

Consolidated Financial Review

For 3rd Quarter, Ended December 31, 2022 [Japanese GAAP]



Feb. 10, 2023
Listed Market: TSE Prime

Company name: Y.A.C. HOLDINGS CO., LTD.
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Application of U.S. GAAP: None.

For reference only

The Japanese version of this Financial Review is the original, English version is essentially a translation from Japanese.
The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

Amounts are rounded down to the nearest million yen unless otherwise stated.

1. Financial highlights for the 3rd quarter ended Dec.31, 2022 (4/01/2022-12/31/2022)

(Percentage is the rate of increase or decrease from the previous corresponding period)

(1) Consolidated operating results.

	Net sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Mil yen	%	Mil yen	%	Mil yen	%	Mil yen	%
Nine months ended Dec.31, 2022.	16,781	5.0	891	-1.5	913	-1.9	535	-12.6
Nine months ended Dec. 31, 2021.	15,975	-9.8	905	233.2	930	228.2	612	526.7

Note: Comprehensive income.

Nine months ended Dec. 31, 2022. ¥742 million (2.9%)
Nine months ended Dec. 31, 2021. ¥721 million (595.2%)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended Dec. 31, 2022.	58.49		58.15	
Nine months ended Dec. 31, 2021.	67.26		66.78	

(2) Consolidated financial position.

	Total assets	Net assets	Equity ratio
	Mil yen	Mil yen	%
Dec.31, 2022.	38,563	15,670	40.5
Mar.31, 2022.	36,997	15,324	41.3

Note: Equity

As of Dec. 31, 2022. ¥15,632 million
As of Mar. 31, 2022. ¥15,278 million

2. Cash Dividends.

	Cash dividend per share				
	1st quarter-end	2nd quarter-end	3 rd quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2021.	---	12.00	---	24.00	36.00
Fiscal year ending Mar. 31, 2023.	---	25.00	---		
Fiscal year ending Mar. 31, 2023. (forecast)				50.00	75.00

Note: Revision of cash dividends in year under review: Yes.

3. Corporate estimates for the year ending March 31, 2023. (4/01/2022-3/31/2023)

(Percentage is the rate of increase or decrease from the previous financial year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Mill. Yen	%	Mill Yen	%	Mill. Yen	%	Mill Yen	%	Yen
Fiscal year ending Mar. 31, 2023.	27,000	18.4	2,400	53.2	2,200	47.5	1,600	44.5	174.68

Note: Revision of corporate estimate in year: None.

Notes:

- (1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):
None.
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements:
None.
- (3) Changes of accounting policies, changes in accounting estimates and retrospective restatement
- ① Changes of accounting policies accompanied by revision of accounting standard etc.: None.
 - ② Changes of accounting policies other than ① : None.
 - ③ Changes in accounting estimates : None.
 - ④ Retrospective restatement : None.
- (4) Number of issued shares outstanding (Common shares)
- ① Number of issued shares outstanding as of end of period (including treasury stock)
As of Dec. 31, 2022. 9,758,947 shares As of Mar. 31, 2022. 9,758,947 shares
 - ② Number of treasury stock as of end of period
As of Dec. 31, 2022. 583,942 shares As of Mar. 31, 2022. 629,389 shares
 - ③ Average number of issued shares outstanding
Nine months ended Dec. 31, 2022. 9,154,615 shares Nine months ended Dec. 31, 2021. 9,110,272 shares

*This quarterly financial report is exempt from quarterly review procedure.

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to us and certain assumptions that are regarded as legitimate. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P 5 “(3) “Description of Financial Estimate such as Consolidated Business Results” for the assumptions used and other notes.

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1. Qualitative Information, Financial Statements.

(1) Description of Status of Consolidated Business Results.

During the nine months ended December 31, 2022, the world economy continued to suffer from high energy prices due to prolonged Russia's invasion of Ukraine and supply chain disruptions due to lockdowns in P.R.C. and others as results of these the concerns about an economic recession have increased. Looking at the semiconductor and electronics markets that affect our business results,

overall market production has slowed down significantly.

Under these business circumstances, our group has kept endeavoring to strengthen solution proposal capability and as well cope with acquiring materials and strengthening production. However, because of supply chain disruption and price hike of some materials our business results of this nine months ended Dec.31, 2022 was as follows.

Net sales amounted to ¥16,781 million (increased by 5.0% compared to the same period of the previous financial year) operating income marked ¥891 million (decreased by 1.5% compared to the same period of the previous financial year), ordinary income marked ¥913 million (decreased by 1.9% compared to the same period of the previous financial year) and profit attributable to owners of parent marked ¥535million (decreased by 12.6% compared to the same period of the previous financial year).

Each segment result was as follows.

(Mechatronics related business segment)

Backlog ordered increased favorably but because of postponement of new capital investment by HDD manufacturers, slowed down demand of mobile related parts and cost increase incurred by material cost hike, business results was sales and profit decreased.

As a result, net sales of mechatronics related business amounted to ¥7,586 million (decreased by 10.6% compared to the same period of the previous financial year) and segment income marked ¥694 million (decreased by 17.2% compared to the same period of the previous financial year).

(Display related business segment)

Sales increased a big by good backlog ordered, however because of cost increase incurred by material cost hike we could not achieve the profit.

As a result, net sales of display related business amounted to ¥3,506 million (increased by 118.3% compared to the same period of the previous financial year) and segment loss marked ¥181 million (the same period of the previous financial year, segment loss marked ¥276 million)

(Industrial machinery related business segment)

We have concentrated on marketing of packaging machine for medical linen-supply business, apparel and EC commerce but new capital investment of home cleaning business did not recover, and business remained sluggish.

As a result, net sales of industrial machinery related business segment amounted to ¥677 million (decreased by 1.8% compared to the same period of the previous financial year) and segment loss marked ¥51 million (the same period of the previous financial year segment loss marked ¥111million.)

(Electronics related business segment)

Sales of equipment for electric power companies continuously went well but dialyzer business stayed as backlog ordered because of difficulties to obtain some material and parts.

As a result, net sales of electronics related business segment amounted to ¥5,011 million (decreased by 3.5% compared to the same period of the previous financial year) and segment income marked ¥349 million (increased by 13.5% compared to the same period of the previous financial year)

(2) Description of Consolidated Financial Position.

(Assets)

Current assets as of Dec. 31,2022 stood at ¥30,364 million increased by ¥1,499 million compared to the previous financial year end. The major increased item was work in process by ¥2,282 million and major decreased items were cash and deposits by ¥1,353 and trade note and accounts receivables by ¥213 million. Noncurrent assets amounted to ¥8,198 million increased by ¥67 million compared to the previous financial year end.

As a result, total assets as of Dec.31, 2022 stood at ¥38,563 million increased by ¥1,566 million compared to the previous financial year end.

(Liabilities)

Current liabilities as of Dec.31, 2022 stood at ¥14,410 million increased by ¥586 million compared to the previous financial year end. The major increased items were notes and account payable trade by ¥1,172 million and advance received by ¥389 million. Major decreased items were short-term loans payable by ¥794 million and provision for bonuses by ¥209 million.

Fixed liabilities stood at ¥8,482 million increased by ¥633 million compared to the previous financial year end. The major increased item was long-term loans payable by ¥686 million, and major decreased item was provision for business liquidation losses by ¥139 million.

As a result, total liabilities as of Dec.31, 2022 stood at ¥22,893 million increased by ¥1,220 million compared to the previous financial year end.

(Net assets)

Total net assets as of Dec.31, 2022 stood at ¥15,670 million increased by ¥345 million compared to the previous financial year end.

As a result, equity ratio at the end of 3rd quarter came to 40.5% and net assets per share came to ¥1,703.84.

(3) Description of Financial Estimate such as Consolidated Business Results Forecast.

Consolidated twelve-months business result forecasts ending Mar.31, 2023 remains the same as consolidated business results forecast which announced on Nov.14, 2022.

Company celebrate its 50th anniversary on May.11, 2023, the Company plans to pay a commemorative dividend of ¥25 per share together with the year-end dividend ¥25 per share for the fiscal year ending March 31, 2023. As a result, the Company plans to pay ¥50 per share as year-end dividend.

Please refer the “Announcement on Revision of Cash dividend forecast for the year ending Mar.31, 2023 (Commemorative dividend)” announced on Feb.10, 2023 for details.

2. Consolidated Financial Information.
(1) Consolidated Balance Sheets.

(Millions of yen)

	As of Mar. 31, 2022	This financial period. As of Dec. 31, 2022
Assets		
Current assets		
Cash and deposits	8,695	7,341
Trade note and accounts receivable	10,572	10,358
Securities	0	0
Merchandise and finished goods	1,362	1,439
Work in process	5,780	8,062
Raw materials and supplies	1,703	2,091
Others	857	1,175
Allowance for doubtful accounts	-106	-106
Total current assets	28,865	30,364
Noncurrent assets		
Tangible fixed assets		
Building and structures	5,069	5,106
Accumulated depreciation	-3,321	-3,433
Building and structures(net)	1,747	1,672
Machinery, equipment, and vehicles	2,487	2,616
Accumulated depreciation	-1,981	-2,115
Machinery, equipment, and vehicles(net)	506	501
Tools, equipment, and fixtures	3,684	3,844
Accumulated depreciation	-3,341	-3,460
Tools, equipment, and fixtures(net)	343	384
Land	3,597	3,597
Leased assets	349	411
Accumulated depreciation	-181	-179
Leased assets(net)	168	232
Construction in progress account	477	684
Total tangible fixed assets	6,840	7,073
Intangible assets		
Goodwill	59	---
Soft wares	45	47
Leased assets	69	96
Telephone subscription rights	20	20
Others	20	16
Total intangible assets	216	181
Investments and other assets		
Investment securities	308	309
Long-term lending	13	10
Differed income taxes	596	442
Long-term retention receivables	163	163
Others	179	202
Allowance for doubtful accounts	-185	-185
Total investments and other assets	1,075	943
Total noncurrent assets	8,131	8,198
Total assets	36,997	38,563

(Millions of yen)

	As of Mar. 31, 2022	This financial period As of Dec. 31, 2022
Liabilities		
Current liabilities		
Notes and account payable trade	5,219	6,392
Short-term loans payable	7,198	6,404
Lease obligations	77	71
Income taxes payable	178	115
Provision for bonuses	423	214
Provision for product warranties	70	59
Expense payable	271	300
Advances received	129	519
Others	255	334
Total current liabilities	13,824	14,410
Fixed liabilities		
Bonds payable	500	500
Long-term loans payable	5,537	6,224
Lease obligations	183	249
Deferred tax payable	93	84
Obligations related to retirement benefits	1,283	1,307
Asset retirement obligations	50	56
Provision for business liquidation losses	170	31
Others	28	28
Total fixed liabilities	7,848	8,482
Total liabilities	21,672	22,893
Net Assets		
Shareholders' equity		
Capital stock	2,801	2,801
Capital surplus	3,646	3,668
Retained earnings	9,406	9,493
Treasury stock	-535	-497
Total shareholders' equity	15,318	15,466
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	-3	-4
Foreign currency translation adjustment	-48	162
Pension liabilities adjustment	11	8
Total accumulated other comprehensive income	-40	166
Subscription rights to shares	46	37
Total net assets	15,324	15,670
Total liabilities and net assets	36,997	38,563

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

(Millions of yen)

	The previous corresponding period. (Apr.1, 2021 to Dec.31,2021)	Nine months ended Dec.31,2022. (Apr. 1, 2022 to Dec.31, 2022)
Net sales	15,975	16,781
Cost of sales	11,763	12,584
Gross profit	4,211	4,196
Selling, g & a expenses		
Salary & directors' compensation	1,336	1,349
Provision for bonuses	25	38
Fringe benefit expenses	56	52
Rent expenses	129	139
Outsourcing expenses	62	132
R&D expenses	355	274
Depreciations	117	107
Others	1,223	1,212
Total selling, g & a expenses	3,306	3,304
Operating income (loss)	905	891
Non-operating income		
Interest income	7	6
Dividend income	29	52
Foreign exchange gains	7	---
Rents income	12	12
Insurance proceeds received	5	---
Equity in profits of affiliates accounted for by the equity method	---	0
Others	60	30
Total non-operating income	122	102
Non-operating expenses		
Interest expenses	60	60
Foreign exchange losses	---	10
Equity in losses of affiliates accounted for by the equity method	5	---
Others	31	10
Total non-operating losses	97	81
Ordinary income (loss)	930	913
Extraordinary income		
Income on disposal of fixed assets	4	---
Reversal of reserve for business consolidation loss	90	---
Income on disposal of investment securities	5	---
Others	3	0
Total extraordinary income	104	0
Extraordinary loss		
Losses on disposal of fixed assets	14	4
Others	0	---
Total extraordinary loss	15	4
Income (loss) before income tax	1,019	909
Income taxes	274	226
Income tax adjustment	132	147
Total income tax	407	373
Profit (loss) for the period	612	535
Profit attributable to owners of parent	612	535

Consolidated Statements of Comprehensive Income.

(Millions of yen)

	The previous corresponding period. (Apr.1, 2021 to Dec. 31, 2021)	Nine months ended Dec. 31, 2022. (Apr.1, 2022 to Dec.31, 2022)
Profit(loss)for the period	612	535
Other comprehensive income(loss)		
Valuation difference on available- for sale securities	(6)	(0)
Foreign currency translation adjustments	112	210
Pension liability adjustments	1	(3)
Total other comprehensive income (loss)	108	206
Comprehensive income (Loss)	721	742
Attributable to:		
Owners of parent	721	742
Non-controlling interest (loss)	---	---

(3) Notes on Quarterly Financial Report.**(Note concerning Going Concern Assumption.)**

None.

(Note concerning Major Changes in Shareholders Equity)

None.

(Adoption of Special Accounting Methods for Preparation of Quarterly Financial Statements.)

None.

(Changes of Accounting Policies.)

None.

(Changes in Accounting Estimates.)

None.

(Additional Information.)

None.

(Segment Information.)

I . The previous corresponding period. (Apr.1, 2021 to Dec.31, 2021)

1. Information on sales and income or loss in reportable segment.

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	8,483	1,606	689	5,195	15,975	---	15,975
Intersegment sales and transfers	0	6	19	0	25	-25	---
Total	8,484	1,612	709	5,195	16,001	-25	15,975
Segment income (loss)	839	(276)	(111)	307	759	145	905

Notes:

1. Segment income (loss) adjustment of ¥145 million is the corporate income and corporate expenses not apportioned in each reportable segment. Corporate income is management fee and others ¥726 million from consolidated subsidiaries belong to each reportable segment. And corporate expense is general and administration division's expense ¥580 million.

2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets: None.

Significant changes in goodwill amount: None.

Significant income related to negative goodwill: None.

II. This financial period (Apr.1, 2022 to Dec.31, 2022)

1. Information on sales and income or loss in reportable segment.

(Millions of Yen)

	Reportable segments				Total	Adjustment Note 1	Posted on consolidated statement of income. Note 2
	Mechatronics related business.	Display related business.	Industrial machinery related business.	Electronics related business.			
Sales							
Sales to outside customer	7,586	3,506	677	5,011	16,781	---	16,781
Intersegment sales and transfers	0	23	0	0	24	-24	---
Total	7,587	3,530	677	5,012	16,806	-24	16,781
Segment income (loss)	694	(181)	(51)	349	810	81	891

Notes

1. Segment income (loss) adjustment of ¥81 million is the corporate income and corporate expenses not apportioned in each reportable segment. Corporate income is management fee and others ¥790 million from consolidated subsidiaries belong to each reportable segment. And corporate expense is general and administration division's expense ¥709 million.

2. Segment income (loss) is adjusted with operating income under consolidated statements of income.

2. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets: None.

Significant changes in goodwill amount: None.

Significant income related to negative goodwill: None.

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