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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: **Yamatane Corporation**
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 9305
 URL: <https://www.yamatane.co.jp>
 Representative: Motohiro Yamazaki, Representative Director, President
 Contact: Ichiro Tasaki, General Manager, Accounting & Finance Department, Administration Division
 Phone: +81-3-3820-1111
 Scheduled date for annual general meeting of shareholders: June 21, 2023
 Scheduled date for commencing dividend payments: June 5, 2023
 Scheduled date for filing annual securities report: June 21, 2023
 Preparation of supplementary briefing materials for financial results: Yes
 Holding of financial results briefing: Yes

(Amounts of less than one million yen are truncated.)

1. Consolidated financial results for the fiscal year ended March 31, 2023

(April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (% indicates year-on-year change)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------|-----|------------------|-------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Fiscal year ended March 31, 2023 | 51,090 | 9.2 | 3,588 | 19.5 | 3,501 | 31.9 | 2,150 | 17.3 |
| March 31, 2022 | 46,765 | — | 3,002 | (9.1) | 2,655 | (15.5) | 1,832 | (10.3) |

Note: Comprehensive income: Fiscal year ended March 31, 2023: ¥2,925 million [(15.3) %]
 Fiscal year ended March 31, 2022: ¥3,454 million [37.0 %]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------|--------------------------|----------------------------|------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2023 | 208.27 | — | 4.9 | 2.8 | 7.0 |
| March 31, 2022 | 177.53 | — | 4.4 | 2.2 | 6.4 |

Reference: Share of profit of entities accounted for using equity method:

Fiscal year ended March 31, 2023: ¥— million Fiscal year ended March 31, 2022: ¥— million

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. has been adopted from the beginning of the previous fiscal year. Accordingly, net sales for the fiscal year ended March 31, 2022 reflect the adoption of the accounting standard, etc., and the year-on-year percentage change is not presented.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|--------------|-------------|--------------|----------------------|
| As of | Million yen | Million yen | % | Yen |
| March 31, 2023 | 126,188 | 47,878 | 35.4 | 4,321.59 |
| March 31, 2022 | 123,425 | 45,558 | 34.5 | 4,127.33 |

Reference: Equity: As of March 31, 2023: ¥44,612 million

As of March 31, 2022: ¥42,608 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 end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Million yen | Million yen | Million yen | Million yen |
| March 31, 2023 | 6,982 | (3,051) | (2,974) | 8,415 |
| March 31, 2022 | 4,242 | (9,725) | (3,585) | 7,459 |

2. Dividends

| | Annual dividends per share | | | | | Total cash dividends (total) | Dividend payout ratio (consolidated) | Ratio of dividends to net assets (consolidated) |
|--|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Million yen | % | % |
| March 31, 2022 | — | 25.00 | — | 30.00 | 55.00 | 567 | 31.0 | 1.4 |
| March 31, 2023 | — | 25.00 | — | 31.00 | 56.00 | 578 | 26.9 | 1.3 |
| Fiscal year ending March 31, 2024 (Forecast) | — | 25.00 | — | 32.00 | 57.00 | | 26.8 | |

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates year-on-year change)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|------------|-------------|-----|------------------|--------|-----------------|--------|---|------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 26,700 | 5.0 | 1,620 | (14.8) | 1,610 | (13.5) | 1,320 | 22.4 | 127.87 |
| Full year | 53,500 | 4.7 | 3,140 | (12.5) | 3,100 | (11.5) | 2,200 | 2.3 | 213.12 |

* Notes:

- (1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
 - 1) Changes in accounting policies due to application of revised accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatements: None
- (3) Number of common shares issued
 - 1) Number of shares issued at the end of the period (including treasury shares):
 - As of March 31, 2023: 11,344,181 shares
 - As of March 31, 2022: 11,344,181 shares
 - 2) Number of treasury shares at the end of the period:
 - As of March 31, 2023: 1,021,118 shares
 - As of March 31, 2022: 1,020,692 shares
 - 3) Average number of common shares during the period:
 - Fiscal year ended March 31, 2023: 10,323,322 shares
 - Fiscal year ended March 31, 2022: 10,323,630 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023

(April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(% indicates year-on-year change)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-------------|-------|------------------|--------|-----------------|--------|-------------|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2023 | 43,531 | 5.7 | 1,277 | 5.9 | 1,386 | 14.6 | 1,012 | (5.4) |
| March 31, 2022 | 41,183 | (5.4) | 1,206 | (31.2) | 1,210 | (34.5) | 1,069 | (24.3) |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2023 | 98.07 | — |
| March 31, 2022 | 103.63 | — |

(2) Non-consolidated financial position

| As of | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| March 31, 2023 | 87,722 | 38,179 | 43.5 | 3,698.49 |
| March 31, 2022 | 87,146 | 37,450 | 43.0 | 3,627.73 |

Reference: Equity: As of March 31, 2023: ¥38,179 million

As of March 31, 2022: ¥37,450 million

* These financial results are outside the scope of audits by certified public accountants or an audit firm.

* Explanation on appropriate use of financial results forecasts and other matters of note

- Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document, and actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Overview of business performance (4) Future outlook” on page 4 of the Japanese version of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Million yen)

| | Previous fiscal year (As of March 31, 2022) | Fiscal year under review (As of March 31, 2023) |
|---|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,459 | 8,416 |
| Notes and accounts receivable - trade, and contract assets | 6,225 | 6,699 |
| Investments in leases | 3,349 | 3,306 |
| Inventories | 1,568 | 612 |
| Other | 1,425 | 646 |
| Allowance for doubtful accounts | (2) | - |
| Total current assets | 20,025 | 19,681 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 57,717 | 58,399 |
| Accumulated depreciation | (30,315) | (31,742) |
| Buildings and structures, net | 27,401 | 26,656 |
| Land | 50,433 | 50,533 |
| Construction in progress | 27 | 1,564 |
| Other | 16,081 | 17,057 |
| Accumulated depreciation | (7,284) | (8,681) |
| Other, net | 8,797 | 8,376 |
| Total property, plant and equipment | 86,660 | 87,131 |
| Intangible assets | | |
| Other | 982 | 2,346 |
| Total intangible assets | 982 | 2,346 |
| Investments and other assets | | |
| Investment securities | 14,229 | 15,066 |
| Deferred tax assets | 13 | 21 |
| Other | 1,389 | 1,874 |
| Allowance for doubtful accounts | (36) | (36) |
| Total investments and other assets | 15,596 | 16,926 |
| Total non-current assets | 103,239 | 106,405 |
| Deferred assets | | |
| Bond issuance costs | 160 | 101 |
| Total deferred assets | 160 | 101 |
| Total assets | 123,425 | 126,188 |

(Million yen)

| | Previous fiscal year (As of March 31, 2022) | Fiscal year under review (As of March 31, 2023) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Trade accounts payable | 2,506 | 2,298 |
| Short-term borrowings | 5,141 | 4,100 |
| Current portion of long-term borrowings | 5,264 | 3,338 |
| Current portion of bonds payable | 901 | 9,983 |
| Income taxes payable | 484 | 514 |
| Other | 3,041 | 5,444 |
| Total current liabilities | 17,339 | 25,678 |
| Non-current liabilities | | |
| Bonds payable | 23,331 | 13,347 |
| Long-term borrowings | 21,522 | 23,279 |
| Deferred tax liabilities for land revaluation | 4,823 | 4,823 |
| Deferred tax liabilities | 1,396 | 2,001 |
| Provision for environmental measures | 2 | - |
| Retirement benefit liability | 1,622 | 1,607 |
| Asset retirement obligations | 2,334 | 2,522 |
| Other | 5,494 | 5,049 |
| Total non-current liabilities | 60,527 | 52,630 |
| Total liabilities | 77,867 | 78,309 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 10,555 | 10,555 |
| Capital surplus | 3,747 | 3,747 |
| Retained earnings | 22,379 | 23,961 |
| Treasury shares | (2,234) | (2,235) |
| Total shareholders' equity | 34,448 | 36,030 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,304 | 5,711 |
| Deferred gains or losses on hedges | - | 9 |
| Revaluation reserve for land | 2,872 | 2,872 |
| Remeasurements of defined benefit plans | (17) | (12) |
| Total accumulated other comprehensive income | 8,159 | 8,581 |
| Non-controlling interests | 2,950 | 3,266 |
| Total net assets | 45,558 | 47,878 |
| Total liabilities and net assets | 123,425 | 126,188 |

(2) Consolidated Statements of Income and Comprehensive Income
 Consolidated Statement of Income

(Million yen)

| | Previous fiscal year (April 1, 2021 to March 31, 2022) | Fiscal year under review (April 1, 2022 to March 31, 2023) |
|--|--|--|
| Operating revenue | 46,765 | 51,090 |
| Operating costs | 40,727 | 43,829 |
| Operating gross profit | 6,037 | 7,260 |
| Selling, general and administrative expenses | 3,034 | 3,672 |
| Operating profit | 3,002 | 3,588 |
| Non-operating income | | |
| Interest income | 1 | 1 |
| Dividend income | 346 | 459 |
| Other | 11 | 30 |
| Total non-operating income | 359 | 491 |
| Non-operating expenses | | |
| Interest expenses | 574 | 491 |
| Commission for syndicated loans | 58 | 3 |
| Amortization of bond issuance costs | 67 | 59 |
| Other | 6 | 25 |
| Total non-operating expenses | 706 | 578 |
| Ordinary profit | 2,655 | 3,501 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 6 | 74 |
| Gain on sale of investment securities | 233 | 52 |
| Other | 1 | - |
| Total extraordinary income | 240 | 126 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 39 | 33 |
| Other | - | 0 |
| Total extraordinary losses | 39 | 33 |
| Profit before income taxes | 2,856 | 3,594 |
| Income taxes - current | 1,004 | 1,032 |
| Income taxes - deferred | (184) | 88 |
| Total income taxes | 820 | 1,121 |
| Profit | 2,036 | 2,473 |
| Profit attributable to non-controlling interests | 203 | 323 |
| Profit attributable to owners of parent | 1,832 | 2,150 |

Consolidated Statement of Comprehensive Income

(Million yen)

| | Previous fiscal year (April 1, 2021 to March 31, 2022) | Fiscal year under review (April 1, 2022 to March 31, 2023) |
|---|--|--|
| Profit | 2,036 | 2,473 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,411 | 432 |
| Deferred gains or losses on hedges | - | 13 |
| Remeasurements of defined benefit plans, net of tax | 6 | 5 |
| Total other comprehensive income | 1,417 | 451 |
| Comprehensive income | 3,454 | 2,925 |
| Comprehensive income attributable to: | | |
| Owners of parent | 3,139 | 2,572 |
| Non-controlling interests | 314 | 353 |

(3) Consolidated Statement of Changes in Equity
 Previous fiscal year (April 1, 2021 to March 31, 2022)

(Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,555 | 3,747 | 21,341 | (2,233) | 33,411 |
| Changes during period | | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | — | | | — |
| Dividends of surplus | | | (794) | | (794) |
| Profit attributable to owners of parent | | | 1,832 | | 1,832 |
| Purchase of treasury shares | | | | (0) | (0) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | — | 1,037 | (0) | 1,037 |
| Balance at end of period | 10,555 | 3,747 | 22,379 | (2,234) | 34,448 |

| | Accumulated other comprehensive income | | | | |
|---|---|------------------------------------|------------------------------|---|--|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |
| Balance at beginning of period | 4,003 | — | 2,872 | (24) | 6,852 |
| Changes during period | | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | |
| Dividends of surplus | | | | | |
| Profit attributable to owners of parent | | | | | |
| Purchase of treasury shares | | | | | |
| Net changes in items other than shareholders' equity | 1,300 | | — | 6 | 1,306 |
| Total changes during period | 1,300 | — | — | 6 | 1,306 |
| Balance at end of period | 5,304 | — | 2,872 | (17) | 8,159 |

| | Non-controlling interests | Total net assets |
|---|---------------------------|------------------|
| Balance at beginning of period | 2,659 | 42,923 |
| Changes during period | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | — |
| Dividends of surplus | | (794) |
| Profit attributable to owners of parent | | 1,832 |
| Purchase of treasury shares | | (0) |
| Net changes in items other than shareholders' equity | 290 | 1,597 |
| Total changes during period | 290 | 2,634 |
| Balance at end of period | 2,950 | 45,558 |

Fiscal year under review (April 1, 2022 to March 31, 2023)

(Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 10,555 | 3,747 | 22,379 | (2,234) | 34,448 |
| Changes during period | | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | — | | | — |
| Dividends of surplus | | | (567) | | (567) |
| Profit attributable to owners of parent | | | 2,150 | | 2,150 |
| Purchase of treasury shares | | | | (0) | (0) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | — | 1,582 | (0) | 1,581 |
| Balance at end of period | 10,555 | 3,747 | 23,961 | (2,235) | 36,030 |

| | Accumulated other comprehensive income | | | | |
|---|---|------------------------------------|------------------------------|---|--|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Revaluation reserve for land | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |
| Balance at beginning of period | 5,304 | — | 2,872 | (17) | 8,159 |
| Changes during period | | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | |
| Dividends of surplus | | | | | |
| Profit attributable to owners of parent | | | | | |
| Purchase of treasury shares | | | | | |
| Net changes in items other than shareholders' equity | 406 | 9 | — | 5 | 422 |
| Total changes during period | 406 | 9 | — | 5 | 422 |
| Balance at end of period | 5,711 | 9 | 2,872 | (12) | 8,581 |

| | Non-controlling interests | Total net assets |
|---|---------------------------|------------------|
| Balance at beginning of period | 2,950 | 45,558 |
| Changes during period | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | — |
| Dividends of surplus | | (567) |
| Profit attributable to owners of parent | | 2,150 |
| Purchase of treasury shares | | (0) |
| Net changes in items other than shareholders' equity | 316 | 738 |
| Total changes during period | 316 | 2,320 |
| Balance at end of period | 3,266 | 47,878 |

(4) Consolidated Statement of Cash Flows

(Million yen)

| | Previous fiscal year (April 1, 2021 to March 31, 2022) | Fiscal year under review (April 1, 2022 to March 31, 2023) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,856 | 3,594 |
| Depreciation | 1,978 | 2,730 |
| Amortization of goodwill | - | 73 |
| Increase (decrease) in allowance for doubtful accounts | (58) | (2) |
| Increase (decrease) in retirement benefit liability | (45) | (57) |
| Interest and dividend income | (347) | (460) |
| Interest expenses | 574 | 491 |
| Loss (gain) on sale of investment securities | (233) | (52) |
| Loss (gain) on sale and retirement of property, plant and equipment and intangible assets | 33 | (41) |
| Decrease (increase) in trade receivables | (470) | (164) |
| Decrease (increase) in investments in leases | 41 | 43 |
| Decrease (increase) in inventories | 19 | 956 |
| Increase (decrease) in trade payables | (409) | (254) |
| Decrease (increase) in advances paid | (101) | 11 |
| Decrease (increase) in consumption taxes refund receivable | (132) | 830 |
| Increase (decrease) in accounts payable - other | 885 | (164) |
| Increase (decrease) in accrued expenses | 121 | 125 |
| Increase (decrease) in accrued consumption taxes | (72) | 709 |
| Increase (decrease) in guarantee deposits received | 126 | 14 |
| Other, net | (51) | (332) |
| Subtotal | 4,714 | 8,049 |
| Interest and dividends received | 346 | 459 |
| Proceeds from compensation for forced relocation | 951 | - |
| Interest paid | (554) | (487) |
| Income taxes paid | (1,217) | (1,040) |
| Income taxes refund | 1 | 0 |
| Net cash provided by (used in) operating activities | 4,242 | 6,982 |
| Cash flows from investing activities | | |
| Purchase of investment securities | (4) | (226) |
| Proceeds from sale of investment securities | 287 | 77 |
| Purchase of property, plant and equipment and intangible assets | (9,991) | (1,909) |
| Proceeds from sale of property, plant and equipment and intangible assets | 6 | 150 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | (1,041) |
| Proceeds from collection of loans receivable | 25 | 10 |
| Payments for retirement of property, plant and equipment | - | (16) |
| Other, net | (49) | (95) |
| Net cash provided by (used in) investing activities | (9,725) | (3,051) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 734 | (1,041) |
| Proceeds from long-term borrowings | 6,056 | 5,112 |
| Repayments of long-term borrowings | (5,274) | (5,438) |
| Redemption of bonds | (4,186) | (901) |
| Repayments of lease obligations | (99) | (102) |
| Purchase of treasury shares | (0) | (0) |
| Dividends paid | (792) | (566) |
| Dividends paid to non-controlling interests | (24) | (36) |
| Net cash provided by (used in) financing activities | (3,585) | (2,974) |
| Net increase (decrease) in cash and cash equivalents | (9,069) | 955 |
| Cash and cash equivalents at beginning of period | 16,529 | 7,459 |
| Cash and cash equivalents at end of period | 7,459 | 8,415 |