

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

Company name: YAMAZEN CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 8051 URL <https://www.yamazen.co.jp/>  
 Representative: President, CEO Yuji NAGAO  
 Inquiries: Manager, IR & PR Dept. Hayato HIRATA TEL 06-6534-3003  
 Scheduled date to file Quarterly Securities Report: November 11, 2021  
 Scheduled date to commence dividend payments: December 10, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	238,552	–	7,487	–	7,464	–	5,613	–
Six months ended September 30, 2020	204,366	(15.9)	4,389	(30.2)	4,375	(29.5)	2,877	(28.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	61.81		57.57	
Six months ended September 30, 2020	30.49		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	259,583	105,784	40.6	1,184.83
As of March 31, 2021	245,937	107,630	43.6	1,135.52

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	10.00	–	10.00	20.00
Year ending March 31, 2022	–	10.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	15.00	25.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	490,000	–	13,000	–	13,000	–	9,000	–	100.11

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: Yes
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	95,305,435 shares	As of March 31, 2021	95,305,435 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	6,461,825 shares	As of March 31, 2021	937,995 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	90,813,376 shares	Six months ended September 30, 2020	94,367,467 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	63,734	66,559
Notes and accounts receivable - trade	86,607	81,041
Electronically recorded monetary claims - operating	11,259	14,807
Securities	12,000	12,000
Merchandise and finished goods	25,425	34,739
Other	3,837	6,220
Allowance for doubtful accounts	(388)	(346)
Total current assets	202,475	215,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,082	3,755
Machinery, equipment and vehicles, net	71	96
Tools, furniture and fixtures, net	999	937
Land	3,717	3,665
Leased assets, net	3,478	3,280
Other, net	749	893
Total property, plant and equipment	13,098	12,629
Intangible assets	8,449	10,034
Investments and other assets		
Investment securities	18,052	17,620
Distressed receivables	78	79
Retirement benefit asset	1,977	2,184
Deferred tax assets	326	355
Other	1,639	1,748
Allowance for doubtful accounts	(161)	(139)
Total investments and other assets	21,913	21,849
Total non-current assets	43,462	44,512
Deferred assets		
Bond issuance costs	–	47
Total deferred assets	–	47
Total assets	245,937	259,583

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	60,614	58,206
Electronically recorded obligations - operating	51,531	54,339
Short-term borrowings	29	29
Lease obligations	423	426
Income taxes payable	2,436	2,377
Advances received	–	9,053
Provision for bonuses	2,780	3,074
Provision for voluntary recall of goods	32	32
Other	9,901	6,142
<b>Total current liabilities</b>	<b>127,749</b>	<b>133,682</b>
<b>Non-current liabilities</b>		
Convertible-bond-type bonds with share acquisition rights	–	10,045
Long-term borrowings	135	121
Lease obligations	4,179	3,969
Deferred tax liabilities	4,140	3,986
Retirement benefit liability	252	263
Other	1,849	1,731
<b>Total non-current liabilities</b>	<b>10,558</b>	<b>20,117</b>
<b>Total liabilities</b>	<b>138,307</b>	<b>153,799</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	7,909	7,909
Capital surplus	7,561	7,561
Retained earnings	82,887	87,025
Treasury shares	(957)	(6,957)
<b>Total shareholders' equity</b>	<b>97,400</b>	<b>95,538</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,891	8,880
Deferred gains or losses on hedges	87	1
Foreign currency translation adjustment	1,551	1,503
Remeasurements of defined benefit plans	(774)	(658)
<b>Total accumulated other comprehensive income</b>	<b>9,755</b>	<b>9,726</b>
<b>Non-controlling interests</b>	<b>474</b>	<b>519</b>
<b>Total net assets</b>	<b>107,630</b>	<b>105,784</b>
<b>Total liabilities and net assets</b>	<b>245,937</b>	<b>259,583</b>

**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, 2020	Six months ended September 30, 2021
Net sales	204,366	238,552
Cost of sales	174,892	203,661
Gross profit	29,473	34,891
Selling, general and administrative expenses	25,084	27,403
Operating profit	4,389	7,487
Non-operating income		
Interest income	684	32
Dividend income	123	117
Subsidy income	113	65
Other	45	50
Total non-operating income	967	266
Non-operating expenses		
Interest expenses	898	139
Foreign exchange losses	66	129
Other	16	21
Total non-operating expenses	981	290
Ordinary profit	4,375	7,464
Extraordinary income		
Gain on sale of non-current assets	–	114
Gain on sale of investment securities	–	627
Total extraordinary income	–	741
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	0	0
Loss on liquidation of subsidiaries	25	–
Total extraordinary losses	26	0
Profit before income taxes	4,349	8,205
Income taxes - current	1,460	2,516
Income taxes - deferred	(28)	37
Total income taxes	1,431	2,553
Profit	2,917	5,651
Profit attributable to non-controlling interests	39	38
Profit attributable to owners of parent	2,877	5,613

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	2,917	5,651
Other comprehensive income		
Valuation difference on available-for-sale securities	2,696	(10)
Deferred gains or losses on hedges	(65)	(85)
Foreign currency translation adjustment	(42)	(42)
Remeasurements of defined benefit plans, net of tax	210	115
Total other comprehensive income	2,798	(22)
Comprehensive income	5,715	5,629
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,687	5,584
Comprehensive income attributable to non-controlling interests	28	44

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,349	8,205
Depreciation	993	986
Retirement benefit expenses	310	172
Increase (decrease) in allowance for doubtful accounts	(101)	(54)
Increase (decrease) in other provisions	(40)	285
Increase (decrease) in retirement benefit liability	(169)	(193)
Interest and dividend income	(807)	(149)
Interest expenses	898	139
Foreign exchange losses (gains)	31	(38)
Loss (gain) on sale of investment securities	–	(627)
Loss on retirement of property, plant and equipment and intangible assets	0	0
Loss (gain) on sale of property, plant and equipment and intangible assets	0	(114)
Decrease (increase) in trade receivables	10,867	3,226
Decrease (increase) in inventories	(808)	(9,223)
Increase (decrease) in trade payables	(12,690)	444
Other, net	(276)	772
Subtotal	2,556	3,830
Income taxes paid	(656)	(2,496)
Net cash provided by (used in) operating activities	1,900	1,334
Cash flows from investing activities		
Payments into time deposits	(32)	(2)
Proceeds from withdrawal of time deposits	171	44
Purchase of securities	(1,000)	(1,000)
Proceeds from redemption of securities	–	1,000
Purchase of investment securities	(22)	(19)
Proceeds from sale of investment securities	–	1,110
Loan advances	(2)	(3)
Proceeds from collection of loans receivable	10	8
Payments of other investments	(25)	(256)
Collection of other investments	31	15
Purchase of property, plant and equipment and intangible assets	(2,700)	(2,427)
Proceeds from sale of property, plant and equipment and intangible assets	0	432
Interest and dividends received	805	152
Net cash provided by (used in) investing activities	(2,764)	(943)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(173)	–
Repayments of lease obligations	(207)	(212)
Repayments of long-term borrowings	(14)	(14)
Proceeds from issuance of convertible bonds with share acquisition rights	–	9,997
Dividends paid	(1,323)	(947)
Interest paid	(897)	(138)
Purchase of treasury shares	(0)	(6,006)
Other, net	(187)	(223)
Net cash provided by (used in) financing activities	(2,804)	2,454
Effect of exchange rate change on cash and cash equivalents	(3)	21
Net increase (decrease) in cash and cash equivalents	(3,671)	2,866
Cash and cash equivalents at beginning of period	68,385	74,478
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	573	–
Cash and cash equivalents at end of period	65,287	77,345