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November 9, 2023

Consolidated Financial Results for the Six Months Ended September 30, 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 to file quarterly securities report: November 10, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	57,725	15.2	5,612	(21.1)	6,220	(20.2)	4,396	(21.4)
September 30, 2022	50,092	44.0	7,116	69.9	7,796	81.1	5,595	67.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	50.43	—
September 30, 2022	64.11	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2023	85,187	58,390	68.3
March 31, 2023	79,421	53,099	66.6

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, 2023	—	6.00	—	7.00	13.00
Fiscal year ending March 31, 2024	—	7.00			
Fiscal year ending March 31, 2024 (Forecast)			—	7.00	14.00

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

3. Forecast of consolidated financial results for the year ending March 31, 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
Full year	116,000	8.4	10,700	6.3	10,700	7.4	7,800	6.4	89.50

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: None

(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, 2023	93,620,800 shares
As of March 31, 2023	93,620,800 shares

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

As of September 30, 2023	6,352,156 shares
As of March 31, 2023	6,469,556 shares

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

Six months ended September 30, 2023	87,184,816 shares
Six months ended September 30, 2022	87,277,592 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	16,912	20,426
Notes and accounts receivable - trade	15,030	17,908
Merchandise and finished goods	14,871	12,009
Work in process	1,941	2,063
Raw materials and supplies	2,019	2,473
Other	2,757	2,888
Allowance for doubtful accounts	(66)	(69)
Total current assets	53,465	57,699
Non-current assets		
Property, plant and equipment		
Buildings, net	5,155	5,437
Land	8,916	10,000
Other, net	6,942	7,251
Total property, plant and equipment	21,014	22,689
Intangible assets		
Software	1,893	1,808
Software in progress	40	253
Goodwill	43	14
Other	15	15
Total intangible assets	1,994	2,092
Investments and other assets		
Investment securities	217	213
Long-term time deposits	400	400
Deferred tax assets	1,724	1,470
Other	605	622
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,946	2,706
Total non-current assets	25,955	27,488
Total assets	79,421	85,187

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,128	6,075
Accounts payable - other	3,382	3,949
Short-term borrowings	—	289
Current portion of long-term borrowings	705	850
Income taxes payable	917	1,342
Accrued consumption taxes	0	0
Provision for bonuses	1,200	1,095
Provision for bonuses for directors (and other officers)	43	23
Provision for point card certificates	4	6
Other	3,959	4,380
Total current liabilities	17,342	18,016
Non-current liabilities		
Long-term borrowings	2,373	2,020
Retirement benefit liability	2,702	2,636
Provision for retirement benefits for directors (and other officers)	209	—
Provision for share awards	139	94
Asset retirement obligations	—	58
Long-term guarantee deposits	2,002	2,027
Other	1,552	1,943
Total non-current liabilities	8,979	8,780
Total liabilities	26,321	26,797
Net assets		
Shareholders' equity		
Share capital	4,706	4,706
Capital surplus	8,202	8,240
Retained earnings	40,586	44,370
Treasury shares	(2,190)	(2,074)
Total shareholders' equity	51,305	55,241
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26	24
Foreign currency translation adjustment	1,686	3,022
Remeasurements of defined benefit plans	(92)	(86)
Total accumulated other comprehensive income	1,619	2,960
Non-controlling interests	174	187
Total net assets	53,099	58,390
Total liabilities and net assets	79,421	85,187

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, 2022	Six months ended September 30, 2023
Net sales	50,092	57,725
Cost of sales	27,467	32,614
Gross profit	22,624	25,110
Selling, general and administrative expenses	15,508	19,498
Operating profit	7,116	5,612
Non-operating income		
Interest income	45	38
Rental income	7	4
Foreign exchange gains	597	571
Other	54	34
Total non-operating income	704	648
Non-operating expenses		
Interest expenses	21	38
Other	3	0
Total non-operating expenses	25	39
Ordinary profit	7,796	6,220
Extraordinary income		
National subsidies	322	—
Total extraordinary income	322	—
Profit before income taxes	8,118	6,220
Income taxes - current	2,259	1,529
Income taxes - deferred	251	273
Total income taxes	2,510	1,803
Profit	5,608	4,417
Profit attributable to non-controlling interests	12	20
Profit attributable to owners of parent	5,595	4,396

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	5,608	4,417
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(1)
Foreign currency translation adjustment	2,204	1,349
Remeasurements of defined benefit plans, net of tax	12	6
Total other comprehensive income	2,218	1,353
Comprehensive income	7,826	5,771
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,798	5,737
Comprehensive income attributable to non-controlling interests	28	33

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	8,118	6,220
Depreciation	855	1,183
National subsidies	(322)	—
Amortization of goodwill	29	29
Increase (decrease) in allowance for doubtful accounts	12	(2)
Increase (decrease) in provision for bonuses	(85)	(119)
Increase (decrease) in provision for bonuses for directors (and other officers)	(48)	(19)
Increase (decrease) in retirement benefit liability	(3)	(61)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(62)	(209)
Increase (decrease) in provision for point card certificates	0	1
Amortization of long-term prepaid expenses	42	36
Interest and dividend income	(48)	(41)
Subsidy income	(2)	(0)
Interest expenses	22	39
Foreign exchange losses (gains)	(789)	(625)
Loss (gain) on sale of non-current assets	(1)	(2)
Loss on retirement of non-current assets	41	2
Other non-operating expenses (income)	(49)	(30)
Decrease (increase) in trade receivables	(2,710)	(2,657)
Decrease (increase) in inventories	(1,160)	3,052
Increase (decrease) in trade payables	2,984	(1,052)
Increase (decrease) in accrued consumption taxes	(0)	395
Decrease (increase) in return assets	(0)	3
Increase (decrease) in refund liabilities	22	(132)
Increase (decrease) in contract liabilities	(0)	(0)
Decrease (increase) in other assets	(337)	(580)
Increase (decrease) in other liabilities	11	985
Subtotal	6,513	6,414
Interest and dividends received	51	39
Interest paid	(21)	(36)
Other proceeds	49	33
Other payments	(2)	(0)
Proceeds from subsidy income	28	0
Subsidies received	322	—
Income taxes paid	(1,542)	(1,152)
Net cash provided by (used in) operating activities	5,399	5,299

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from investing activities		
Payments into time deposits	(471)	(186)
Proceeds from withdrawal of time deposits	428	208
Purchase of property, plant and equipment	(835)	(1,468)
Proceeds from sale of property, plant and equipment	1	7
Purchase of intangible assets	(541)	(340)
Loan advances	(6)	(7)
Proceeds from collection of loans receivable	6	7
Other, net	(50)	(21)
Net cash provided by (used in) investing activities	(1,468)	(1,801)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	269
Proceeds from long-term borrowings	—	134
Repayments of long-term borrowings	(267)	(352)
Purchase of treasury shares	(0)	—
Repayments of lease liabilities	(174)	(255)
Dividends paid	(437)	(614)
Dividends paid to non-controlling interests	—	(20)
Other, net	(8)	(8)
Net cash provided by (used in) financing activities	(888)	(846)
Effect of exchange rate change on cash and cash equivalents	1,869	828
Net increase (decrease) in cash and cash equivalents	4,912	3,479
Cash and cash equivalents at beginning of period	17,538	16,418
Cash and cash equivalents at end of period	22,451	19,898