

Fiscal 2024
Semi-Annual Results
(For the Period from January 1, 2024 through June 30, 2024)

Yamazaki Baking Co., Ltd.

(July 31, 2024)

I. Semi-Annual Consolidated Results for Fiscal 2024

Consolidated Results

1. Overview

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change
	Semi-Annual	%	Semi-Annual	%		
Net sales	563,944	100.0	617,747	100.0	53,802	9.5
Operating income	20,610	3.7	31,029	5.0	10,419	50.6
Ordinary income	22,756	4.0	34,028	5.5	11,271	49.5
Profit attributable to owners of parent	14,055	2.5	21,569	3.5	7,513	53.5

Comprehensive income	18,770	3.3	25,351	4.1	6,581	35.1
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	1st Quarter	2nd Quarter
Net sales	306,658	311,088
Operating income	16,512	14,516

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)
Number of consolidated subsidiaries	35	35	0
Number of equity-method subsidiaries	2	2	0

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change
	Semi-Annual	Percentage of total	Semi-Annual	Percentage of total		
Food business	525,013	93.1	574,507	93.0	49,494	9.4
Bread	53,463	9.5	59,849	9.7	6,386	11.9
Sweet buns	204,168	36.2	234,377	37.9	30,208	14.8
Japanese-style confectionery	35,093	6.2	36,886	6.0	1,792	5.1
Western-style confectionery	75,274	13.3	77,915	12.6	2,640	3.5
Processed bread, prepared rice and processed noodles	74,208	13.2	76,903	12.5	2,694	3.6
Biscuits, crackers, <i>sembei</i> and other merchandise	82,804	14.7	88,575	14.3	5,771	7.0
Retail business	32,200	5.7	36,099	5.8	3,898	12.1
Other businesses	6,730	1.2	7,140	1.2	410	6.1
Total	563,944	100.0	617,747	100.0	53,802	9.5

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)	Percentage change
Food business	20,170	29,915	9,745	48.3
Retail business	(1,165)	(553)	612	–
Other businesses	1,321	1,399	77	5.9
Subtotal	20,326	30,761	10,435	51.3
Adjustment	283	267	(15)	–
Total	20,610	31,029	10,419	50.6

4. Income and Expenses

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change	Reasons
	Semi-Annual	%	Semi-Annual	%			
Gross profit	183,494	32.5	207,009	33.5	23,514	12.8	
Selling, general and administrative expenses	162,884	28.9	175,979	28.5	13,095	8.0	Increase in cargo volume Increase in salaries and wages
Sales promotion expenses	3,478		3,972		494		
Advertising expenses	5,365		5,459		93		
Haulage expenses	31,653		35,549		3,896		
Personnel expenses	73,750		78,851		5,100		
Depreciation and amortization	6,222		6,602		379		
Rental fees	11,500		11,718		217		
Others	30,913		33,826		2,912		
Operating income	20,610	3.7	31,029	5.0	10,419	50.6	
Nonoperating income	2,929	0.5	3,880	0.6	951	32.5	
Interest income	100		251		151		
Dividend income	802		939		137		
Rent income on fixed assets	492		502		9		
Equity in earnings of affiliates	224		418		194		
Foreign exchange gains	668		1,158		490		
Other nonoperating income	641		610		(31)		
Nonoperating expenses	782	0.1	881	0.1	98	12.6	
Interest expense	353		438		84		
Rent expenses on fixed assets	153		139		(14)		
Loss on disaster	126		128		2		
Other nonoperating expenses	148		175		26		
Ordinary income	22,756	4.0	34,028	5.5	11,271	49.5	
Extraordinary gains	221	0.0	670	0.1	449	203.4	
Gain on sales of fixed assets	61		132		70		
Gain on sale of shares of subsidiaries and associates	76		300		224		
Gain on sale of investment securities	0		193		193		
Other extraordinary gains	83		44		(38)		
Extraordinary losses	948	0.2	937	0.1	(10)	(1.2)	
Loss on sales and retirement of fixed assets	471		619		147		
Impairment loss	288		189		(99)		
Other extraordinary losses	188		128		(59)		
Income before income taxes	22,028	3.9	33,761	5.5	11,732	53.3	
Income and other taxes	7,441	1.3	11,073	1.8	3,632	48.8	
Profit	14,587	2.6	22,687	3.7	8,100	55.5	
Profit attributable to non-controlling interests	532	0.1	1,118	0.2	586	110.1	
Profit attributable to owners of parent	14,055	2.5	21,569	3.5	7,513	53.5	
Comprehensive income	18,770	3.3	25,351	4.1	6,581	35.1	

5. Semi-Annual Consolidated Balance Sheets (Including Reasons for Major Changes)

(Millions of yen)

	Fiscal 2023	Fiscal 2024 Semi-Annual	Increase/ (decrease)	Reasons
Current assets	314,787	310,344	(4,443)	
Cash and deposits	134,937	139,275	4,338	
Notes receivable	148	140	(7)	
Accounts receivable	134,965	124,101	(10,863)	Decrease due to seasonal fluctuation
Merchandise and finished goods	13,750	14,230	480	
Work in process	728	1,023	295	
Raw materials and supplies	15,203	15,561	357	
Other current assets	15,396	16,349	953	
Allowance for doubtful accounts	(341)	(338)	3	
Fixed assets	487,247	485,059	(2,187)	Capital investment: ¥17.7 billion Depreciation and amortization: ¥18.4 billion
Tangible fixed assets	347,586	346,682	(904)	
Buildings and structures	114,277	114,610	332	
Machinery, equipment and vehicles	88,980	86,922	(2,057)	
Tools, furniture and fixtures	8,609	8,671	61	
Land	124,291	124,425	134	
Lease assets	7,387	7,639	252	
Construction in progress	4,040	4,411	370	
Intangible fixed assets	21,417	20,341	(1,075)	
Investments and other assets	118,242	118,035	(207)	
Investment securities	80,580	82,792	2,211	Increase due to a rise in prices of stock held: ¥3.8 billion Decrease due to sale of shares: ¥2.0 billion
Long-term loans receivable	1,218	1,197	(21)	
Net defined benefit asset	649	652	2	
Deferred tax assets	9,621	7,830	(1,790)	Decrease due to a rise in prices of stock held: ¥1.1 billion
Other investments and other assets	28,574	27,920	(653)	
Allowance for doubtful accounts	(2,401)	(2,357)	43	
Total assets	802,035	795,404	(6,631)	
Current liabilities	257,877	247,128	(10,749)	
Notes and accounts payable	89,239	86,112	(3,126)	Decrease due to seasonal fluctuation
Short-term loans payable	55,608	55,156	(451)	
Lease obligations	3,551	3,376	(175)	
Accrued income tax	11,576	12,344	768	
Accrued expenses	41,541	40,724	(816)	
Allowance for employees' bonuses	5,793	5,515	(278)	
Provision for loss on store closures	48	50	1	
Asset retirement obligations	21	13	(7)	
Other current liabilities	50,495	43,833	(6,661)	
Long-term liabilities	98,025	94,518	(3,507)	
Long-term loans payable	16,690	13,398	(3,292)	Increase in new loans payable: ¥1.6 billion Transfer to short-term loans payable: ¥4.8 billion
Lease obligations	4,282	4,534	252	
Reserve for retirement benefits for directors and corporate auditors	5,113	5,642	529	
Net defined benefit liability	58,293	57,212	(1,081)	
Asset retirement obligations	4,813	4,824	10	
Other long-term liabilities	8,831	8,905	74	
Total liabilities	355,902	341,646	(14,256)	
Total net assets	446,132	453,757	7,625	Non-controlling interests: ¥47.1 billion (up ¥1.1 billion)
Total liabilities and net assets	802,035	795,404	(6,631)	

6. Major Subsidiaries

(1) Net sales (Millions of yen)

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)
Fujiya Co., Ltd. (Consolidated)	51,010	53,181	2,171
Sun-Delica Co., Ltd.	49,842	51,602	1,759
Yamazaki Biscuits Co., Ltd.	14,917	17,117	2,199
YK Baking Company, Ltd.	–	16,497	–
Vie de France Co., Ltd.	14,061	14,674	613
Tohato Inc.	13,605	14,642	1,037

(2) Operating income (Millions of yen)

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)
Fujiya Co., Ltd. (Consolidated)	205	1,088	882
Sun-Delica Co., Ltd.	364	1,296	932
Yamazaki Biscuits Co., Ltd.	256	1,624	1,368
YK Baking Company, Ltd.	–	50	–
Vie de France Co., Ltd.	112	594	481
Tohato Inc.	869	1,024	154

7. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)
Capital investment	15,206	18,796	3,589
Depreciation and amortization	19,053	19,889	836

* The amounts of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets including lease assets have been disclosed.

8. Cash Flows

(Millions of yen)

	Fiscal 2023 Semi-Annual	Fiscal 2024 Semi-Annual	Increase/ (decrease)	Reasons
Net cash provided by operating activities	52,135	46,792	(5,343)	Increase in accounts receivable
Net cash used in investing activities	(29,023)	(19,655)	9,368	Decrease in payments for purchase of investment securities
Net cash used in financing activities	(15,118)	(23,290)	(8,171)	Increase in expenditure due to purchase of treasury shares
Cash and cash equivalents at beginning of period	119,559	129,582	10,022	
Cash and cash equivalents at end of period	127,412	133,868	6,456	

II . Projections for Fiscal 2024

Consolidated Projection

1. Overview

(Millions of yen)

	Fiscal 2023	%	Fiscal 2024 projection	%	Increase/ (decrease)	Percentage change
Net sales	1,175,562	100.0	1,234,000	100.0	58,437	5.0
Operating income	41,962	3.6	54,500	4.4	12,537	29.9
Ordinary income	45,526	3.9	59,000	4.8	13,473	29.6
Profit attributable to owners of parent	30,168	2.6	36,500	3.0	6,331	21.0

2. Net Sales by Segment

(Millions of yen)

	Fiscal 2023	Fiscal 2024 projection	Increase/ (decrease)	Percentage change
Food business	1,093,762	1,145,380	51,617	4.7
Bread	108,569	114,130	5,560	5.1
Sweet buns	433,362	462,190	28,827	6.7
Japanese-style confectionery	73,793	75,890	2,096	2.8
Western-style confectionery	151,918	155,170	3,251	2.1
Processed bread, prepared rice and processed noodles	152,962	157,530	4,567	3.0
Biscuits, crackers, <i>sembei</i> and other merchandise	173,156	180,470	7,313	4.2
Retail business	67,952	74,190	6,237	9.2
Other businesses	13,847	14,430	582	4.2
Total	1,175,562	1,234,000	58,437	5.0

3. Operating Income by Segment

(Millions of yen)

	Fiscal 2023	Fiscal 2024 projection	Increase/ (decrease)	Percentage change
Food business	40,704	52,470	11,765	28.9
Retail business	(1,789)	(1,090)	699	–
Other businesses	2,682	2,750	67	2.5
Subtotal	41,597	54,130	12,532	30.1
Adjustment	364	370	5	–
Total	41,962	54,500	12,537	29.9

4. Major Subsidiaries

(1) Net sales (Millions of yen)

	Fiscal 2023	Fiscal 2024 plan	Increase/ (decrease)
Fujiya Co., Ltd. (Consolidated)	105,534	109,000	3,465
Sun-Delica Co., Ltd.	104,079	106,800	2,720
YK Baking Company, Ltd.	24,568	34,310	9,741
Yamazaki Biscuits Co., Ltd.	31,896	33,850	1,953
Vie de France Co., Ltd.	28,406	29,310	903
Tohato Inc.	26,672	28,190	1,517

* The figure for fiscal 2023 of YK Baking Company, Ltd. indicates nine months actual results from April 1 through December 31.

(2) Operating income (Millions of yen)

	Fiscal 2023	Fiscal 2024 plan	Increase/ (decrease)
Fujiya Co., Ltd. (Consolidated)	1,374	3,600	2,225
Sun-Delica Co., Ltd.	1,855	2,880	1,024
YK Baking Company, Ltd.	187	200	12
Yamazaki Biscuits Co., Ltd.	1,018	2,160	1,141
Vie de France Co., Ltd.	298	890	591
Tohato Inc.	1,434	1,700	265

* The figure for fiscal 2023 of YK Baking Company, Ltd. indicates nine months actual results from April 1 through December 31.

5. Capital Investment and Depreciation and Amortization

(Millions of yen)

	Fiscal 2023	Fiscal 2024 plan	Increase/ (decrease)
Capital investment	44,644	48,440	3,795
Depreciation and amortization	40,318	42,160	1,841

* The amounts of capital investment and depreciation and amortization of tangible fixed assets and of intangible fixed assets including lease assets have been disclosed.

III. Semi-Annual Nonconsolidated Results for Fiscal 2024

Nonconsolidated Results

1. Overview

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change
	Semi-Annual	%	Semi-Annual	%		
Net sales	407,701	100.0	430,652	100.0	22,950	5.6
Operating income	16,775	4.1	21,854	5.1	5,078	30.3
Ordinary income	19,635	4.8	25,492	5.9	5,857	29.8
Profit	12,893	3.2	17,599	4.1	4,705	36.5

	1st Quarter	2nd Quarter
Net sales	214,409	216,243
Operating income	11,468	10,385

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change
	Semi-Annual	Percentage of total	Semi-Annual	Percentage of total		
Bread	51,998	12.8	55,365	12.9	3,367	6.5
Sweet buns	187,102	45.9	199,186	46.2	12,083	6.5
Japanese-style confectionery	34,850	8.5	36,202	8.4	1,351	3.9
Western-style confectionery	56,955	14.0	58,488	13.6	1,533	2.7
Processed bread, prepared rice and processed noodles	27,075	6.6	27,954	6.5	879	3.2
Biscuits, crackers, <i>sembei</i> and other merchandise	24,148	5.9	25,062	5.8	913	3.8
Subtotal	382,130	93.7	402,259	93.4	20,129	5.3
Daily Yamazaki business	34,036	8.4	38,110	8.9	4,073	12.0
Internal elimination	(8,466)	(2.1)	(9,717)	(2.3)	(1,251)	—
Total	407,701	100.0	430,652	100.0	22,950	5.6

* "Internal elimination" represents the elimination amount of intercompany transactions between the Food business and the Daily Yamazaki business of Yamazaki Baking Co., Ltd.

3. Operating Income

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change
	Semi-Annual	%	Semi-Annual	%		
Operating income						
Yamazaki Baking Company's primary business (excluding its Daily Yamazaki business)	17,897	4.7	22,389	5.6	4,492	25.1
Daily Yamazaki business	(1,122)	(3.3)	(535)	(1.4)	586	—

<Increase or Decrease in the Results of Yamazaki Baking Company's Primary Business (excluding the Daily Yamazaki Business)>

(Millions of yen)

	Fiscal 2023		Fiscal 2024		Increase/ (decrease)	Percentage change	Factors affecting operating income increase/(decrease)
	Semi-Annual	%	Semi-Annual	%			
Gross profit	118,198	30.9	128,355	31.9	10,157	8.6	Increase in net sales 9,151 Decrease in raw material expenses 2,238 Increase in manufacturing labor cost (985) Increase in manufacturing expenses (264) Increase in manufacturing amortization (191) Others 208
Selling, general and administrative expenses	100,301	26.2	105,966	26.3	5,665	5.6	Increase in personnel expenses (1,887) Increase in expenses (3,457) Increase in amortization (321)

* Negative impacts on operating income are shown in parentheses in the column of "Factors affecting operating income increase/(decrease)."

* The value of the "%" field represents the ratio of each account title to net sales of Yamazaki Baking Company's primary business (excluding those of the Daily Yamazaki business).

IV. Plans for Fiscal 2024

Nonconsolidated Plan

1. Overview

(Millions of yen)

	Fiscal 2023	%	Fiscal 2024 plan	%	Increase/ (decrease)	Percentage change
Net sales	821,632	100.0	850,000	100.0	28,367	3.5
Operating income	30,710	3.7	36,000	4.2	5,289	17.2
Ordinary income	35,295	4.3	41,500	4.9	6,204	17.6
Profit	22,987	2.8	28,000	3.3	5,012	21.8

2. Net Sales by Product Category

(Millions of yen)

	Fiscal 2023	Percentage of total	Fiscal 2024 plan	Percentage of total	Increase/ (decrease)	Percentage change
Bread	103,346	12.6	107,110	12.6	3,763	3.6
Sweet buns	371,563	45.2	385,140	45.3	13,576	3.7
Japanese-style confectionery	72,284	8.8	74,260	8.7	1,975	2.7
Western-style confectionery	113,528	13.8	115,730	13.6	2,201	1.9
Processed bread, prepared rice and processed noodles	56,620	6.9	57,780	6.8	1,159	2.0
Biscuits, crackers, <i>sembei</i> and other merchandise	50,532	6.2	51,750	6.1	1,217	2.4
Subtotal	767,875	93.5	791,770	93.1	23,894	3.1
Daily Yamazaki business	71,799	8.7	78,500	9.2	6,700	9.3
Internal elimination	(18,043)	(2.2)	(20,270)	(2.3)	(2,226)	—
Total	821,632	100.0	850,000	100.0	28,367	3.5

* "Internal elimination" represents the elimination amount of intercompany transactions between the Food business and the Daily Yamazaki business of Yamazaki Baking Co., Ltd.

3. Operating Income

(Millions of yen)

	Fiscal 2023	%	Fiscal 2024 plan	%	Increase/ (decrease)	Percentage change
Operating income						
Yamazaki Baking Company's primary business (excluding its Daily Yamazaki business)	32,440	4.2	37,070	4.7	4,629	14.3
Daily Yamazaki business	(1,730)	(2.4)	(1,070)	(1.4)	660	—

<Increase or Decrease in the Results of Yamazaki Baking Company's Primary Business (excluding the Daily Yamazaki Business)>

(Millions of yen)

	Fiscal 2023	%	Fiscal 2024 plan	%	Increase/ (decrease)	Percentage change	Factors affecting operating income increase/(decrease)
Gross profit	233,971	30.5	245,720	31.0	11,748	5.0	Increase in net sales 10,891 Decrease in raw material expenses 3,423 Increase in manufacturing labor cost (1,635) Increase in manufacturing expenses (1,285) Increase in manufacturing amortization (309) Others 663
Selling, general and administrative expenses	201,530	26.2	208,650	26.4	7,119	3.5	Increase in personnel expenses (2,406) Increase in expenses (4,063) Increase in amortization (650)

* Negative impacts on operating income are shown in parentheses in the column of "Factors affecting operating income increase/(decrease)."

* The value of the "%" field represents the ratio of each account title to net sales of Yamazaki Baking Company's primary business (excluding those of the Daily Yamazaki business).

Cautionary Statements

This document contains discussions that include management plans, projections, strategies and estimates that are not historical facts. Projections of future performance are based on management extrapolations from current data, but actual future performance may differ materially from projections.