

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

February 4, 2022

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 Third Quarter of the Year Ending March 31, 2022**

(April 1, 2021- December 31, 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	%
3rd Quarter of the Year Ending March 31, 2022	200,477	3.1	5,715	55.2	6,030	57.8	3,991	23.9
3rd Quarter of the Year Ended March 31, 2021	194,388	-5.4	3,681	40.7	3,821	28.3	3,222	85.3

(Note) Comprehensive Income: Third Quarter of the year ending March 31, 2022 ¥2,956 million (-53.9%)  
 Third Quarter of the year ended March 31, 2021 ¥6,419 million (201.8%)

	Profit per Share	Diluted Profit Per Share
	Yen	Yen
3rd Quarter of the Year Ending March 31, 2022	371.07	—
3rd Quarter of the Year Ended March 31, 2021	299.75	—

(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 third 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 December 31,2021	144,024	42,060	29.6
As at March 31,2021	116,331	39,975	34.7

(Reference) Shareholders' Equity : As at December 31,2021 ¥42,590 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 third 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 31, 2021	Yen —	Yen —	Yen —	Yen 80.00	Yen 80.00
Year Ending March 31, 2022	—				
Year Ending March 31, 2022 (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)

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

(iii) Average number of shares during the period

As at December 31, 2021	10,928,283	As at March 31, 2021	10,928,283
As at December 31, 2021	170,479	As at March 31, 2021	170,774
As at December 31, 2021	10,757,726	As at December 31, 2020	10,752,283

\* 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 December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	7,100	6,799
Notes and accounts receivable - trade	32,869	48,306
Inventories	41,760	51,242
Other	4,927	6,320
Allowance for doubtful accounts	(8)	(12)
Total current assets	86,649	112,655
Non-current assets		
Property, plant and equipment	15,715	18,634
Intangible assets	417	362
Investments and other assets		
Investment securities	11,682	10,348
Other	3,478	3,621
Allowance for doubtful accounts	(1,612)	(1,597)
Total investments and other assets	13,547	12,371
Total non-current assets	29,681	31,368
Total assets	116,331	144,024

As at March 31, 2021

As at December 31, 2021

Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,941	13,921
Short-term borrowings	8,056	27,399
Commercial papers	10,000	10,000
Income taxes payable	1,721	714
Provisions	990	458
Other	9,478	13,259
Total current liabilities	39,189	65,753
Non-current liabilities		
Long-term borrowings	32,720	31,930
Provisions	326	374
Retirement benefit liability	3,764	3,613
Asset retirement obligations	29	29
Other	326	262
Total non-current liabilities	37,166	36,210
Total liabilities	76,355	101,963
Net assets		
Shareholders' equity		
Share capital	5,664	5,664
Capital surplus	1,329	1,329
Retained earnings	28,737	31,864
Treasury shares	(430)	(429)
Total shareholders' equity	35,300	38,428
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,139	4,059
Deferred gains or losses on hedges	148	116
Foreign currency translation adjustment	95	219
Remeasurements of defined benefit plans	(301)	(234)
Total accumulated other comprehensive income	5,081	4,161
Non-controlling interests	(407)	(529)
Total net assets	39,975	42,060
Total liabilities and net assets	116,331	144,024

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

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	194,388	200,477
Cost of sales	174,841	178,278
Gross profit	19,546	22,199
Selling, general and administrative expenses	15,864	16,484
Operating profit	3,681	5,715
Non-operating income		
Interest income	6	1
Dividend income	111	127
Share of profit of entities accounted for using equity method	84	13
Foreign exchange gains	48	214
Subsidy income	82	158
Other	171	188
Total non-operating income	504	704
Non-operating expenses		
Interest expenses	290	288
Provision for loss on litigation	7	7
Provision of allowance for doubtful accounts	(11)	(2)
Other	79	96
Total non-operating expenses	365	389
Ordinary profit	3,821	6,030
Extraordinary income		
Gain on disposal of non-current assets	18	3
National subsidy income	63	35
Gain on sale of investment securities	1,268	—
Gain on forgiveness of debts	165	—
Insurance claim income	125	—
Total extraordinary income	1,640	39
Extraordinary losses		
Loss on disposal of non-current assets	21	2
Impairment losses	524	19
Loss on disaster	134	—
Retirement benefit expenses	—	157
Loss on tax purpose reduction entry of non-current assets	62	33
Loss on valuation of investment securities	—	7
Other	10	—
Total extraordinary losses	753	220
Profit before income taxes	4,709	5,849
Income taxes - current	1,841	1,655
Income taxes - deferred	(174)	239
Total income taxes	1,666	1,895
Profit	3,042	3,954
Profit (loss) attributable to :		
Owners of parent	3,222	3,991
Non-controlling interests	(180)	(37)

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

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,534	(1,079)
Deferred gains or losses on hedges	(99)	(32)
Foreign currency translation adjustment	(145)	46
Remeasurements of defined benefit plans, net of tax	86	67
Total other comprehensive income	3,376	(997)
<b>Comprehensive income</b>	<b>6,419</b>	<b>2,956</b>
<b>Comprehensive income attributable to :</b>		
Owners of parent	6,621	3,071
Non-controlling interests	(202)	(114)