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July 31, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Yamazaki Baking Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2212
 URL: <https://www.yamazakipan.co.jp/>
 Representative: Nobuhiro Iijima, President
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 Scheduled date to file semi-annual securities report: August 9, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	617,747	9.5	31,029	50.6	34,028	49.5	21,569	53.5
June 30, 2023	563,944	6.8	20,610	43.3	22,756	33.0	14,055	55.8

Note: Comprehensive income For the six months ended June 30, 2024: ¥25,351 million [35.1%]
 For the six months ended June 30, 2023: ¥18,770 million [45.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	105.97	—
June 30, 2023	67.99	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	795,404	453,757	51.1
December 31, 2023	802,035	446,132	49.9

Reference: Equity
 As of June 30, 2024: ¥406,598 million
 As of December 31, 2023: ¥400,137 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	—	—	25.00	25.00
Fiscal year ending December 31, 2024	—	—			
Fiscal year ending December 31, 2024 (Forecast)			—	38.00	38.00

Note: Revision to the forecast for dividends announced most recently: Yes

3. Forecast of consolidated results for the year ending December 31, 2024

(January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,234,000	5.0	54,500	29.9	59,000	29.6	36,500	21.0	180.98

Note: Revision to the financial results forecast announced most recently: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of June 30, 2024	220,282,860 shares
As of December 31, 2023	220,282,860 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	17,701,280 shares
As of December 31, 2023	14,328,495 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	203,545,286 shares
Six months ended June 30, 2023	206,720,524 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

*** Proper use of earnings forecasts, and other special matters**

The Company has resolved at the Board of Directors' meeting on July 31, 2024, on matters pertaining to purchase of treasury shares based on the provisions of Article 156 of the Companies Act applied by replacing the terms and phrases pursuant to the provisions of Article 165, paragraph 3 of the same Act. Therefore, basic earnings per share in the forecast of consolidated results for the year ending December 31, 2024 take into account the impacts of purchase of treasury shares.

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

The Company plans to hold a financial results briefing for institutional investors and securities analysts on Tuesday, August 6, 2024. The materials, etc. distributed at the briefing will be posted on the Company's website immediately after the briefing.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	134,937	139,275
Notes receivable - trade	148	140
Accounts receivable - trade	134,965	124,101
Merchandise and finished goods	13,750	14,230
Work in process	728	1,023
Raw materials and supplies	15,203	15,561
Other	15,396	16,349
Allowance for doubtful accounts	(341)	(338)
Total current assets	314,787	310,344
Non-current assets		
Property, plant and equipment		
Buildings and structures	433,007	436,416
Accumulated depreciation	(318,729)	(321,805)
Buildings and structures, net	114,277	114,610
Machinery, equipment and vehicles	581,140	586,157
Accumulated depreciation	(492,160)	(499,234)
Machinery, equipment and vehicles, net	88,980	86,922
Tools, furniture and fixtures	43,677	44,517
Accumulated depreciation	(35,068)	(35,845)
Tools, furniture and fixtures, net	8,609	8,671
Land	124,291	124,425
Leased assets	21,469	22,590
Accumulated depreciation	(14,081)	(14,950)
Leased assets, net	7,387	7,639
Construction in progress	4,040	4,411
Total property, plant and equipment	347,586	346,682
Intangible assets		
Goodwill	9,052	8,289
Other	12,365	12,052
Total intangible assets	21,417	20,341
Investments and other assets		
Investment securities	80,580	82,792
Long-term loans receivable	1,218	1,197
Retirement benefit asset	649	652
Deferred tax assets	9,621	7,830
Other	28,574	27,920
Allowance for doubtful accounts	(2,401)	(2,357)
Total investments and other assets	118,242	118,035
Total non-current assets	487,247	485,059
Total assets	802,035	795,404

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	89,239	86,112
Short-term borrowings	55,608	55,156
Lease liabilities	3,551	3,376
Income taxes payable	11,576	12,344
Accrued expenses	41,541	40,724
Provision for bonuses	5,793	5,515
Provision for loss on store closings	48	50
Asset retirement obligations	21	13
Other	50,495	43,833
Total current liabilities	257,877	247,128
Non-current liabilities		
Long-term borrowings	16,690	13,398
Lease liabilities	4,282	4,534
Provision for retirement benefits for directors (and other officers)	5,113	5,642
Retirement benefit liability	58,293	57,212
Asset retirement obligations	4,813	4,824
Other	8,831	8,905
Total non-current liabilities	98,025	94,518
Total liabilities	355,902	341,646
Net assets		
Shareholders' equity		
Share capital	11,014	11,014
Capital surplus	9,632	9,632
Retained earnings	343,395	359,815
Treasury shares	(26,185)	(38,091)
Total shareholders' equity	337,856	342,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,112	38,799
Deferred gains or losses on hedges	—	0
Revaluation reserve for land	99	99
Foreign currency translation adjustment	6,494	6,295
Remeasurements of defined benefit plans	19,575	19,032
Total accumulated other comprehensive income	62,281	64,227
Non-controlling interests	45,994	47,159
Total net assets	446,132	453,757
Total liabilities and net assets	802,035	795,404

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six Months Ended June 30

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	563,944	617,747
Cost of sales	380,449	410,737
Gross profit	183,494	207,009
Selling, general and administrative expenses	162,884	175,979
Operating profit	20,610	31,029
Non-operating income		
Interest income	100	251
Dividend income	802	939
Income from lease of fixed assets	492	502
Share of profit of entities accounted for using equity method	224	418
Foreign exchange gains	668	1,158
Miscellaneous income	641	610
Total non-operating income	2,929	3,880
Non-operating expenses		
Interest expenses	353	438
Rental expenses on non-current assets	153	139
Loss on disaster	126	128
Miscellaneous losses	148	175
Total non-operating expenses	782	881
Ordinary profit	22,756	34,028
Extraordinary income		
Gain on sale of non-current assets	61	132
Gain on sale of shares of subsidiaries and associates	76	300
Gain on sale of investment securities	0	193
Other	83	44
Total extraordinary income	221	670
Extraordinary losses		
Loss on sale and retirement of non-current assets	471	619
Impairment losses	288	189
Other	188	128
Total extraordinary losses	948	937
Profit before income taxes	22,028	33,761
Income taxes	7,441	11,073
Profit	14,587	22,687
Profit attributable to non-controlling interests	532	1,118
Profit attributable to owners of parent	14,055	21,569

Semi-annual Consolidated Statements of Comprehensive Income
Six Months Ended June 30

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	14,587	22,687
Other comprehensive income		
Valuation difference on available-for-sale securities	6,070	2,708
Foreign currency translation adjustment	(1,751)	490
Remeasurements of defined benefit plans, net of tax	(168)	(573)
Share of other comprehensive income of entities accounted for using equity method	31	37
Total other comprehensive income	4,182	2,663
Comprehensive income	18,770	25,351
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,110	23,515
Comprehensive income attributable to non-controlling interests	659	1,836

(3) Semi-annual Consolidated Statements of Cash Flows
Six Months Ended June 30

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	22,028	33,761
Depreciation	19,053	19,889
Impairment losses	288	189
Loss on disaster	126	128
Amortization of goodwill	803	829
Increase (decrease) in allowance for doubtful accounts	(129)	(47)
Increase (decrease) in provision for bonuses	(175)	(294)
Increase (decrease) in retirement benefit liability	(1,903)	(1,894)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	123	529
Interest and dividend income	(902)	(1,190)
Dividends received from entities accounted for using equity method	72	93
Interest expenses	353	438
Foreign exchange losses (gains)	(668)	(1,158)
Share of loss (profit) of entities accounted for using equity method	(224)	(418)
Loss (gain) on sale and retirement of non-current assets	409	486
Loss (gain) on sale of investment securities	—	(193)
Loss (gain) on sale of shares of subsidiaries and associates	(76)	(300)
Loss (gain) on valuation of investment securities	2	—
Decrease (increase) in trade receivables	27,422	11,245
Decrease (increase) in inventories	(755)	(1,183)
Increase (decrease) in trade payables	(5,539)	(3,039)
Increase (decrease) in accrued expenses	(2,927)	(953)
Increase (decrease) in accrued consumption taxes	(564)	469
Other, net	(643)	(2,143)
Subtotal	56,174	55,242
Interest and dividends received	900	1,188
Interest paid	(345)	(427)
Income taxes paid	(4,593)	(9,211)
Net cash provided by (used in) operating activities	52,135	46,792
Cash flows from investing activities		
Decrease (increase) in time deposits	(159)	177
Purchase of property, plant and equipment	(18,643)	(21,011)
Proceeds from sale of property, plant and equipment	65	105
Purchase of intangible assets	(1,420)	(1,199)
Purchase of investment securities	(6,876)	(93)
Proceeds from sale of investment securities	109	2,659
Loan advances	(2,000)	—
Proceeds from collection of loans receivable	56	61
Other, net	(154)	(354)
Net cash provided by (used in) investing activities	(29,023)	(19,655)

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,437	(648)
Repayments of lease liabilities	(1,845)	(1,884)
Proceeds from long-term borrowings	900	1,670
Repayments of long-term borrowings	(6,179)	(4,766)
Purchase of treasury shares	(4,294)	(11,905)
Dividends paid	(4,576)	(5,129)
Dividends paid to non-controlling interests	(560)	(626)
Net cash provided by (used in) financing activities	(15,118)	(23,290)
Effect of exchange rate change on cash and cash equivalents	(140)	439
Net increase (decrease) in cash and cash equivalents	7,852	4,286
Cash and cash equivalents at beginning of period	119,559	129,582
Cash and cash equivalents at end of period	127,412	133,868