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November 9, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Yonex Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7906
 URL: [https:// www.yonex.co.jp](https://www.yonex.co.jp)
 Representative: President and Representative Director Alyssa Yoneyama
 Inquiries: Executive Managing Director Shuichi Yoneyama
 Telephone: 03-3839-7112
 Scheduled date to file quarterly securities report: November 11, 2022
 Scheduled date to commence dividend payments: December 6, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(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								
September 30, 2022	50,092	44.0	7,116	69.9	7,796	81.1	5,595	67.3
September 30, 2021	34,788	57.5	4,189	—	4,305	—	3,344	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	64.11	—
September 30, 2021	38.19	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2022	79,245	53,231	67.0
March 31, 2022	66,299	45,729	68.8

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	5.00	—	5.00	10.00
Fiscal year ending March 31, 2023	—	6.00			
Fiscal year ending March 31, 2023 (Forecast)			—	5.00	11.00

Note: Revision to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	97,000	30.2	9,200	36.5	9,600	32.5	7,000	21.1	80.23

Note: Revisions to the forecast of consolidated financial results most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	93,620,800 shares
As of March 31, 2022	93,620,800 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2022	6,273,775 shares
As of March 31, 2022	6,371,157 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	87,277,592 shares
Six months ended September 30, 2021	87,563,823 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	17,922	22,967
Notes and accounts receivable - trade	12,676	15,965
Merchandise and finished goods	8,336	10,235
Work in process	1,798	1,807
Raw materials and supplies	1,657	1,864
Other	2,478	2,683
Allowance for doubtful accounts	(29)	(46)
Total current assets	44,841	55,477
Non-current assets		
Property, plant and equipment		
Buildings, net	5,179	5,107
Land	8,882	8,932
Other, net	3,228	5,170
Total property, plant and equipment	17,290	19,211
Intangible assets		
Software	259	229
Software in progress	977	1,564
Goodwill	102	73
Other	15	15
Total intangible assets	1,355	1,882
Investments and other assets		
Investment securities	208	211
Long-term time deposits	400	400
Deferred tax assets	1,736	1,533
Other	467	529
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,811	2,673
Total non-current assets	21,457	23,767
Total assets	66,299	79,245

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,790	7,802
Accounts payable - other	2,910	3,114
Current portion of long-term borrowings	535	535
Income taxes payable	966	1,761
Accrued consumption taxes	40	39
Provision for bonuses	998	933
Provision for bonuses for directors (and other officers)	63	14
Provision for point card certificates	3	4
Other	3,341	3,884
Total current liabilities	13,649	18,092
Non-current liabilities		
Long-term borrowings	1,421	1,153
Retirement benefit liability	2,811	2,800
Provision for retirement benefits for directors (and other officers)	261	198
Provision for share awards	111	83
Long-term guarantee deposits	1,970	2,041
Other	343	1,644
Total non-current liabilities	6,919	7,921
Total liabilities	20,569	26,013
Net assets		
Shareholders' equity		
Share capital	4,706	4,706
Capital surplus	7,708	7,751
Retained earnings	34,216	39,374
Treasury shares	(1,544)	(1,476)
Total shareholders' equity	45,086	50,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	20
Foreign currency translation adjustment	629	2,817
Remeasurements of defined benefit plans	(126)	(114)
Total accumulated other comprehensive income	521	2,724
Non-controlling interests	122	150
Total net assets	45,729	53,231
Total liabilities and net assets	66,299	79,245

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	34,788	50,092
Cost of sales	18,973	27,467
Gross profit	15,815	22,624
Selling, general and administrative expenses	11,625	15,508
Operating profit	4,189	7,116
Non-operating income		
Interest income	21	45
Rental income	7	7
Subsidy income	28	2
Foreign exchange gains	56	597
Other	16	52
Total non-operating income	130	704
Non-operating expenses		
Interest expenses	12	21
Other	2	3
Total non-operating expenses	14	25
Ordinary profit	4,305	7,796
Extraordinary income		
Gain on sale of investment securities	1	—
National subsidies	168	322
Total extraordinary income	170	322
Profit before income taxes	4,475	8,118
Income taxes - current	1,100	2,259
Income taxes - deferred	31	251
Total income taxes	1,131	2,510
Profit	3,344	5,608
Profit attributable to non-controlling interests	—	12
Profit attributable to owners of parent	3,344	5,595

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,344	5,608
Other comprehensive income		
Valuation difference on available-for-sale securities	36	2
Foreign currency translation adjustment	887	2,204
Remeasurements of defined benefit plans, net of tax	18	12
Total other comprehensive income	942	2,218
Comprehensive income	4,287	7,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,287	7,798
Comprehensive income attributable to non-controlling interests	—	28

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,475	8,118
Depreciation	743	855
National subsidies	(168)	(322)
Amortization of goodwill	29	29
Increase (decrease) in allowance for doubtful accounts	(3)	12
Increase (decrease) in provision for bonuses	90	(85)
Increase (decrease) in provision for bonuses for directors (and other officers)	15	(48)
Increase (decrease) in retirement benefit liability	(251)	(3)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	(62)
Increase (decrease) in provision for point card certificates	(260)	0
Amortization of long-term prepaid expenses	35	42
Interest and dividend income	(23)	(48)
Subsidy income	(28)	(2)
Interest expenses	12	22
Foreign exchange losses (gains)	(158)	(789)
Loss (gain) on sale of non-current assets	(3)	(1)
Loss on retirement of non-current assets	0	41
Loss (gain) on sale of investment securities	(1)	—
Other non-operating expenses (income)	(16)	(49)
Decrease (increase) in trade receivables	(217)	(2,710)
Decrease (increase) in inventories	(1,655)	(1,160)
Increase (decrease) in trade payables	2,013	2,984
Increase (decrease) in accrued consumption taxes	181	(0)
Decrease (increase) in return assets	(114)	(0)
Increase (decrease) in refund liabilities	216	22
Increase (decrease) in contract liabilities	19	(0)
Decrease (increase) in other assets	(304)	(337)
Increase (decrease) in other liabilities	142	11
Subtotal	4,754	6,513
Interest and dividends received	19	51
Interest paid	(12)	(21)
Other proceeds	19	49
Other payments	(4)	(2)
Proceeds from subsidy income	32	28
Subsidies received	168	322
Income taxes paid	(461)	(1,542)
Net cash provided by (used in) operating activities	4,518	5,399

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Payments into time deposits	(305)	(471)
Proceeds from withdrawal of time deposits	50	428
Purchase of property, plant and equipment	(418)	(835)
Proceeds from sale of property, plant and equipment	0	1
Purchase of intangible assets	(333)	(541)
Purchase of investment securities	(94)	—
Proceeds from sale of investment securities	2	—
Loan advances	—	(6)
Proceeds from collection of loans receivable	4	6
Other, net	0	(50)
Net cash provided by (used in) investing activities	(1,096)	(1,468)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(85)	—
Proceeds from long-term borrowings	350	—
Repayments of long-term borrowings	(625)	(267)
Purchase of treasury shares	(0)	(0)
Repayment of lease liability	(165)	(174)
Dividends paid	(218)	(437)
Other, net	(7)	(8)
Net cash provided by (used in) financing activities	(752)	(888)
Effect of exchange rate change on cash and cash equivalents	570	1,869
Net increase (decrease) in cash and cash equivalents	3,240	4,912
Cash and cash equivalents at beginning of period	13,164	17,538
Cash and cash equivalents at end of period	16,404	22,451