



Consolidated Financial Results for the Year Ended May 31, 2024 [Japanese GAAP]

July 11, 2024

Company name: Sankyo Tateyama, Inc.

Stock exchange listing: Tokyo

Code number: 5932

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

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Scheduled date of Annual General Meeting of Shareholders: August 28, 2024

Scheduled date of commencing dividend payments: August 29, 2024

Scheduled date of filing annual securities report: August 29, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

President and Chief Executive Officer

Managing Executive Officer and General Manager, Accounting
Department

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

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2024 (June 1, 2023 to May 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2024	353,027	(4.7)	3,807	42.6	3,880	13.5	(1,019)	-
May 31, 2023	370,385	8.8	2,669	(29.4)	3,419	(18.6)	1,630	312.2

(Note) Comprehensive income: Fiscal year ended May 31, 2024: ¥ 7,452 million [(1.2) %]
Fiscal year ended May 31, 2023: ¥ 7,542 million [224.9 %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2024	(32.53)	-	(1.1)	1.4	1.1
May 31, 2023	52.02	-	1.9	1.2	0.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 31, 2024: ¥ 257 million
Fiscal year ended May 31, 2023: ¥ 362 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2024	289,975	99,483	33.2	3,067.12
May 31, 2023	282,932	92,667	31.6	2,854.68

(Reference) Equity: As of May 31, 2024: ¥ 96,137 million
As of May 31, 2023: ¥ 89,495 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2024	17,196	(8,620)	(6,769)	23,312
May 31, 2023	(171)	(7,269)	10,554	20,455

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
May 31, 2023	-	10.00	-	10.00	20.00	629	38.4	0.7
May 31, 2024	-	10.00	-	10.00	20.00	629	-	0.7
Fiscal year ending May 31, 2025 (Forecast)	-	12.50	-	12.50	25.00		52.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2025 (June 1, 2024 to May 31, 2025)

(% 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, 2024	185,000	2.0	2,500	0.9	2,000	(27.2)	1,000	(22.3)	31.90
Full year	360,000	2.0	4,000	5.1	3,000	(22.7)	1,500	-	47.85

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2024: 31,554,629 shares

May 31, 2023: 31,554,629 shares

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

May 31, 2024: 209,911 shares

May 31, 2023: 204,216 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended May 31, 2024: 31,347,819 shares

Fiscal Year ended May 31, 2023: 31,352,706 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	22,377	24,653
Notes and accounts receivable - trade, and contract assets	57,247	50,303
Electronically recorded monetary claims - operating	6,653	6,427
Securities	10	12
Merchandise and finished goods	21,637	20,082
Work in process	16,399	15,230
Raw materials and supplies	19,249	21,211
Other	8,298	8,332
Allowance for doubtful accounts	(606)	(570)
Total current assets	151,268	145,684
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,149	22,088
Machinery, equipment and vehicles, net	20,488	20,651
Land	54,478	55,178
Leased assets, net	1,168	1,420
Construction in progress	1,304	1,820
Other, net	3,988	4,081
Total property, plant and equipment	103,577	105,240
Intangible assets		
Goodwill	1,152	636
Leased assets	7	3
Other	2,586	2,673
Total intangible assets	3,745	3,313
Investments and other assets		
Investment securities	11,848	14,257
Long-term loans receivable	81	141
Retirement benefit asset	9,488	17,849
Deferred tax assets	261	251
Other	3,349	3,614
Allowance for doubtful accounts	(688)	(375)
Total investments and other assets	24,341	35,737
Total non-current assets	131,664	144,291
Total assets	282,932	289,975

(Millions of yen)

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	45,284	41,023
Electronically recorded obligations - operating	20,698	17,770
Short-term borrowings	23,761	13,739
Current portion of long-term borrowings	16,528	18,180
Lease liabilities	503	597
Income taxes payable	815	1,077
Provision for bonuses	360	463
Provision for loss on construction contracts	4	11
Provision for loss on disaster	-	1,049
Other	20,049	24,890
Total current liabilities	128,008	118,804
Non-current liabilities		
Long-term borrowings	42,261	46,268
Lease liabilities	1,356	1,582
Deferred tax liabilities	1,624	5,730
Deferred tax liabilities for land revaluation	4,660	4,610
A product repair reserve fund	953	763
Retirement benefit liability	8,976	10,167
Asset retirement obligations	484	493
Other	1,939	2,072
Total non-current liabilities	62,256	71,687
Total liabilities	190,265	190,492
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,932
Retained earnings	27,324	25,766
Treasury shares	(255)	(259)
Total shareholders' equity	74,002	72,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,010	2,625
Deferred gains or losses on hedges	(196)	541
Revaluation reserve for land	3,858	3,776
Foreign currency translation adjustment	1,954	3,784
Remeasurements of defined benefit plans	8,867	12,970
Total accumulated other comprehensive income	15,493	23,698
Non-controlling interests	3,172	3,345
Total net assets	92,667	99,483
Total liabilities and net assets	282,932	289,975

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Net sales	370,385	353,027
Cost of sales	303,115	282,890
Gross profit	67,269	70,137
Selling, general and administrative expenses	64,600	66,330
Operating profit	2,669	3,807
Non-operating income		
Interest income	50	139
Dividend income	257	209
Insurance dividend income	146	156
Share of profit of entities accounted for using equity method	362	257
Foreign exchange gains	640	684
Other	642	644
Total non-operating income	2,101	2,091
Non-operating expenses		
Interest expenses	911	1,372
Other	439	645
Total non-operating expenses	1,351	2,018
Ordinary profit	3,419	3,880
Extraordinary income		
Gain on sale of non-current assets	413	68
Gain on sale of investment securities	7	170
Gain on extinguishment of tie-in shares	-	16
Other	8	0
Total extraordinary income	429	255
Extraordinary losses		
Loss on sale of non-current assets	14	70
Loss on retirement of non-current assets	386	493
Loss on valuation of investment securities	2	5
Impairment losses	340	939
Loss on disaster	-	993
Provision for loss on disaster	-	1,049
Other	1	-
Total extraordinary losses	744	3,550
Profit before income taxes	3,104	585
Income taxes - current	1,078	1,399
Income taxes - deferred	273	58
Total income taxes	1,351	1,458
Profit (loss)	1,752	(872)
Profit attributable to non-controlling interests	121	146
Profit (loss) attributable to owners of parent	1,630	(1,019)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Profit (loss)	1,752	(872)
Other comprehensive income		
Valuation difference on available-for-sale securities	246	1,613
Deferred gains or losses on hedges	(393)	738
Revaluation reserve for land	-	9
Foreign currency translation adjustment	1,038	1,854
Remeasurements of defined benefit plans, net of tax	4,894	4,101
Share of other comprehensive income of entities accounted for using equity method	4	7
Total other comprehensive income	5,790	8,325
Comprehensive income	7,542	7,452
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,401	7,276
Comprehensive income attributable to non-controlling interests	140	175

Consolidated Statements of Changes in Equity
For the fiscal year ended May 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,000	31,929	26,188	(252)	72,864
Changes during period					
Dividends of surplus			(471)		(471)
Profit (loss) attributable to owners of parent			1,630		1,630
Disposal of treasury shares		(0)		0	0
Purchase of treasury shares				(2)	(2)
Reversal of revaluation reserve for land			(22)		(22)
Change in ownership interest of parent due to transactions with non-controlling interests		3			3
Net changes in items other than shareholders' equity					
Total changes during period	-	3	1,136	(2)	1,137
Balance at end of period	15,000	31,932	27,324	(255)	74,002

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	764	196	3,835	936	3,966	9,699	3,040	85,605
Changes during period								
Dividends of surplus								(471)
Profit (loss) attributable to owners of parent								1,630
Disposal of treasury shares								0
Purchase of treasury shares								(2)
Reversal of revaluation reserve for land								(22)
Change in ownership interest of parent due to transactions with non-controlling interests								3
Net changes in items other than shareholders' equity	245	(393)	22	1,018	4,900	5,793	131	5,925
Total changes during period	245	(393)	22	1,018	4,900	5,793	131	7,062
Balance at end of period	1,010	(196)	3,858	1,954	8,867	15,493	3,172	92,667

For the fiscal year ended May 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,000	31,932	27,324	(255)	74,002
Changes during period					
Dividends of surplus			(629)		(629)
Profit (loss) attributable to owners of parent			(1,019)		(1,019)
Disposal of treasury shares		(0)		0	0
Purchase of treasury shares				(4)	(4)
Reversal of revaluation reserve for land			91		91
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	(1,557)	(4)	(1,562)
Balance at end of period	15,000	31,932	25,766	(259)	72,439

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,010	(196)	3,858	1,954	8,867	15,493	3,172	92,667
Changes during period								
Dividends of surplus								(629)
Profit (loss) attributable to owners of parent								(1,019)
Disposal of treasury shares								0
Purchase of treasury shares								(4)
Reversal of revaluation reserve for land								91
Change in ownership interest of parent due to transactions with non-controlling interests								-
Net changes in items other than shareholders' equity	1,614	738	(81)	1,830	4,103	8,205	173	8,378
Total changes during period	1,614	738	(81)	1,830	4,103	8,205	173	6,815
Balance at end of period	2,625	541	3,776	3,784	12,970	23,698	3,345	99,483

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,104	585
Depreciation	8,210	8,774
Impairment losses	340	939
Amortization of goodwill	695	656
Increase (decrease) in allowance for doubtful accounts	(198)	(434)
Increase (decrease) in provision for bonuses	(28)	85
Increase (decrease) in provision for loss on disaster	-	1,049
Increase (decrease) in provision for product repair	125	(190)
Increase (decrease) in retirement benefits asset liability	(1,340)	(1,512)
Interest and dividend income	(308)	(348)
Interest expenses	911	1,372
Loss on disaster	-	993
Share of loss (profit) of entities accounted for using equity method	(362)	(257)
Loss (gain) on extinguishment of tie-in shares	-	(16)
Loss (gain) on sale of investment securities	(7)	(170)
Loss (gain) on valuation of investment securities	2	5
Loss (gain) on sale of non-current assets	(399)	1
Loss on retirement of non-current assets	386	493
Decrease (increase) in trade receivables	(2,651)	8,367
Decrease (increase) in inventories	(3,338)	2,496
Increase (decrease) in trade payables	(4,143)	(7,802)
Increase (decrease) in other liabilities	1,449	5,088
Other, net	(443)	(434)
Subtotal	2,002	19,740
Interest and dividends received	393	430
Interest paid	(891)	(1,297)
Income taxes paid	(1,675)	(1,148)
Payments associated with disaster loss	-	(529)
Net cash provided by (used in) operating activities	(171)	17,196
Cash flows from investing activities		
Payments into time deposits	(2,095)	(2,478)
Proceeds from withdrawal of time deposits	1,702	2,877
Proceeds from sale of securities	1,548	-
Purchase of property, plant and equipment	(7,612)	(8,751)
Proceeds from sale of property, plant and equipment	54	831
Purchase of investment securities	(93)	(126)
Proceeds from sale of investment securities	122	335
Loan advances	-	(67)
Proceeds from collection of loans receivable	3	3
Other payments	(920)	(1,245)
Other proceeds	20	0
Net cash provided by (used in) investing activities	(7,269)	(8,620)

(Millions of yen)

	For the fiscal year ended May 31, 2023	For the fiscal year ended May 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	11,510	(10,510)
Repayments of finance lease liabilities	(740)	(703)
Proceeds from long-term borrowings	18,863	23,602
Repayments of long-term borrowings	(18,602)	(18,526)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(2)	(4)
Dividends paid	(468)	(624)
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	10,554	(6,769)
Effect of exchange rate change on cash and cash equivalents	415	975
Net increase (decrease) in cash and cash equivalents	3,528	2,782
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	20,455	23,312