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May 11, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (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 of annual general meeting of shareholders: June 23, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 Scheduled date to file annual securities report: June 26, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	%
Fiscal year ended								
March 31, 2023	107,019	43.7	10,063	49.3	9,961	37.5	7,331	26.8
March 31, 2022	74,485	44.5	6,738	552.7	7,246	297.5	5,780	424.5

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	84.05	—	14.9	13.7	9.4
March 31, 2022	66.11	—	13.6	11.9	9.0

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2023	79,421	53,099	66.6	607.28
March 31, 2022	66,299	45,729	68.8	522.72

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2023	2,989	(4,458)	(480)	16,418
March 31, 2022	7,430	(2,286)	(1,964)	17,538

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	5.00	—	5.00	10.00	875	15.1	2.1
Fiscal year ended March 31, 2023	—	6.00	—	7.00	13.00	1,137	15.5	2.3
Fiscal year ending March 31, 2024 (Forecast)	—	7.00	—	7.00	14.00		15.6	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	57,000	13.8	6,200	(12.9)	6,200	(20.5)	4,400	(21.4)	50.49
Full year	116,000	8.4	10,700	6.3	10,700	7.4	7,800	6.4	89.50

*** Notes**

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	6,469,556 shares
As of March 31, 2022	6,371,157 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	87,234,170 shares
Fiscal year ended March 31, 2022	87,437,886 shares

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	17,922	16,912
Notes receivable - trade	3,580	4,410
Accounts receivable - trade	9,096	10,619
Merchandise and finished goods	8,336	14,871
Work in process	1,798	1,941
Raw materials and supplies	1,657	2,019
Other	2,478	2,757
Allowance for doubtful accounts	(29)	(66)
Total current assets	44,841	53,465
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,945	15,248
Accumulated depreciation	(9,562)	(9,883)
Buildings and structures, net	5,383	5,365
Machinery, equipment and vehicles	7,401	8,060
Accumulated depreciation	(5,621)	(6,042)
Machinery, equipment and vehicles, net	1,780	2,017
Tools, furniture and fixtures	3,482	3,915
Accumulated depreciation	(3,033)	(3,375)
Tools, furniture and fixtures, net	449	539
Golf courses	189	189
Trees	7	7
Land	8,882	8,916
Leased assets	62	74
Accumulated depreciation	(41)	(37)
Leased assets, net	21	37
Right of use asset	1,075	2,285
Accumulated depreciation	(664)	(388)
Right of use asset, net	411	1,897
Construction in progress	165	2,044
Total property, plant and equipment	17,290	21,014
Intangible assets		
Software	259	1,893
Software in progress	977	40
Goodwill	102	43
Other	15	15
Total intangible assets	1,355	1,994
Investments and other assets		
Investment securities	208	217
Long-term time deposits	400	400
Deferred tax assets	1,736	1,724
Other	467	605
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,811	2,946
Total non-current assets	21,457	25,955
Total assets	66,299	79,421

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,790	7,128
Accounts payable - other	2,910	3,382
Current portion of long-term borrowings	535	705
Lease liabilities	212	575
Income taxes payable	966	917
Accrued consumption taxes	40	0
Provision for bonuses	998	1,200
Provision for bonuses for directors (and other officers)	63	43
Provision for point card certificates	3	4
Other	3,129	3,384
Total current liabilities	13,649	17,342
Non-current liabilities		
Long-term borrowings	1,421	2,373
Lease liabilities	278	1,485
Retirement benefit liability	2,811	2,702
Provision for retirement benefits for directors (and other officers)	261	209
Provision for share awards	111	139
Long-term guarantee deposits	1,970	2,002
Other	64	67
Total non-current liabilities	6,919	8,979
Total liabilities	20,569	26,321
Net assets		
Shareholders' equity		
Share capital	4,706	4,706
Capital surplus	7,708	8,202
Retained earnings	34,216	40,586
Treasury shares	(1,544)	(2,190)
Total shareholders' equity	45,086	51,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	26
Foreign currency translation adjustment	629	1,686
Remeasurements of defined benefit plans	(126)	(92)
Total accumulated other comprehensive income	521	1,619
Non-controlling interests	122	174
Total net assets	45,729	53,099
Total liabilities and net assets	66,299	79,421

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	74,485	107,019
Cost of sales	41,089	61,113
Gross profit	33,395	45,905
Selling, general and administrative expenses		
Advertising expenses	11,624	16,508
Provision of allowance for doubtful accounts	(6)	33
Salaries and allowances	4,769	5,623
Provision for bonuses	558	738
Provision for bonuses for directors (and other officers)	63	43
Retirement benefit expenses	264	250
Provision for retirement benefits for directors (and other officers)	23	22
Depreciation	792	848
Research and development expenses	1,324	1,593
Provision for point card certificates	(248)	1
Amortization of goodwill	58	58
Other	7,431	10,118
Total selling, general and administrative expenses	26,656	35,842
Operating profit	6,738	10,063
Non-operating income		
Interest income	50	101
Rental income	14	11
Foreign exchange gains	341	—
Subsidy income	61	4
Gain on sale of non-current assets	3	38
Other	69	121
Total non-operating income	541	277
Non-operating expenses		
Interest expenses	27	56
Commission expenses	2	1
Foreign exchange losses	—	315
Other	3	5
Total non-operating expenses	33	378
Ordinary profit	7,246	9,961
Extraordinary income		
Gain on sale of investment securities	1	—
Gain on bargain purchase	400	—
National subsidies	172	361
Total extraordinary income	575	361
Profit before income taxes	7,821	10,323
Income taxes - current	2,046	2,917
Income taxes - deferred	(5)	35
Total income taxes	2,041	2,953
Profit	5,780	7,370
Profit attributable to non-controlling interests	—	38
Profit attributable to owners of parent	5,780	7,331

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	5,780	7,370
Other comprehensive income		
Valuation difference on available-for-sale securities	(11)	7
Foreign currency translation adjustment	1,511	1,071
Remeasurements of defined benefit plans, net of tax	35	34
Total other comprehensive income	1,534	1,112
Comprehensive income	7,315	8,482
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,315	8,430
Comprehensive income attributable to non-controlling interests	—	52

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,706	7,682	29,510	(1,235)	40,664
Cumulative effects of changes in accounting policies			(418)		(418)
Restated balance	4,706	7,682	29,092	(1,235)	40,246
Changes during period					
Dividends of surplus			(657)		(657)
Profit attributable to owners of parent			5,780		5,780
Purchase of treasury shares				(318)	(318)
Disposal of treasury shares		26		9	35
Net changes in items other than shareholders' equity					
Total changes during period	—	26	5,123	(309)	4,839
Balance at end of period	4,706	7,708	34,216	(1,544)	45,086

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	30	(882)	(162)	(1,013)	—	39,651
Cumulative effects of changes in accounting policies						(418)
Restated balance	30	(882)	(162)	(1,013)	—	39,232
Changes during period						
Dividends of surplus						(657)
Profit attributable to owners of parent						5,780
Purchase of treasury shares						(318)
Disposal of treasury shares						35
Net changes in items other than shareholders' equity	(11)	1,511	35	1,534	122	1,656
Total changes during period	(11)	1,511	35	1,534	122	6,496
Balance at end of period	18	629	(126)	521	122	45,729

Fiscal year ended March 31,2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,706	7,708	34,216	(1,544)	45,086
Changes during period					
Dividends of surplus			(961)		(961)
Profit attributable to owners of parent			7,331		7,331
Purchase of treasury shares				(834)	(834)
Disposal of treasury shares		494		189	683
Net changes in items other than shareholders' equity					
Total changes during period	—	494	6,370	(645)	6,219
Balance at end of period	4,706	8,202	40,586	(2,190)	51,305

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18	629	(126)	521	122	45,729
Changes during period						
Dividends of surplus						(961)
Profit attributable to owners of parent						7,331
Purchase of treasury shares						(834)
Disposal of treasury shares						683
Net changes in items other than shareholders' equity	7	1,057	34	1,098	52	1,150
Total changes during period	7	1,057	34	1,098	52	7,370
Balance at end of period	26	1,686	(92)	1,619	174	53,099

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,821	10,323
Depreciation	1,603	1,976
State subsidy	(172)	(361)
Amortization of goodwill	58	58
Gain on bargain purchase	(400)	—
Increase (decrease) in allowance for doubtful accounts	(9)	34
Increase (decrease) in provision for bonuses	197	193
Increase (decrease) in provision for bonuses for directors (and other officers)	63	(20)
Increase (decrease) in retirement benefit liability	(133)	(70)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(0)	(51)
Increase (decrease) in provision for point card certificates	(248)	1
Amortization of long-term prepaid expenses	74	84
Interest and dividend income	(55)	(107)
Subsidy income	(61)	(4)
Interest expenses	27	57
Foreign exchange losses (gains)	(402)	(309)
Loss (gain) on sale of non-current assets	(3)	(35)
Loss on retirement of non-current assets	1	48
Loss (gain) on sale of investment securities	(1)	—
Other non-operating expenses (income)	(70)	(128)
Decrease (increase) in trade receivables	(771)	(2,152)
Decrease (increase) in inventories	(1,652)	(6,644)
Increase (decrease) in trade payables	1,213	2,541
Increase (decrease) in accrued consumption taxes	179	(456)
Decrease (increase) in return assets	(130)	62
Increase (decrease) in refund liabilities	394	97
Increase (decrease) in contract liabilities	6	(6)
Decrease (increase) in other assets	(174)	(167)
Increase (decrease) in other liabilities	1,214	475
Subtotal	8,567	5,437
Interest and dividends received	46	106
Interest paid	(27)	(56)
Other proceeds	77	130
Other payments	(7)	(3)
Subsidies received	43	33
Subsidies received	172	361
Income taxes paid	(1,442)	(3,018)
Net cash provided by (used in) operating activities	7,430	2,989
Cash flows from investing activities		
Payments into time deposits	(448)	(829)
Proceeds from withdrawal of time deposits	190	785
Purchase of property, plant and equipment	(882)	(3,472)
Proceeds from sale of property, plant and equipment	8	44
Purchase of intangible assets	(815)	(857)
Purchase of investment securities	(94)	—
Proceeds from sale of investment securities	2	—
Purchase of shares of subsidiaries	(250)	—
Loan advances	(2)	(10)
Proceeds from collection of loans receivable	8	13
Other, net	(0)	(131)
Net cash provided by (used in) investing activities	(2,286)	(4,458)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(86)	—
Proceeds from long-term borrowings	350	1,700
Repayments of long-term borrowings	(893)	(578)
Repayment of lease liability	(344)	(356)
Purchase of treasury shares	(318)	(834)
Proceeds from sale of treasury shares	—	567
Dividends paid	(656)	(960)
Other, net	(15)	(16)
Net cash provided by (used in) financing activities	(1,964)	(480)
Effect of exchange rate change on cash and cash equivalents	1,194	827
Net increase (decrease) in cash and cash equivalents	4,374	(1,120)
Cash and cash equivalents at beginning of period	13,164	17,538
Cash and cash equivalents at end of period	17,538	16,418