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Consolidated Financial Results for the Six Months Ended November 30, 2024 [Japanese GAAP]

January 9, 2025

Company name: Sankyo Tateyama, Inc.

Listing: Tokyo

Securities code: 5932

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

Representative: Shozo Hirano

President and Chief Executive Officer

Inquiries: Yasunori Yoshida

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Scheduled date to file semi-annual securities report: January 9, 2025

Scheduled date to commence dividend payments: February 14, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended November 30, 2024 (June 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	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, 2024	182,256	0.5	1,780	(28.2)	1,533	(44.2)	53	(95.9)
November 30, 2023	181,372	(3.1)	2,478	183.2	2,747	107.5	1,287	150.0

(Note) Comprehensive income: Six months ended November 30, 2024: ¥ (285) million [-%]
Six months ended November 30, 2023: ¥ 4,125 million [(5.5) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2024	1.69	-
November 30, 2023	41.07	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	297,809	98,878	32.1
May 31, 2024	289,975	99,483	33.2

(Reference) Equity: As of November 30, 2024: ¥ 95,490 million
As of May 31, 2024: ¥ 96,137 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, 2024	-	10.00	-	10.00	20.00
Fiscal year ending May 31, 2025	-	12.50			
Fiscal year ending May 31, 2025 (Forecast)			-	12.50	25.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	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	357,000	1.1	3,000	(21.2)	2,000	(48.5)	200	-	6.38

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

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - (Company name:)
Excluded: 1 (Company name: Okinawa Sankyo Tateyama Alumi, Inc.)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: Yes
- 3) Changes in accounting estimates: Yes
- 4) Restatement: None

(4) Number of issued shares (common shares)

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

November 30, 2024: 31,554,629 shares
May 31, 2024: 31,554,629 shares

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

November 30, 2024: 213,078 shares
May 31, 2024: 209,911 shares

3) Average number of shares outstanding during the period:

Six months ended November 30, 2024: 31,343,369 shares
Six months ended November 30, 2023: 31,349,399 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	24,653	21,855
Notes and accounts receivable - trade, and contract assets	50,303	53,591
Electronically recorded monetary claims - operating	6,427	7,633
Securities	12	22
Merchandise and finished goods	20,082	21,248
Work in process	15,230	16,043
Raw materials and supplies	21,211	22,014
Other	8,332	7,204
Allowance for doubtful accounts	(570)	(604)
Total current assets	145,684	149,008
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,088	21,840
Land	55,178	57,937
Other, net	27,972	29,762
Total property, plant and equipment	105,240	109,539
Intangible assets		
Goodwill	636	263
Other	2,677	2,731
Total intangible assets	3,313	2,995
Investments and other assets		
Investment securities	14,257	14,208
Other	21,856	22,523
Allowance for doubtful accounts	(375)	(466)
Total investments and other assets	35,737	36,265
Total non-current assets	144,291	148,800
Total assets	289,975	297,809

(Millions of yen)

	As of May 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	41,023	44,957
Electronically recorded obligations - operating	17,770	15,224
Short-term borrowings	13,739	8,367
Current portion of long-term borrowings	18,180	19,555
Income taxes payable	1,077	1,035
Provision for bonuses	463	490
Provision for loss on disaster	1,049	740
Provisions	11	16
Other	25,487	29,348
Total current liabilities	118,804	119,736
Non-current liabilities		
Long-term borrowings	46,268	54,414
A product repair reserve fund	763	726
Retirement benefit liability	10,167	9,889
Asset retirement obligations	493	497
Other	13,995	13,666
Total non-current liabilities	71,687	79,194
Total liabilities	190,492	198,930
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	31,932	31,932
Retained earnings	25,766	25,505
Treasury shares	(259)	(262)
Total shareholders' equity	72,439	72,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,625	2,337
Deferred gains or losses on hedges	541	136
Revaluation reserve for land	3,776	3,776
Foreign currency translation adjustment	3,784	4,813
Remeasurements of defined benefit plans	12,970	12,250
Total accumulated other comprehensive income	23,698	23,314
Non-controlling interests	3,345	3,388
Total net assets	99,483	98,878
Total liabilities and net assets	289,975	297,809

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Net sales	181,372	182,256
Cost of sales	145,443	145,748
Gross profit	35,929	36,507
Selling, general and administrative expenses	33,450	34,726
Operating profit	2,478	1,780
Non-operating income		
Interest income	51	75
Dividend income	106	272
Share of profit of entities accounted for using equity method	171	152
Foreign exchange gains	528	-
Other	370	421
Total non-operating income	1,228	921
Non-operating expenses		
Interest expenses	645	738
Foreign exchange losses	-	231
Other	314	198
Total non-operating expenses	959	1,168
Ordinary profit	2,747	1,533
Extraordinary income		
Gain on sale of non-current assets	21	13
Gain on sale of investment securities	2	-
Gain on extinguishment of tie-in shares	16	-
Total extraordinary income	39	13
Extraordinary losses		
Loss on sale of non-current assets	4	0
Loss on retirement of non-current assets	219	270
Loss on valuation of investment securities	4	2
Other	-	1
Total extraordinary losses	227	275
Profit before income taxes	2,559	1,272
Income taxes	1,310	1,198
Profit	1,249	73
Profit (loss) attributable to non-controlling interests	(37)	20
Profit attributable to owners of parent	1,287	53

(Millions of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Profit	1,249	73
Other comprehensive income		
Valuation difference on available-for-sale securities	709	(292)
Deferred gains or losses on hedges	225	(404)
Foreign currency translation adjustment	1,337	1,056
Remeasurements of defined benefit plans, net of tax	605	(720)
Share of other comprehensive income of entities accounted for using equity method	(2)	1
Total other comprehensive income	2,875	(359)
Comprehensive income	4,125	(285)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,142	(330)
Comprehensive income attributable to non-controlling interests	(17)	44

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,559	1,272
Depreciation	4,144	4,058
Amortization of goodwill	319	348
Increase (decrease) in allowance for doubtful accounts	(311)	62
Increase (decrease) in provision for bonuses	125	22
Increase (decrease) for retirement benefits asset liability	(761)	(1,352)
Increase (decrease) in provision for product repair	(62)	(36)
Interest and dividend income	(158)	(347)
Interest expenses	645	738
Share of loss (profit) of entities accounted for using equity method	(171)	(152)
Loss (gain) on extinguishment of tie-in shares	(16)	-
Loss (gain) on sale of investment securities	(2)	1
Increase (decrease) in provision for loss on disaster	-	(268)
Loss (gain) on valuation of investment securities	4	2
Loss (gain) on sale of non-current assets	(16)	(13)
Loss on retirement of non-current assets	219	270
Decrease (increase) in trade receivables	(3,580)	(4,394)
Decrease (increase) in inventories	1,758	(2,679)
Increase (decrease) in trade payables	(1,133)	1,538
Increase (decrease) in other liabilities	2,476	2,887
Other, net	48	730
Subtotal	6,087	2,688
Interest and dividends received	243	438
Interest paid	(628)	(784)
Income taxes paid	(553)	(790)
Payments associated with disaster loss	-	(440)
Net cash provided by (used in) operating activities	5,147	1,111
Cash flows from investing activities		
Payments into time deposits	(1,320)	(832)
Proceeds from withdrawal of time deposits	1,456	957
Purchase of securities	-	(54)
Purchase of property, plant and equipment	(4,268)	(7,069)
Proceeds from sale of property, plant and equipment	619	37
Purchase of investment securities	(8)	(253)
Proceeds from sale of investment securities	102	0
Loan advances	(7)	(11)
Proceeds from collection of loans receivable	1	24
Other payments	(612)	(578)
Other proceeds	0	0
Net cash provided by (used in) investing activities	(4,036)	(7,778)

(Millions of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,526)	(5,245)
Repayments of finance lease liabilities	(355)	(359)
Proceeds from long-term borrowings	18,342	19,100
Repayments of long-term borrowings	(9,056)	(9,493)
Proceeds from sale of treasury shares	0	-
Purchase of treasury shares	(2)	(2)
Dividends paid	(312)	(312)
Dividends paid to non-controlling interests	(2)	(1)
Other, net	-	9
Net cash provided by (used in) financing activities	(912)	3,695
Effect of exchange rate change on cash and cash equivalents	696	284
Net increase (decrease) in cash and cash equivalents	895	(2,687)
Cash and cash equivalents at beginning of period	20,455	23,312
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	74	-
Cash and cash equivalents at end of period	21,426	20,625