

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022
[Japanese Standards] (Consolidated)

February 10, 2023

Company name: OKAMOTO INDUSTRIES, INC.
 Stock exchange listing: Tokyo
 Stock code: 5122 URL <https://www.okamoto-inc.jp/>
 Representative: Kunihiro Okamoto, President
 Inquiries: Hiroshi Takashima, Executive Director Accounting Dept.
 Scheduled date to file Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Supplemental material on quarterly results: No
 Presentation on quarterly results: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022

(from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	73,247	8.7	5,356	△ 21.5	6,279	△ 23.3	3,938	△ 27.1
Nine months ended December 31, 2021	67,411	7.2	6,820	13.2	8,186	14.5	5,403	13.7

(Note) Comprehensive income: Nine months ended December 31, 2022 : 7,882 million yen 27.3 %
 Nine months ended December 31, 2021 : 6,192 million yen 4.9 %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2022	217.19	–
Nine months ended December 31, 2021	291.07	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	128,148	79,387	59.5
As of March 31, 2022	117,560	74,916	61.2

(Reference) Own capital: As of December 31, 2022 : 76,228 million yen
 As of March 31, 2022 : 71,962 million yen

2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY Ended March 31, 2022	–	50.00	–	55.00	105.00
FY Ended March 31, 2023	–	55.00	–	–	–
FY Ended March 31, 2023 (forecast)	–	–	–	55.00	110.00

(Note) Revision of the latest dividend forecast announced: No

3. Forecasts of consolidated financial results for the year ending March 31, 2023

(from April 1, 2022 to March 31, 2023)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	92,000	2.7	6,500	△ 13.8	7,400	△ 20.5	4,700	△ 15.7	253.91

(Note) Revision of the latest consolidated results forecast announced: No

*Notes

(1) Changes in status of significant subsidiaries during the nine months ended December 31, 2022
 (changes in status of specified subsidiaries accompanying changes in consolidated) No
 Newly consolidated subsidiaries: — Subsidiaries excluded: —

(2) Application of accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements

①Changes in accounting principles due to revisions to accounting standards: No
 ②Changes other than ①: No
 ③Changes in accounting estimates: No
 ④Retrospective restatements: No

(4) Number of outstanding shares(common stock)

①Number of outstanding shares at period-end(including treasury stock)
 ②Number of treasury stocks at period-end
 ③Average number of shares during the period(cumulative total for quarterly period)

①	Nine months ended December 31, 2022	18,599,367	FY Ended March 31, 2022	19,099,367
②	Nine months ended December 31, 2022	663,559	FY Ended March 31, 2022	800,839
③	Nine months ended December 31, 2022	18,133,536	Nine months ended December 31, 2021	18,565,350

*The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm.

*Explanation relating to the appropriate use of forecasts of business results and other items of note;

The forecasts included in this document are based on the current available information and certain assumptions that we believe reasonable.
 Actual results, etc. may differ from projections due to a variety of reasons.

Consolidated Quarterly Financial Statements and Notes
Consolidated Quarterly Balance Sheets

	(millions of yen)	
	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	33,445	33,289
Notes receivable-trade	2,462	2,454
Accounts receivable-trade	15,539	19,386
Electronically recorded monetary claims-operating	7,102	8,591
Merchandise and finished goods	8,035	9,180
Work in process	2,058	2,371
Raw materials and supplies	3,115	3,944
Other	1,306	1,675
Allowance for doubtful accounts	△ 38	△ 47
Total current assets	73,026	80,846
Non-current assets		
Property, plant and equipment	19,824	21,184
Intangible assets	642	872
Investments and other assets		
Long-term time deposits	—	1,300
Investment securities	22,626	22,267
Long-term loans receivable	805	1,006
Deferred tax assets	138	229
Other	502	446
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	24,066	25,244
Total non-current assets	44,533	47,301
Total assets	117,560	128,148

(millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,118	24,452
Electronically recorded obligations-operating	1,905	2,250
Short-term loans payable	2,654	2,422
Income taxes payable	724	1,064
Provision for bonuses	1,033	568
Other	4,360	5,656
Total current liabilities	30,797	36,413
Non-current liabilities		
Long-term loans payable	1,044	1,100
Deferred tax liabilities	2,610	3,252
Net defined benefit liability	7,110	7,253
Other	1,081	742
Total non-current liabilities	11,846	12,347
Total liabilities	42,643	48,761
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	555	555
Retained earnings	51,241	51,160
Treasury stock	△ 3,426	△ 2,791
Total shareholders' equity	61,418	61,972
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,662	10,518
Deferred gains or losses on hedges	△ 14	△ 0
Foreign currency translation adjustment	855	3,693
Remeasurements of defined benefit plans	40	45
Total accumulated other comprehensive income	10,543	14,256
Non-controlling interests	2,954	3,158
Total net assets	74,916	79,387
Total liabilities and net assets	117,560	128,148

Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income

Nine months ended December 31, 2022

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	67,411	73,247
Cost of sales	50,367	57,240
Gross profit	17,044	16,006
Selling, general and administrative expenses		
Freightage and packing expenses	2,860	2,619
Other selling expenses	1,471	1,970
Salaries and bonuses	2,899	2,900
Provision for bonuses	222	238
Retirement benefit expenses	116	125
Other general and administrative expenses	2,652	2,796
Total selling, general and administrative expenses	10,223	10,650
Operating profit	6,820	5,356
Non-operating income		
Interest income	23	35
Dividends income	639	824
Real estate rent	336	407
Equity in earnings of affiliates	194	–
Foreign exchange gains	165	–
Other income	159	131
Total non-operating income	1,518	1,398
Non-operating expenses		
Interest expenses	20	28
Rent expenses on real estates	82	92
Foreign exchange losses	–	146
Equity in losses of affiliates	–	105
Other expenses	50	101
Total non-operating expenses	152	475
Ordinary income	8,186	6,279
Extraordinary income		
Gain on sales of noncurrent assets	–	2
Foreign currency translation adjustment account reversal gain	–	277
Gain on transfer of investments in affiliated companies	–	649
Total extraordinary gain	–	929
Extraordinary loss		
Impairment loss	487	828
Loss on retirement of noncurrent assets	3	2
Loss on valuation of investment securities	–	38
Loss on liquidation of subsidiaries	–	2
Other loss	1	22
Total extraordinary loss	492	894
Profit before income taxes	7,693	6,315
Income taxes—current	1,847	1,986
Income taxes—deferred	345	50
Total income taxes	2,192	2,037
Net income	5,500	4,277
Profit attributable to non-controlling interests	96	339
Profit attributable to owners of parent	5,403	3,938

Consolidated Quarterly Statements of Comprehensive Income
Nine months ended December 31, 2022

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	5,500	4,277
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 92	859
Deferred gains or losses on hedges	6	15
Foreign currency translation adjustment	769	2,712
Remeasurements of defined benefit plans, net of tax	21	4
Share of other comprehensive income of associates accounted for using equity method	△ 13	12
Total accumulated other comprehensive income	691	3,604
Comprehensive income	6,192	7,882
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	5,999	7,651
Comprehensive income attributable to non-controlling interests	192	231

Information about net sales, profit or loss, assets, liabilities and other items by reportable segment

Nine months ended December 31, 2021

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated financial statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	42,863	24,368	67,232	179	67,411	–	67,411
Intersegment sales or transfers	66	351	417	2,533	2,950	△ 2,950	–
Total	42,929	24,720	67,649	2,712	70,362	△ 2,950	67,411
Segment profit (loss)	1,930	6,118	8,049	231	8,280	△ 1,460	6,820

* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business.

** Adjustment is as follows:

The adjustment to segment profit represents 31 million yen in intersegment eliminations and company-wide expenses negative 1,491 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.

*** Segment profit is adjusted to operating income in the consolidated statements of income.

※ In the Industrial Products business and the Household Products business segment, impairment loss on fixed assets was recorded at 487 million yen. The impairment loss was recorded at 280 million yen in the Industrial Products business and 206 million yen in the Household Products business for the third quarter of the fiscal year ended March 31, 2022.

Nine months ended December 31, 2022

(Millions of yen)

	Reportable segment			*Other	Total	**Adjustment	Amount recorded on the consolidated financial statements
	Industrial Products	Household Products	Total				
Net sales							
Sales to external customers	47,633	25,497	73,130	116	73,247	–	73,247
Intersegment sales or transfers	80	385	466	2,544	3,010	△ 3,010	–
Total	47,713	25,882	73,596	2,660	76,257	△ 3,010	73,247
Segment profit (loss)	213	6,452	6,666	260	6,926	△ 1,570	5,356

* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business.

** Adjustment is as follows:

The adjustment to segment profit represents 33 million yen in intersegment eliminations and company-wide expenses negative 1,603 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.

*** Segment profit is coordinated with the operating income in the consolidated statements.

※ In the Industrial Products business and the Household Products business segment, impairment loss on fixed assets was recorded at 828 million yen. The impairment loss was recorded at 773 million yen in the Industrial Products business and 54 million yen in the Household Products business for the third quarter of the fiscal year ended March 31, 2022.