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January 27, 2023

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: Mars Group Holdings Corporation
 Listing: Tokyo Stock Exchange Prime
 Stock code: 6419 (URL: <http://www.mars-ghd.co.jp/>)
 Representative: President and CEO Akihiro Matsunami
 Inquiries: Director Joji Takahashi (Tel: +81-3-3352-8555)
 Scheduled date to file quarterly securities report: February 14, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2022	13,755	24.6	2,491	91.4	2,997	40.3	2,236	35.5
December 31, 2021	11,043	0.4	1,301	60.7	2,137	93.0	1,650	188.8

Note: Comprehensive income For the nine months ended December 31, 2022: 3,181 million yen [21.5%]
 For the nine months ended December 31, 2021: 2,618 million yen [155.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
December 31, 2022	134.93	-
December 31, 2021	98.23	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2022	61,763	55,562	90.0	3,382.52
March 31, 2022	60,135	54,241	90.2	3,221.26

(Reference) Shareholders' equity: As of December 31, 2022: 55,562 million yen As of March 31, 2022: 54,241 million yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	35.00	-	35.00	70.00
FY2023	-	35.00	-		
FY2023 (Forecast)				35.00	70.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	18,500	22.5	2,800	77.4	3,200	27.9	2,000	7.8	118.77

Note: Revisions to the forecast of operating results most recently announced: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly 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: Yes

(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 December 31, 2022	22,720,000 shares
As of March 31, 2022	22,720,000 shares

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

As of December 31, 2022	6,293,746 shares
As of March 31, 2022	5,881,224 shares

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

Nine months ended December 31, 2022	16,574,218 shares
Nine months ended December 31, 2021	16,806,146 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

- All forward-looking statements in this document such as financial forecasts and outlooks are based on the information currently available to and certain assumptions deemed reasonable by the company and are not a promise that the company is committed to achieving them. In addition, they may be materially different from actual results etc. due to various factors.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	26,003,862	22,852,187
Notes and accounts receivable - trade	3,005,808	4,091,796
Lease receivables and investments in leases	529,837	456,984
Securities	349,930	349,965
Merchandise and finished goods	1,379,910	1,827,592
Work in process	205,651	246,695
Raw materials and supplies	1,225,298	2,572,374
Other	1,270,751	1,790,775
Allowance for doubtful accounts	△148	△61,205
Total current assets	33,970,902	34,127,167
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,591,926	5,427,056
Land	8,443,151	8,814,795
Other, net	404,336	338,355
Total property, plant and equipment	14,439,415	14,580,207
Intangible assets	322,900	322,857
Investments and other assets		
Investment securities	9,224,289	10,997,617
Other	2,670,617	2,227,978
Allowance for doubtful accounts	△493,116	△492,331
Total investments and other assets	11,401,790	12,733,265
Total non-current assets	26,164,105	27,636,330
Total assets	60,135,008	61,763,497
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,321,481	2,214,860
Lease liabilities	332,746	284,035
Income taxes payable	841,440	393,758
Provision for bonuses	278,356	147,704
Other	869,441	1,165,425
Total current liabilities	3,643,466	4,205,785
Non-current liabilities		
Lease liabilities	474,057	350,577
Provision for retirement benefits for directors (and other officers)	205,135	176,720
Retirement benefit liability	444,311	405,149
Asset retirement obligations	60,986	61,332
Other	1,065,052	1,001,824
Total non-current liabilities	2,249,543	1,995,603
Total liabilities	5,893,010	6,201,388

(Thousands of yen)

As of March 31, 2022 As of December 31, 2022

Net assets		
Shareholders' equity		
Share capital	7,934,100	7,934,100
Capital surplus	8,371,830	8,371,830
Retained earnings	49,237,574	50,235,988
Treasury shares	△12,006,629	△12,629,707
Total shareholders' equity	53,536,874	53,912,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	726,532	1,652,997
Remeasurements of defined benefit plans	△21,408	△3,098
Total accumulated other comprehensive income	705,123	1,649,898
Total net assets	54,241,998	55,562,109
Total liabilities and net assets	60,135,008	61,763,497

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the three months ended December 31, 2022)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	11,043,198	13,755,358
Cost of sales	4,777,418	6,023,389
Gross profit	6,265,780	7,731,969
Selling, general and administrative expenses	4,963,850	5,240,301
Operating profit	1,301,929	2,491,667
Non-operating income		
Dividend income	372,030	414,838
Foreign exchange gains	61,853	23,260
Gain on investments in investment partnerships	112,552	—
Subsidies for employment adjustment	95,507	3,780
Cooperation income	124,041	28,422
Other	69,093	38,746
Total non-operating income	835,078	509,047
Non-operating expenses		
Commission for purchase of treasury shares	—	3,349
Total non-operating expenses	—	3,349
Ordinary profit	2,137,008	2,997,366
Extraordinary income		
Gain on sale of non-current assets	—	1,894
Gain on sale of investment securities	1,155,506	268,488
Total extraordinary income	1,155,506	270,382
Extraordinary losses		
Loss on sale of land	—	3,966
Loss on valuation of investment securities	767,316	—
Retirement benefits for directors (and other officers)	46,668	3,120
Total extraordinary losses	813,984	7,086
Profit before income taxes	2,478,530	3,260,663
Income taxes - current	810,078	928,040
Income taxes - deferred	17,668	96,313
Total income taxes	827,746	1,024,353
Profit	1,650,784	2,236,309
Profit attributable to owners of parent	1,650,784	2,236,309

(Quarterly Consolidated Statements of Comprehensive Income)
(For the three months ended December 31, 2022)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,650,784	2,236,309
Other comprehensive income		
Valuation difference on available-for-sale securities	945,549	926,464
Remeasurements of defined benefit plans, net of tax	21,683	18,310
Total other comprehensive income	967,233	944,775
Comprehensive income	2,618,017	3,181,084
Comprehensive income attributable to owners of parent	2,618,017	3,181,084