

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 7, 2023

Company name: KEL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6919 URL <https://www.kel.jp/>
 Representative: President Akira Kasuga
 Director
 Inquiries: General Manager of Administration Naoki Makita TEL 042-374-5810
 Headquarters
 Scheduled date to file Quarterly Securities Report: August 8, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	3,321	(3.3)	369	(36.5)	497	(27.1)	341	(27.1)
Three months ended June 30, 2022	3,433	10.9	581	38.9	682	55.3	468	58.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	47.05		–	
Three months ended June 30, 2022	64.53		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	19,381	15,135	78.1
As of March 31, 2023	19,678	15,040	76.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	40.00	–	55.00	95.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	47.00	–	48.00	95.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	7,050	0.9	1,016	(21.1)	1,029	(29.2)	685	(31.0)	94.27
Full year	14,000	(3.4)	2,000	(16.7)	2,020	(20.4)	1,360	(21.2)	187.16

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2023	7,743,000 shares	As of March 31, 2023	7,743,000 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2023	476,457 shares	As of March 31, 2023	476,457 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2023	7,266,543 shares	Three months ended June 30, 2022	7,266,543 shares
----------------------------------	------------------	----------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	5,140,192	4,855,275
Notes and accounts receivable - trade	3,380,318	3,129,511
Electronically recorded monetary claims - operating	1,942,552	1,954,675
Securities	162,994	167,209
Merchandise and finished goods	983,438	863,236
Work in process	48,851	52,823
Raw materials and supplies	1,518,593	1,524,086
Other	128,598	141,566
Allowance for doubtful accounts	(5,157)	(4,938)
Total current assets	13,300,383	12,683,446
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,348,216	1,326,605
Machinery, equipment and vehicles, net	1,267,980	1,486,132
Tools, furniture and fixtures, net	373,771	374,338
Land	1,171,754	1,171,754
Construction in progress	5,500	5,500
Total property, plant and equipment	4,167,222	4,364,331
Intangible assets	148,975	146,825
Investments and other assets		
Investment securities	1,042,011	1,169,756
Other	1,019,467	1,016,782
Total investments and other assets	2,061,479	2,186,538
Total non-current assets	6,377,676	6,697,695
Total assets	19,678,059	19,381,142
Liabilities		
Current liabilities		
Notes and accounts payable - trade	810,319	575,455
Electronically recorded obligations - operating	1,590,389	1,670,174
Short-term borrowings	450,000	450,000
Income taxes payable	448,748	150,533
Provision for bonuses	302,375	221,950
Provision for bonuses for directors (and other officers)	74,000	14,000
Other	471,526	594,694
Total current liabilities	4,147,357	3,676,808
Non-current liabilities		
Retirement benefit liability	487,090	489,776
Other	2,650	78,916
Total non-current liabilities	489,740	568,692
Total liabilities	4,637,098	4,245,500

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,617,000	1,617,000
Capital surplus	1,440,058	1,440,058
Retained earnings	11,648,041	11,590,310
Treasury shares	(246,674)	(246,674)
Total shareholders' equity	14,458,425	14,400,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	405,009	493,881
Foreign currency translation adjustment	175,868	239,117
Remeasurements of defined benefit plans	1,658	1,948
Total accumulated other comprehensive income	582,536	734,948
Total net assets	15,040,961	15,135,641
Total liabilities and net assets	19,678,059	19,381,142

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	3,433,686	3,321,860
Cost of sales	2,298,189	2,353,771
Gross profit	1,135,497	968,089
Selling, general and administrative expenses	554,092	598,615
Operating profit	581,404	369,473
Non-operating income		
Interest income	452	2,390
Dividend income	14,371	26,288
Foreign exchange gains	83,443	91,515
Subsidy income	4,244	7,204
Other	960	1,275
Total non-operating income	103,472	128,675
Non-operating expenses		
Interest expenses	577	686
Compensation expenses	1,823	-
Other	-	6
Total non-operating expenses	2,400	692
Ordinary profit	682,476	497,456
Extraordinary losses		
Loss on retirement of non-current assets	75	0
Total extraordinary losses	75	0
Profit before income taxes	682,401	497,456
Income taxes - current	162,160	108,035
Income taxes - deferred	51,258	47,492
Total income taxes	213,419	155,527
Profit	468,981	341,928
Profit attributable to owners of parent	468,981	341,928

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	468,981	341,928
Other comprehensive income		
Valuation difference on available-for-sale securities	(33,022)	88,872
Foreign currency translation adjustment	86,790	63,249
Remeasurements of defined benefit plans, net of tax	1,252	289
Total other comprehensive income	55,020	152,411
Comprehensive income	524,001	494,340
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	524,001	494,340
Comprehensive income attributable to non-controlling interests	—	—