

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

[Japanese Standards] (Consolidated)

May 12, 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 of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file Securities Report: June 29, 2023
 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 fiscal year ended March 31, 2022

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

(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	%
FY Ended March 31, 2023	99,076	10.6	6,898	△ 8.5	7,922	△ 14.9	4,893	△ 12.3
FY Ended March 31, 2022	89,581	3.7	7,541	△ 8.8	9,310	△ 4.9	5,577	△ 2.1

(Note) Comprehensive income: FY Ended March 31, 2023 : 8,882 million yen 8.2 %
 FY Ended March 31, 2022 : 8,210 million yen △ 3.2 %

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY Ended March 31, 2023	271.06	—	6.6	6.5	7.0
FY Ended March 31, 2022	301.32	—	8.0	8.1	8.4

(Reference) Equity in net income of affiliates: FY Ended March 31, 2023 : -144 million yen
 FY Ended March 31, 2022 : 185 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	127,176	79,099	59.8	4,316.20
As of March 31, 2022	117,560	74,916	61.2	3,932.69

(Reference) Own capital: As of March 31, 2023 : 75,995 million yen
 As of March 31, 2022 : 71,962 million yen

(3) Consolidated cash flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY Ended March 31, 2023	8,318	△ 2,892	△ 5,611	32,616
FY Ended March 31, 2022	10,644	△ 3,751	△ 3,827	31,810

2.Dividends

	Cash dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY Ended March 31, 2022	—	50.00	—	55.00	105.00	1,935	34.8	2.8
FY Ended March 31, 2023	—	55.00	—	55.00	110.00	1,961	40.6	2.7
FY ended March 31, 2024 (forecast)	—	55.00	—	55.00	110.00		38.9	

3.Forecasts of consolidated financial results for the year ending March 31, 2024

(from April 1, 2023 to March 31, 2024)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to		Net income
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Six months ended	48,500	4.5	3,000	△ 3.3	3,500	△ 12.0	2,200	△ 12.6	121.87
Full year	100,000	0.9	7,000	1.5	8,000	1.0	5,100	4.2	282.52

*Notes

(1) Changes in status of significant subsidiaries during the year

(changes in status of specified subsidiaries accompanying changes in consolidated)

No

Newly consolidated subsidiaries: – Subsidiaries excluded: –

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

① Changes in accounting principles due to revisions to accounting standards:

No

② Changes other than ①:

No

③ Changes in accounting estimates:

No

④ Retrospective restatements:

No

(3) Number of outstanding shares(common stock)

① Number of outstanding shares at period-end(including treasury stock)

② Number of treasury stocks at period-end

③ Average number of shares during the period

① FY Ended March 31, 2023	18,599,367	FY Ended March 31, 2022	19,099,367
② FY Ended March 31, 2023	992,372	FY Ended March 31, 2022	800,839
③ FY Ended March 31, 2023	18,051,692	FY Ended March 31, 2022	18,510,399

(Reference) Summary of Nonconsolidated Financial Statement

Nonconsolidated financial results for the fiscal year ended March 31,2023

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

(1) Nonconsolidated 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	%
FY Ended March 31, 2023	76,675	7.8	4,307	△ 13.4	6,819	△ 7.9	4,928	6.9
FY Ended March 31, 2022	71,150	2.3	4,976	△ 19.6	7,408	△ 2.8	4,610	△ 0.2

	Net income per share	Diluted net income per share
	yen	yen
FY Ended March 31, 2023	272.73	—
FY Ended March 31, 2022	248.64	—

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	104,952	62,510	59.6	3,549.58
As of March 31, 2022	97,880	60,273	61.6	3,288.25

(Reference) Own capital: As of March 31, 2023 : 62,510 million yen

As of March 31, 2022 : 60,273 million yen

*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 currently available information and certain assumptions that we believe reasonable.

Actual results, etc. may differ from projections due to a variety of reasons.

Consolidated Financial Statements and Notes
Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	33,445	34,221
Notes receivable-trade	2,462	2,097
Accounts receivable-trade	15,539	17,444
Electronically recorded monetary claims-operating	7,102	7,802
Merchandise and finished goods	8,035	8,564
Work in process	2,058	2,570
Raw materials and supplies	3,115	3,825
Other	1,306	1,878
Allowance for doubtful accounts	△ 38	△ 41
Total current assets	73,026	78,364
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,284	5,098
Machinery, equipment and vehicles, net	5,933	6,460
Land	7,268	8,078
Construction in progress	1,134	1,118
Other, net	204	241
Total Property, plant and equipment	19,824	20,997
Intangible assets	642	1,066
Investments and other assets		
Long-term time deposits	—	1,300
Investment securities	22,626	23,930
Long-term loans receivable	805	930
Deferred tax assets	138	156
Net defined benefit asset	3	—
Other	499	435
Allowance for doubtful accounts	△ 5	△ 5
Total investments and other assets	24,066	26,747
Total non-current assets	44,533	48,812
Total assets	117,560	127,176

(millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,118	23,578
Electronically recorded obligations-operating	1,905	2,088
Short-term loans payable	2,654	3,318
Income taxes payable	724	1,081
Provision for bonuses	1,033	1,037
Provision for product warranties	60	72
Other	4,300	5,153
Total current liabilities	30,797	36,330
Non-current liabilities		
Long-term loans payable	1,044	100
Deferred tax liabilities	2,610	3,666
Net defined benefit liability	7,110	7,209
Other	1,081	769
Total non-current liabilities	11,846	11,745
Total liabilities	42,643	48,076
Net assets		
Shareholders' equity		
Capital stock	13,047	13,047
Capital surplus	555	555
Retained earnings	51,241	52,115
Treasury stock	△ 3,426	△ 4,078
Total shareholders' equity	61,418	61,639
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,662	11,774
Deferred gains or losses on hedges	△ 14	△ 1
Foreign currency translation adjustment	855	2,526
Remeasurements of defined benefit plans	40	54
Total accumulated other comprehensive income	10,543	14,355
Non-controlling interests	2,954	3,104
Total net assets	74,916	79,099
Total liabilities and net assets	117,560	127,176

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	89,581	99,076
Cost of sales	68,020	77,760
Gross profit	21,560	21,315
Selling, general and administrative expenses		
Freightage and packing expenses	3,782	3,468
Advertising expenses	1,851	2,271
Other selling expenses	486	492
Salaries and bonuses	3,760	3,736
Provision for bonuses	364	389
Retirement benefit expenses	166	181
Other general and administrative expenses	3,607	3,877
Total selling, general and administrative expenses	14,019	14,416
Operating profit	7,541	6,898
Non-operating income		
Interest income	34	45
Dividends income	686	885
Real estate rent	472	542
Equity in earnings of affiliates	185	–
Foreign exchange gains	390	–
Other income	213	165
Total non-operating income	1,981	1,638
Non-operating expenses		
Interest expenses	27	30
Rent expenses on real estates	102	127
Equity in losses of affiliates	–	144
Foreign exchange losses	–	169
Other expenses	82	141
Total non-operating expenses	212	614
Ordinary income	9,310	7,922
Extraordinary income		
Gain on sales of noncurrent assets	–	2
Gain on sales of investment securities	16	4
Foreign currency translation adjustment account reversal gain	–	277
Gain on transfer of investments in affiliated companies	–	649
Total extraordinary gain	16	934
Extraordinary loss		
Loss on sales of noncurrent assets	–	4
Loss on retirement of noncurrent assets	657	8
Impairment loss	750	1,110
Loss on sales of investment securities	147	–
Loss on valuation of investment securities	64	38
Loss on liquidation of subsidiaries	25	2
Other loss	–	81
Total extraordinary loss	1,645	1,246
Profit before income taxes	7,681	7,610
Income taxes—current	1,978	2,454
Income taxes—deferred	0	△ 29
Total income taxes	1,978	2,425
Net income	5,703	5,184
Profit attributable to non-controlling interests	125	291
Profit attributable to owners of parent	5,577	4,893

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income	5,703	5,184
Other comprehensive income		
Valuation difference on available-for-sale securities	1,099	2,118
Deferred gains or losses on hedges	△ 5	11
Foreign currency translation adjustment	1,311	1,539
Remeasurements of defined benefit plans, net of tax	107	14
Share of other comprehensive income of associates accounted for using equity method	△ 6	13
Total accumulated other comprehensive income	2,506	3,697
Comprehensive income	8,210	8,882
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	7,982	8,704
Comprehensive income attributable to non-controlling interests	228	177

Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	13,047	518	49,480	△ 3,662	59,383
Cumulative effects of changes in accounting policies			△ 10		△ 10
Restated balance	13,047	518	49,469	△ 3,662	59,373
Changes of items during period					
Dividends of surplus			△ 1,861		△ 1,861
Profit attributable to owners of parent			5,577		5,577
Purchase of treasury shares				△ 1,707	△ 1,707
Retirement of treasury shares		△ 1,944		1,944	—
Disposal of treasury shares					—
Transfer to capital surplus from retained earnings		1,944	△ 1,944		—
Purchase of shares of consolidated subsidiaries		36			36
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	36	1,771	236	2,045
Balance at end of current period	13,047	555	51,241	△ 3,426	61,418

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	8,558	△ 8	△ 344	△ 66	8,139	2,793	70,316
Cumulative effects of changes in accounting policies							△ 10
Restated balance	8,558	△ 8	△ 344	△ 66	8,139	2,793	70,306
Changes of items during period							
Dividends of surplus							△ 1,861
Profit attributable to owners of parent							5,577
Purchase of treasury shares							△ 1,707
Retirement of treasury shares							—
Disposal of treasury shares							—
Transfer to capital surplus from retained earnings							—
Purchase of shares of consolidated subsidiaries							36
Net changes of items other than shareholders' equity	1,103	△ 6	1,200	107	2,404	160	2,564
Total changes of items during period	1,103	△ 6	1,200	107	2,404	160	4,609
Balance at end of current period	9,662	△ 14	855	40	10,543	2,954	74,916

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	13,047	555	51,241	△ 3,426	61,418
Cumulative effects of changes in accounting policies					—
Restated balance	13,047	555	51,241	△ 3,426	61,418
Changes of items during period					
Dividends of surplus			△ 2,000		△ 2,000
Profit attributable to owners of parent			4,893		4,893
Purchase of treasury shares				△ 2,671	△ 2,671
Retirement of treasury shares		△ 2,018		2,018	—
Disposal of treasury shares		△ 0	△ 0		△ 0
Transfer to capital surplus from retained earnings		2,018	△ 2,018		—
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	△ 0	873	△ 652	221
Balance at end of current period	13,047	555	52,115	△ 4,078	61,639

	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	9,662	△ 14	855	40	10,543	2,954	74,916
Cumulative effects of changes in accounting policies							—
Restated balance	9,662	△ 14	855	40	10,543	2,954	74,916
Changes of items during period							
Dividends of surplus							△ 2,000
Profit attributable to owners of parent							4,893
Purchase of treasury shares							△ 2,671
Retirement of treasury shares							—
Disposal of treasury shares							△ 0
Transfer to capital surplus from retained earnings							—
Purchase of shares of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	2,112	13	1,671	14	3,811	150	3,961
Total changes of items during period	2,112	13	1,671	14	3,811	150	4,183
Balance at end of current period	11,774	△ 1	2,526	54	14,355	3,104	79,099

Consolidated statement of cash flows

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,681	7,610
Depreciation	2,426	2,458
Impairment loss	750	1,110
Increase (decrease) in allowance for doubtful accounts	0	△ 0
Share of loss (profit) of entities accounted for using equity method	△ 185	144
Increase (decrease) in provision for bonuses	8	3
Increase (decrease) in net defined benefit liability	13	106
Increase (decrease) in other provision	60	12
Interest and dividend income	△ 720	△ 930
Interest expenses	27	30
Foreign exchange losses (gains)	△ 21	24
Loss (gain) on sales of investment securities	131	△ 4
Loss (gain) on valuation of investment securities	64	38
Loss on liquidation of subsidiaries	—	2
Gain on transfer of investments in affiliated companies	—	△ 649
Foreign currency translation adjustment account reversal gain	—	△ 277
Loss (gain) on sales of non-current assets	—	2
Loss on retirement of non-current assets	657	8
Decrease (increase) in notes and accounts receivable – trade	1,600	△ 1,569
Decrease (increase) in inventories	△ 795	△ 1,118
Decrease (increase) in other assets	345	△ 365
Increase (decrease) in notes and accounts payable – trade	1,704	2,581
Increase (decrease) in other liabilities	△ 595	56
Other, net	△ 9	16
Subtotal	13,145	9,291
Interest and dividend income received	720	1,190
Interest expenses paid	△ 27	△ 30
Income taxes paid	△ 3,277	△ 2,132
Income taxes refund	82	—
Cash flows from operating activities	10,644	8,318
Cash flows from investing activities		
Payments into time deposits	△ 3,165	△ 1,805
Proceeds from withdrawal of time deposits	3,165	1,835
Payments for building demolition costs	△ 315	—
Expenditure from deposits in long-term deposits	—	△ 1,300
Proceeds from transfer of equity in affiliated companies resulting in change in scope of application of equity method	—	2,273
Purchase of property, plant and equipment and intangible assets	△ 2,599	△ 3,788
Proceeds from sales of property, plant and equipment and intangible assets	0	5
Purchase of investment securities	△ 318	△ 19
Proceeds from sales of investment securities	295	—
Payments of long-term loans receivable	△ 771	—
Other, net	△ 42	△ 92
Cash flows from investing activities	△ 3,751	△ 2,892

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	40	△ 232
Proceeds from long-term loans payable	–	100
Repayments of long-term loans payable	△ 79	△ 284
Cash dividends paid	△ 1,861	△ 2,000
Dividends paid to non-controlling interests	△ 26	△ 26
Purchase of treasury shares	△ 1,707	△ 2,671
Proceeds from sales and leasebacks	54	–
Other, net	△ 246	△ 495
Cash flows from financing activities	△ 3,827	△ 5,611
Effect of exchange rate change on cash and cash equivalents	692	990
Net increase (decrease) in cash and cash equivalents	3,757	806
Cash and cash equivalents at beginning of period	28,052	31,810
Cash and cash equivalents at end of period	31,810	32,616

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

Fiscal year ended March 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	57,143	32,194	89,338	242	89,581	–	89,581
Intersegment sales or transfers	88	458	546	3,311	3,857	△ 3,857	–
Total	57,232	32,652	89,884	3,554	93,438	△ 3,857	89,581
Segment profit (loss)	1,608	7,598	9,207	282	9,489	△ 1,948	7,541
Segment assets	42,582	26,740	69,322	1,965	71,287	46,272	117,560
Others							
Depreciation	1,405	842	2,247	86	2,334	92	2,426
Impairment loss	553	196	750	–	750	–	750
Increase in property,plant and equipment and intangible assets	1,631	1,223	2,855	10	2,866	258	3,124

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

** Adjustment is as follows:

- (1) The adjustment to segment profit represents 41 million yen in intersegment eliminations and company-wide expenses negative 1,989 milion yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.
- (3) The adjustment to segment assets represents negative 473 milion yen in intersegment eliminations and company-wide assets 46,746 milion yen. The company-wide assets mainly include funds to manage surplus(cash and deposits), real estate for rent and assets related to the administration division.

Fiscal year ended March 31, 2023

(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	64,083	34,761	98,844	231	99,076	–	99,076
Intersegment sales or transfers	102	484	586	3,211	3,798	△ 3,798	–
Total	64,185	35,245	99,431	3,443	102,874	△ 3,798	99,076
Segment profit (loss)	△ 5	8,634	8,629	312	8,941	△ 2,042	6,898
Segment assets	43,790	28,950	72,741	2,015	74,757	52,418	127,176
Others							
Depreciation	1,426	829	2,255	70	2,326	131	2,458
Impairment loss	990	119	1,110	–	1,110	–	1,110
Increase in property, plant and equipment and intangible assets	1,934	1,092	3,027	4	3,031	1,151	4,183

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

** Adjustment is as follows:

- (1) The adjustment to segment profit represents 44 million yen in intersegment eliminations and company-wide expenses negative 2,087 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reportable segments.
- (2) Segment profit is adjusted to operating income in the consolidated statements of income.
- (3) The adjustment to segment assets represents negative 406 million yen in intersegment eliminations and company-wide assets 52,825 million yen. The company-wide assets mainly include funds to manage surplus(cash and deposits), real estate for rent and assets related to the administration division.