

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

October 31, 2022

Summary of Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2023
(Six Months Ended September 30, 2022)

[Japanese GAAP]

Company name: Yashima Denki Co., Ltd. Listing: Tokyo Stock Exchange
Stock code: 3153 URL: <https://www.yashimadenki.co.jp/>
Representative: Akio Ota, Chairman and President/CEO
Contact: Takashiro Anju, Associate General Manager of Management Planning Division
(in charge of Investor & Public Relations) Tel: +(81)3-3507-3349
Scheduled date of filing of Quarterly Report: October 31, 2022
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 – September 30, 2022)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2022	20,797	(15.1)	(571)	-	(519)	-	(405)	-
Six months ended Sep. 30, 2021	24,507	1.7	(48)	-	23	(49.2)	9	106.0

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2022: (412) (-%)
Six months ended Sep. 30, 2021: 73 (up 54.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2022	(19.01)	-
Six months ended Sep. 30, 2021	0.44	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2022	44,005	22,023	49.6
As of Mar. 31, 2022	50,934	23,046	44.8

Reference: Shareholders' equity (million yen) As of Sep. 30, 2022: 21,830 As of Mar. 31, 2022: 22,843

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	0.00	-	22.00	22.00
Fiscal year ending Mar. 31, 2023	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2023 (forecast)	-	-	-	22.00	22.00

Note: Revision to the most recently announced dividend forecast: None

Note: Breakdown of the year-end dividend for the fiscal year ended March 31, 2022:

Ordinary dividend: 20.00 yen; Commemorative dividend: 2.00 yen

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	61,000	1.6	2,300	8.3	2,400	6.6	1,600	4.8	75.22

Note: Revision to the most recently announced consolidated earnings forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Sep. 30, 2022:	21,782,500 shares	As of Mar. 31, 2022:	21,782,500 shares
----------------------	-------------------	----------------------	-------------------

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

As of Sep. 30, 2022:	586,177 shares	As of Mar. 31, 2022:	451,739 shares
----------------------	----------------	----------------------	----------------

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2022:	21,340,093 shares	Six months ended Sep. 30, 2021:	21,308,951 shares
---------------------------------	-------------------	---------------------------------	-------------------

* The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements

Note concerning forward-looking statements

Forecasts of future performance in these materials are based on information available to, and on assumption judged to be valid by, Yashima Denki's management at the time the materials were prepared, but are not promises by Yashima Denki regarding future performance. Actual results may differ materially from the forecasts.

How to view supplementary materials for quarterly financial results

Supplementary materials for the quarterly financial results will be available on Yashima Denki's website on Monday, November 28, 2022.

Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/2022 (As of Mar. 31, 2022)	Second quarter of FY3/2023 (As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits	11,450	10,817
Notes and accounts receivable-trade, and contract assets	18,662	11,329
Electronically recorded monetary claims-operating	4,425	3,830
Merchandise	1,909	2,634
Work in process	280	550
Raw materials	63	69
Costs on construction contracts in progress	105	231
Accounts receivable-other	1,966	1,311
Other	210	1,549
Allowance for doubtful accounts	(2)	(1)
Total current assets	39,071	32,322
Non-current assets		
Property, plant and equipment		
Buildings, net	4,510	4,391
Other, net	4,103	4,040
Total property, plant and equipment	8,614	8,431
Intangible assets	274	257
Investments and other assets		
Other	2,975	2,996
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	2,973	2,994
Total non-current assets	11,862	11,683
Total assets	50,934	44,005
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,163	12,966
Contract liabilities	1,662	3,572
Short-term borrowings	990	1,050
Accounts payable-other	2,465	1,754
Income taxes payable	456	48
Provision for bonuses	863	718
Other	487	308
Total current liabilities	26,089	20,418
Non-current liabilities		
Long-term borrowings	230	200
Deferred tax liabilities	16	14
Retirement benefit liability	1,469	1,269
Asset retirement obligations	15	15
Other	67	64
Total non-current liabilities	1,799	1,563
Total liabilities	27,888	21,981

	(Millions of yen)	
	FY3/2022 (As of Mar. 31, 2022)	Second quarter of FY3/2023 (As of Sep. 30, 2022)
Net assets		
Shareholders' equity		
Share capital	1,585	1,585
Capital surplus	1,051	1,053
Retained earnings	20,734	19,857
Treasury shares	(424)	(562)
Total shareholders' equity	22,946	21,934
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	354	297
Remeasurements of defined benefit plans	(457)	(401)
Total accumulated other comprehensive income	(103)	(104)
Non-controlling interests	202	193
Total net assets	23,046	22,023
Total liabilities and net assets	50,934	44,005

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/2023 (Apr. 1, 2022 – Sep. 30, 2022)
Net sales	24,507	20,797
Cost of sales	19,970	16,717
Gross profit	4,536	4,079
Selling, general and administrative expenses	4,584	4,651
Operating loss	(48)	(571)
Non-operating income		
Interest income	5	5
Dividend income	18	19
Outsourcing service income	24	7
Other	25	22
Total non-operating income	73	55
Non-operating expenses		
Interest expenses	2	2
Foreign exchange losses	0	0
Other	0	0
Total non-operating expenses	2	3
Ordinary profit (loss)	23	(519)
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	95	51
Other	1	0
Total extraordinary income	97	52
Extraordinary losses		
Loss on sale of membership	1	-
Loss on sale of non-current assets	4	46
Loss on retirement of non-current assets	-	19
Impairment losses	21	-
Other	3	0
Total extraordinary losses	31	66
Profit (loss) before income taxes	88	(533)
Income taxes-current	48	19
Income taxes-deferred	25	(144)
Total income taxes	73	(125)
Profit (loss)	15	(407)
Profit (loss) attributable to non-controlling interests	6	(1)
Profit (loss) attributable to owners of parent	9	(405)

Quarterly Consolidated Statement of Comprehensive Income**(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/2023 (Apr. 1, 2022 – Sep. 30, 2022)
Profit (loss)	15	(407)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(60)
Remeasurements of defined benefit plans, net of tax	60	55
Total other comprehensive income	58	(5)
Comprehensive income	73	(412)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	78	(407)
Comprehensive income attributable to non-controlling interests	(4)	(5)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/2022 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/2023 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	88	(533)
Depreciation	201	226
Loss (gain) on sale of property, plant and equipment	4	46
Loss on retirement of property, plant and equipment	1	19
Loss (gain) on sale of investment securities	(95)	(51)
Impairment losses	21	-
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	(218)	(145)
Increase (decrease) in retirement benefit liability	(115)	(120)
Interest and dividend income	(24)	(25)
Interest expenses	2	2
Decrease (increase) in trade receivables	8,617	9,757
Decrease (increase) in inventories	(204)	(1,126)
Increase (decrease) in trade payables	(8,055)	(7,358)
Increase (decrease) in accrued consumption taxes	(306)	(177)
Decrease (increase) in accounts receivable-other	697	654
Increase (decrease) in accounts payable-other	(680)	(730)
Other, net	66	(64)
Subtotal	1	371
Interest and dividends received	23	25
Interest paid	(2)	(2)
Income taxes paid	(256)	(494)
Net cash provided by (used in) operating activities	(233)	(99)
Cash flows from investing activities		
Purchase of property, plant and equipment	(788)	(33)
Purchase of intangible assets	(50)	(43)
Purchase of investment securities	(4)	(4)
Proceeds from sale and redemption of investment securities	242	74
Other, net	5	16
Net cash provided by (used in) investing activities	(595)	9
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	220	60
Repayments of long-term borrowings	(30)	(30)
Purchase of treasury shares	(0)	(181)
Dividends paid	(425)	(468)
Dividends paid to non-controlling interests	(7)	(3)
Net cash provided by (used in) financing activities	(242)	(623)
Effect of exchange rate change on cash and cash equivalents	0	-
Net increase (decrease) in cash and cash equivalents	(1,070)	(713)
Cash and cash equivalents at beginning of period	9,904	10,567
Cash and cash equivalents at end of period	8,833	9,854