

Translation

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

August 7, 2023

Company name: MAEZAWA KYUSO INDUSTRIES CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6485 URL <https://www.qso.co.jp/>
 Representative: President and Representative Director Yuichi Taniai
 Director, Chief of Administration Yoichiro Taniguchi
 Inquiries: Headquarters Yoichiro Taniguchi TEL 03-3716-1512
 Scheduled date to file Quarterly Securities Report: August 7, 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	7,645	3.9	544	5.3	581	5.5	357	(2.1)
Three months ended June 30, 2022	7,361	11.6	517	4.7	550	4.0	365	10.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	16.31	–
Three months ended June 30, 2022	16.46	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	44,446	38,160	85.9	1,751.88
As of March 31, 2023	44,643	38,225	85.6	1,737.00

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	15.00	–	18.00	33.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		18.00	–	18.00	36.00

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	15,700	1.9	1,120	2.7	1,160	(1.2)	780	0.8	35.44
Full year	31,500	1.6	2,250	3.0	2,350	3.6	1,580	10.2	71.80

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	23,000,000 shares	As of March 31, 2023	23,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,217,276 shares	As of March 31, 2023	993,476 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	21,927,224 shares	Three months ended June 30, 2022	22,194,883 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	11,236	10,807
Notes and accounts receivable - trade	5,253	5,488
Electronically recorded monetary claims - operating	6,009	5,669
Securities	400	400
Merchandise and finished goods	5,760	5,862
Work in process	107	118
Raw materials and supplies	1,442	1,377
Other	465	732
Total current assets	30,675	30,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,948	2,299
Machinery, equipment and vehicles, net	655	706
Land	4,622	4,622
Construction in progress	261	53
Other, net	221	220
Total property, plant and equipment	7,708	7,903
Intangible assets		
Software	648	555
Goodwill	276	266
Other	23	23
Total intangible assets	948	845
Investments and other assets		
Investment securities	3,837	4,155
Long-term loans receivable	4	4
Insurance funds	1,241	966
Deferred tax assets	133	16
Other	97	101
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	5,310	5,240
Total non-current assets	13,967	13,989
Total assets	44,643	44,446

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,417	3,345
Electronically recorded obligations - operating	451	384
Income taxes payable	484	202
Provision for bonuses	251	59
Provision for bonuses for directors (and other officers)	20	4
Buy-sell transaction liability	60	86
Other	916	1,274
Total current liabilities	5,602	5,356
Non-current liabilities		
Deferred tax liabilities	267	310
Retirement benefit liability	466	545
Asset retirement obligations	4	4
Other	77	69
Total non-current liabilities	816	929
Total liabilities	6,418	6,286
Net assets		
Shareholders' equity		
Share capital	3,358	3,358
Capital surplus	3,711	3,714
Retained earnings	30,304	30,266
Treasury shares	(941)	(1,197)
Total shareholders' equity	36,432	36,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,417	1,638
Foreign currency translation adjustment	385	421
Remeasurements of defined benefit plans	(10)	(40)
Total accumulated other comprehensive income	1,792	2,019
Total net assets	38,225	38,160
Total liabilities and net assets	44,643	44,446

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	7,361	7,645
Cost of sales	5,283	5,371
Gross profit	2,077	2,274
Selling, general and administrative expenses	1,559	1,729
Operating profit	517	544
Non-operating income		
Interest income	5	5
Dividend income	37	37
Other	3	18
Total non-operating income	46	60
Non-operating expenses		
Foreign exchange losses	2	10
Loss on cancellation of insurance policies	10	13
Other	0	0
Total non-operating expenses	12	24
Ordinary profit	550	581
Extraordinary income		
Gain on sale of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	550	581
Income taxes	185	223
Profit	365	357
Profit attributable to owners of parent	365	357

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	365	357
Other comprehensive income		
Valuation difference on available-for-sale securities	(147)	221
Foreign currency translation adjustment	112	35
Remeasurements of defined benefit plans, net of tax	1	(29)
Total other comprehensive income	(33)	227
Comprehensive income	331	584
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	331	584