

**Summary of Consolidated Financial Results**  
**For the First Quarter of the Year Ending March 31, 2022**  
**(Based on Japanese GAAP)**

August 6, 2021

Company name: KYOKUYO CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange, First Section  
 Stock code: 1301 URL <https://www.kyokuyo.co.jp/en/>

(Yen in millions, rounded down)

**1. Consolidated Financial Results for the First Quarter of the Year Ending March, 2022**

**(April 1, 2021- June 30, 2021)**

**(1) Consolidated Result of Operations (cumulative)**

(% figures denote change from the same period in the previous fiscal year)

|  | Net Sales   |       | Operating Profit |       | Ordinary Profit |       | Profit attributable to owners of parent |       |
|--|-------------|-------|------------------|-------|-----------------|-------|---|-------|
|  | Million yen | %     | Million yen      | %     | Million yen     | %     | Million yen                             | %     |
| 1 <sup>st</sup> Quarter of the Year Ending March, 2022 | 58,473      | 7.6   | 1,446            | 128.5 | 1,596           | 128.9 | 1,175                                   | 107.9 |
| 1 <sup>st</sup> Quarter of the Year Ended March, 2021  | 54,320      | -13.3 | 633              | -17.8 | 697             | -31.3 | 565                                     | -19.9 |

(Note) Comprehensive Income: First Quarter of the year ending March, 2022 ¥ 892 million (-17.1%)  
 First Quarter of the year ended March, 2021 ¥1,076 million (251.9%)

|  | Profit per Share | Diluted Profit Per Share |
|--|------------------|--------------------------|
|  | Yen              | Yen                      |
| 1 <sup>st</sup> Quarter of the Year Ending March, 2022 | 109.29           | —                        |
| 1 <sup>st</sup> Quarter of the Year Ended March, 2021  | 52.64            | —                        |

(Note)The company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. The figures for the first quarter of the fiscal year ending March 31, 2022 are figures after the application of the said accounting standard, etc.

**(2) Consolidated Financial Position**

|                     | Total Assets | Net Assets  | Equity Ratio |
|---------------------|--------------|-------------|--------------|
|                     | Million yen  | Million yen | %            |
| As at June 30,2021  | 119,592      | 39,995      | 33.8         |
| As at March 31,2021 | 116,331      | 39,975      | 34.7         |

(Reference) Shareholders' Equity : As at June 30,2021 ¥40,456 million  
 As at March 31,2021 ¥40,382 million

(Note)The company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. The figures for the first quarter of the fiscal year ending March 31, 2022 are figures after the application of the said accounting standard, etc.

## 2. Dividends

|                                       | Dividend per share |             |             |              |              |
|---------------------------------------|--------------------|-------------|-------------|--------------|--------------|
|                                       | 1st Quarter        | 2nd Quarter | 3rd Quarter | Year End     | Total        |
| Year Ended March, 2021                | Yen<br>—           | Yen<br>—    | Yen<br>—    | Yen<br>80.00 | Yen<br>80.00 |
| Year Ending March, 2022               | —                  |             |             |              |              |
| Year Ending March, 2022<br>(Forecast) |                    | —           | —           | 80.00        | 80.00        |

(Note) Revisions to the most recently announced dividends : None

## 3. Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% figures denote change from the previous fiscal year)

|                            | Net sales   |     | Operating Profit |     | Ordinary Profit |     | Profit attributable to owners of parent |      | Profit Per share |
|----------------------------|-------------|-----|------------------|-----|-----------------|-----|---|------|------------------|
|                            | Million yen | %   | Million yen      | %   | Million yen     | %   | Million yen                             | %    | Yen              |
| Year Ending March 31, 2022 | 250,000     | 0.3 | 5,000            | 7.3 | 5,000           | 2.5 | 3,500                                   | -8.8 | 325.35           |

(Note) Revisions to the most recently announced forecast : None

### \* Notes

(1) Major changes among subsidiaries during the period under review: None

(2) Application of specific accounting treatments in the preparation of quarterly consolidated financial statements:  
None

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

(i) Changes due to revisions in accounting standards, etc.: Yes

(ii) Changes other than (i) : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatements : None

(4) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period  
(including treasury shares)

|                     |            |                      |            |
|---------------------|------------|----------------------|------------|
| As at June 30, 2021 | 10,928,283 | As at March 31, 2021 | 10,928,283 |
| As at June 30, 2021 | 170,681    | As at March 31, 2021 | 170,774    |
| As at June 30, 2021 | 10,757,535 | As at June 30, 2021  | 10,741,708 |

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

(iii) Average number of shares during the period

\* The summary of quarterly financial results is not subject to audits.

\* Explanation about the appropriate use of the forecasts of financial results, and other noteworthy matters.

The projections and other statements with respect to the future included in this material are based on currently available information and certain assumptions that are judged reasonable by the Company. Please be advised that the Company does not guarantee in any way the achievement of the projections and other goals in this material and that cases may occur where the actual results and other situations differ materially from the projections due to various factors.

**Quarterly Consolidated Financial Statements**

## Quarterly Consolidated Balance Sheets

(Million yen)

|                                       | As at March 31, 2021 | As at June 30, 2021 |
|---------------------------------------|----------------------|---------------------|
| <b>Assets</b>                         |                      |                     |
| Current assets                        |                      |                     |
| Cash and deposits                     | 7,100                | 6,193               |
| Notes and accounts receivable - trade | 32,869               | 29,044              |
| Inventories                           | 41,760               | 48,214              |
| Other                                 | 4,927                | 4,987               |
| Allowance for doubtful accounts       | (8)                  | (8)                 |
| Total current assets                  | 86,649               | 88,432              |
| Non-current assets                    |                      |                     |
| Property, plant and equipment         | 15,715               | 17,621              |
| Intangible assets                     | 417                  | 405                 |
| Investments and other assets          |                      |                     |
| Investment securities                 | 11,682               | 11,348              |
| Other                                 | 3,478                | 3,396               |
| Allowance for doubtful accounts       | (1,612)              | (1,612)             |
| Total investments and other assets    | 13,547               | 13,132              |
| Total non-current assets              | 29,681               | 31,159              |
| Total assets                          | 116,331              | 119,592             |

(Million yen)

|   | As at March 31, 2021 | As at June 30, 2021 |
|---|----------------------|---------------------|
| <b>Liabilities</b>                                    |                      |                     |
| Current liabilities                                   |                      |                     |
| Notes and accounts payable - trade                    | 8,941                | 12,375              |
| Short-term borrowings                                 | 8,056                | 7,850               |
| Commercial papers                                     | 10,000               | 10,000              |
| Income taxes payable                                  | 1,721                | 331                 |
| Provisions  | 990                  | 562                 |
| Other   | 9,478                | 10,131              |
| <b>Total current liabilities</b>                      | <b>39,189</b>        | <b>41,250</b>       |
| Non-current liabilities                               |                      |                     |
| Long-term borrowings                                  | 32,720               | 33,766              |
| Provisions  | 326                  | 348                 |
| Retirement benefit liability                          | 3,764                | 3,795               |
| Asset retirement obligations                          | 29                   | 29                  |
| Other   | 326                  | 405                 |
| <b>Total non-current liabilities</b>                  | <b>37,166</b>        | <b>38,345</b>       |
| <b>Total liabilities</b>                              | <b>76,355</b>        | <b>79,596</b>       |
| <b>Net assets</b>                                     |                      |                     |
| Shareholders' equity                                  |                      |                     |
| Share capital   | 5,664                | 5,664               |
| Capital surplus                                       | 1,329                | 1,329               |
| Retained earnings                                     | 28,737               | 29,048              |
| Treasury shares                                       | (430)                | (430)               |
| <b>Total shareholders' equity</b>                     | <b>35,300</b>        | <b>35,611</b>       |
| Accumulated other comprehensive income                |                      |                     |
| Valuation difference on available-for-sale securities | 5,139                | 4,869               |
| Deferred gains or losses on hedges                    | 148                  | 56                  |
| Foreign currency translation adjustment               | 95                   | 198                 |
| Remeasurements of defined benefit plans               | (301)                | (279)               |
| <b>Total accumulated other comprehensive income</b>   | <b>5,081</b>         | <b>4,844</b>        |
| <b>Non-controlling interests</b>                      | <b>(407)</b>         | <b>(460)</b>        |
| <b>Total net assets</b>                               | <b>39,975</b>        | <b>39,995</b>       |
| <b>Total liabilities and net assets</b>               | <b>116,331</b>       | <b>119,592</b>      |

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

|   | For the three months<br>ended June 30, 2020 | For the three months<br>ended June 30, 2021 |
|---|---|---|
| Net sales   | 54,320                                      | 58,473                                      |
| Cost of sales   | 48,617                                      | 51,512                                      |
| Gross profit  | 5,702                                       | 6,961                                       |
| Selling, general and administrative expenses                  | 5,069                                       | 5,514                                       |
| Operating profit  | 633   | 1,446                                       |
| Non-operating income  |   |   |
| Interest income   | 1   | 1   |
| Dividend income   | 62  | 65  |
| Share of profit of entities accounted for using equity method | 9   | 30  |
| Subsidy income  | 23  | 69  |
| Foreign exchange gains  | 45  | 64  |
| Other   | 47  | 44  |
| Total non-operating income                                    | 189   | 276   |
| Non-operating expenses  |   |   |
| Interest expenses   | 100   | 92  |
| Provision for loss on litigation                              | 2   | 2   |
| Other   | 21  | 31  |
| Total non-operating expenses                                  | 124   | 126   |
| Ordinary profit   | 697   | 1,596                                       |
| Extraordinary income  |   |   |
| Gain on disposal of non-current assets                        | 0   | 1   |
| National subsidy income                                       | 63  | 35  |
| Insurance claim income  | 112   | —   |
| Total extraordinary income                                    | 176   | 37  |
| Extraordinary losses  |   |   |
| Loss on disposal of non-current assets                        | 4   | 0   |
| Impairment losses   | 0   | 2   |
| Loss on disaster  | 48  | —   |
| Loss on tax purpose reduction entry of non-current assets     | 62  | 33  |
| Loss on valuation of investment securities                    | —   | 7   |
| Total extraordinary losses                                    | 115   | 43  |
| Profit before income taxes                                    | 758   | 1,590                                       |
| Income taxes - current  | 130   | 284   |
| Income taxes - deferred                                       | 87  | 179   |
| Total income taxes  | 218   | 463   |
| Profit  | 539   | 1,127                                       |
| Profit (loss) attributable to :                               |   |   |
| Owners of parent  | 565   | 1,175                                       |
| Non-controlling interests                                     | (26)  | (48)  |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

|   | For the three months<br>ended June 30, 2020 | For the three months<br>ended June 30, 2021 |
|---|---|---|
| <b>Other comprehensive income</b>                     |   |   |
| Valuation difference on available-for-sale securities | 700   | (270)                                       |
| Deferred gains or losses on hedges                    | (58)  | (92)  |
| Foreign currency translation adjustment               | (133)                                       | 105   |
| Remeasurements of defined benefit plans, net of tax   | 28  | 22  |
| Total other comprehensive income                      | 536   | (234)                                       |
| <b>Comprehensive income</b>                           | <b>1,076</b>                                | <b>892</b>                                  |
| <b>Comprehensive income attributable to :</b>         |   |   |
| Owners of parent                                      | 1,130                                       | 938   |
| Non-controlling interests                             | (54)  | (45)  |