories	(5,273)	1,758
Increase (decrease) in trade payables	61	(1,133)
Increase (decrease) in other liabilities	2,360	2,476
Other, net	(182)	48
Subtotal	(4,620)	6,087
Interest and dividends received	255	243
Interest paid	(362)	(628)
Income taxes paid	(973)	(553)
Net cash provided by (used in) operating activities	(5,700)	5,147
Cash flows from investing activities		
Payments into time deposits	(1,533)	(1,320)
Proceeds from withdrawal of time deposits	1,224	1,456
Proceeds from sale of securities	1,525	-
Purchase of property, plant and equipment	(4,027)	(4,268)
Proceeds from sale of property, plant and equipment	30	619
Purchase of investment securities	(75)	(8)
Proceeds from sale of investment securities	86	102
Loan advances	-	(7)
Proceeds from collection of loans receivable	1	1
Other payments	(464)	(612)
Other proceeds	0	0
Net cash provided by (used in) investing activities	(3,232)	(4,036)

(Millions of yen)

	For the six months ended November 30, 2022	For the six months ended November 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,365	(9,526)
Repayments of finance lease liabilities	(312)	(355)
Proceeds from long-term borrowings	12,000	18,342
Repayments of long-term borrowings	(9,089)	(9,056)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(1)	(2)
Dividends paid	(157)	(312)
Dividends paid to non-controlling interests	(4)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1)	-
Net cash provided by (used in) financing activities	7,799	(912)
Effect of exchange rate change on cash and cash equivalents	313	696
Net increase (decrease) in cash and cash equivalents	(820)	895
Cash and cash equivalents at beginning of period	16,926	20,455
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	74
Cash and cash equivalents at end of period	16,106	21,426