

**Translation**

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## Consolidated Financial Results for the Three Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: MAEDAKOSEN CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 7821 URL <https://www.maedakosen.jp/>  
 Representative: President Takahiro Maeda  
 Inquiries: Director, Managing Executive Officer Yasuo Saito TEL 0776-51-3535  
 Scheduled date to file Quarterly Securities Report: November 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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 September 30, 2023 (from July 1, 2023 to September 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 September 30, 2023	13,779	11.9	2,712	29.2	2,724	24.3	1,860	22.7
Three months ended September 30, 2022	12,317	–	2,099	–	2,192	–	1,516	–

Note: Comprehensive income For the three months ended September 30, 2023: ¥2,012 million [16.3%]  
 For the three months ended September 30, 2022: ¥1,730 million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2023	61.28	54.60
Three months ended September 30, 2022	48.09	43.03

Note: The Company has changed the fiscal year-end from September 20 to June 30 from the fiscal year ended June 30, 2022. In line with this change, the length of the three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022) is different from that of the three months ended December 20, 2021 (from September 21, 2021 to December 20, 2021) to be compared with. Thus, the year-on-year changes for the three months ended September 30, 2022 are not shown.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	75,411	45,017	59.6
As of June 30, 2023	74,821	43,430	58.0

Reference: Equity  
 As of September 30, 2023: ¥44,948 million  
 As of June 30, 2023: ¥43,361 million

## 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
Fiscal year ended June 30, 2023	–	14.00	–	14.00	28.00
Fiscal year ending June 30, 2024	–				
Fiscal year ending June 30, 2024 (Forecast)		15.00	–	15.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 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 December 31, 2023	27,000	10.3	4,600	15.1	4,600	17.5	3,000	11.0	98.82
Full year	53,000	5.6	9,000	6.0	9,000	3.6	5,900	12.2	194.34

Note: Revisions to the consolidated financial results forecasts most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 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 September 30, 2023	32,260,200 shares	As of June 30, 2023	32,260,200 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,901,249 shares	As of June 30, 2023	1,901,149 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2023	30,358,953 shares	Three months ended September 30, 2022	31,537,881 shares
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\* 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

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors. Please refer to “(3) Information regarding consolidated earnings forecasts and other forward-looking statements” of “1. Qualitative information on quarterly financial results for the period under review” on page 4 of the attached materials for the suppositions that form the assumptions for the earnings forecasts and cautions regarding the use of the earnings forecasts.

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## 1. Qualitative information on quarterly financial results for the period under review

### (1) Explanation of operating results

During this consolidated fiscal year, economic and social activities in Japan started to move toward normalization as a result of the shift in classification of COVID-19, and the nation's economy showed gradual and continued recovery. Meanwhile, amid increases in prices of raw materials and energy brought on by the prolonged situation of Ukraine, sharp fluctuations in currency exchange accompanying global monetary tightening, and soaring prices due to rising personnel expenses, etc., the risk of a weakening of economic activity in the global economy is growing, and the economic activity in Japan continued to be unstable.

Operating under these conditions, the Group has been operating under the corporate message of “MAEDAKOSEN is a company that can be creating ‘Mixing’” since our 100th anniversary in 2018. Embedded in this corporate message is the Group's strong commitment to achieving sustainable growth. We believe that our efforts to “mix” all of the Group's management resources will serve as the driving force for taking active steps to achieve our growth strategies of “M&A,” “Overseas Business,” and “Human Resource Development.” In our M&A strategy, we will create new products and technologies not confined to the textile and resin processing technologies that the Group has cultivated to date by “mixing” the various technologies and know-how possessed by different fields.

In our overseas business, we aim to expand the market for the Group's products. To achieve this, we will enhance and expand our production capacity at overseas bases and leverage our domestic and overseas technologies and sales networks through business alliances with foreign companies.

In human resource development, we will build an innovative organizational culture by making all of the Group's employees a powerful workforce, while recruiting and fostering diverse personnel, and “mixing” the human resources born from those abilities and experiences. In addition, based on the idea that “the health of our employees determines the future of the company,” the Group resolved to be deeply involved in the health of all employees and made a “Health Declaration.” Going forward, we will continue to take various measures to create a healthy and rewarding workplace.

Aiming to translate the above growth strategies into concrete measures, the Group has developed the next medium-term business plan as “PART II” (for fiscal years 2024 to 2027) of the GLOBAL VISION ∞.

(Millions of yen)

	Fiscal year ended June 30, 2023 (Actual)	Fiscal year ending June 30, 2024 (Planned)	Fiscal year ending June 30, 2027 (Planned)
Net sales	50,204	53,000	70,000
Operating profit	8,493	9,000	12,000
EBITDA	11,682	12,300	15,000
Profit attributable to owners of parent	5,258	5,900	8,000

In the PART II, facility investments amounting to approximately ¥15 billion over the four years are planned as the investments to growing areas in the Group's businesses. We will work to boost our production capability to meet robust demand while promoting automation and labor-saving measures for the production lines. Additionally, we have set an M&A investment budget amounting to approximately ¥20 billion over the four years and plan to accelerate the growth of the Group, targeting projects aimed at synergy with existing businesses and expansion of business domains. Further, as part of the global development of the Group's businesses, we have made it a goal to increase the overseas sales ratio of the Group up to 30% in the fiscal year ending June 30, 2027.

Net sales for the three months ended September 30, 2023 were ¥13,779 million (up 11.9% year on year). In terms of profits, operating profit was ¥2,712 million (up 29.2% year on year), ordinary profit was ¥2,724 million (up 24.3% year on year), and profit attributable to owners of parent was ¥1,860 million (up 22.7% year on year).

Operating results by segment are as follows.

#### (Social Infrastructure Business)

In our public works business, while sales of concrete structure repair/reinforcement stagnated, those of ground reinforcement materials were on a recovering trend, and those of riverbank protection materials, ocean civil engineering items, and landscape materials remained strong. Regarding profits, we have steadily passed on the increased prices of raw materials to our selling prices and also reduced manufacturing costs, which resulted in profits performing to plan. Sales and profits of non-woven fabric products returned poor results due to stagnant sales of spunbond (continuous, long fiber non-woven fabric) for automotive and other industrial materials as well as decreased orders for medical and health materials (e.g., masks).

Sales and profits fell year on year for MIRAI no Agri CO., LTD., which is our subsidiary dealing with harmful animal control products, horticultural greenhouses, and agricultural supplies. This was the result of stagnant orders of horticultural greenhouses and agricultural supplies such as dairy farming products, despite strong orders for harmful animal control products. MIRAI TECHNO CO., LTD., which is our subsidiary dealing with awnings and canvas products, progressed smoothly to plan due to winning orders for some large scale projects and expanding its sales of ocean civil engineering products, despite the decrease in orders of products for the Japan Ministry of Defense. Sales and profits for MAEDAKOSEN VIETNAM CO., LTD., which is our overseas subsidiary, progressed smoothly to plan due to the expansion of its product range, despite the negative effect from the escalated prices of raw materials.

Net sales of this business were ¥8,618 million (up 7.1% year on year), and operating profit was ¥2,031 million (up 10.2% year on year).

#### (Industrial Infrastructure Business)

In our Industrial Infrastructure Business, sales and profits progressed smoothly to plan at MIRAI KOSEN CO., LTD., which is our subsidiary that manufactures, processes, and sells wiping cloth products used in precision equipment manufacturing and circular-knit products for apparel and various industrial materials, due to the recovery trend of the sales of wiping cloth for precision equipment, despite the negative effect of an increase in costs related to the higher electricity rates and purchasing costs.

Sales and profits performed strongly for BBS Japan Co., Ltd., our subsidiary that manufactures and sells forged automobile wheels. This was due to the supply of OEM products to automobile manufacturers and sales of aftermarket products performing strongly, in combination with significant growth in sales at BBS Japan's German subsidiary BBS Motorsport GmbH and the effect of manufacturing cost reductions.

Net sales of this business were ¥5,161 million (up 20.9% year on year), and operating profit was ¥938 million (up 78.7% year on year).

## (2) Explanation of financial position

### (Assets)

As of September 30, 2023, total assets amounted to ¥75,411 million, an increase of ¥590 million from the end of the previous fiscal year.

Current assets increased by ¥271 million from the end of the previous fiscal year. This was mainly due to increases of ¥792 million in electronically recorded monetary claims - operating, ¥597 million in merchandise and finished goods, and ¥547 million in notes and accounts receivable - trade, and contract assets, despite decreases of ¥911 million in cash and deposits and ¥324 million in work in process under current assets.

Non-current assets increased by ¥318 million from the end of the previous fiscal year. This was mainly due to a ¥397 million increase in property, plant and equipment.

#### (Liabilities)

As of September 30, 2023, total liabilities amounted to ¥30,394 million, a decrease of ¥997 million from the end of the previous fiscal year.

Current liabilities decreased by ¥1,092 million from the end of the previous fiscal year. This was mainly due to decreases of ¥1,452 million in income taxes payable and ¥784 million in short-term borrowings, despite increases of ¥409 million in accounts payable, ¥367 million in electronically recorded obligations - operating, and ¥334 million in notes and accounts payable - trade.

Non-current liabilities increased by ¥95 million from the end of the previous fiscal year. This was mainly due to an increase of ¥156 million in lease liabilities, despite a decrease of ¥89 million in long-term borrowings.

#### (Net assets)

As of September 30, 2023, total net assets amounted to ¥45,017 million, an increase of ¥1,587 million from the end of the previous fiscal year. This was mainly due to a ¥1,435 million increase in retained earnings.

### **(3) Information regarding consolidated earnings forecasts and other forward-looking statements**

Consolidated earnings forecasts are unchanged from the consolidated earnings forecasts for the six months and full year that were announced on August 10, 2023, at the time of the announcement of the Financial Results.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,576	13,665
Notes and accounts receivable - trade, and contract assets	9,389	9,937
Electronically recorded monetary claims - operating	4,000	4,793
Merchandise and finished goods	5,880	6,478
Work in process	2,295	1,970
Raw materials and supplies	5,486	5,395
Current portion of long-term loans receivable from subsidiaries and associates	120	–
Other	640	429
Allowance for doubtful accounts	(31)	(40)
Total current assets	42,358	42,629
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,071	15,091
Accumulated depreciation	(6,054)	(6,174)
Buildings and structures, net	9,016	8,917
Machinery, equipment and vehicles	20,975	21,354
Accumulated depreciation	(13,964)	(14,379)
Machinery, equipment and vehicles, net	7,011	6,975
Land	4,405	4,405
Leased assets	4,692	5,014
Accumulated depreciation	(1,277)	(1,406)
Leased assets, net	3,414	3,608
Construction in progress	719	1,067
Other	3,997	4,029
Accumulated depreciation	(3,285)	(3,328)
Other, net	711	701
Total property, plant and equipment	25,278	25,675
Intangible assets		
Software	89	84
Software in progress	37	28
Trademark right	509	497
Asset of technology	15	6
Other	771	762
Total intangible assets	1,423	1,379
Investments and other assets		
Investment securities	4,205	4,475
Long-term loans receivable	–	120
Deferred tax assets	997	587
Other	558	544
Total investments and other assets	5,760	5,727
Total non-current assets	32,463	32,781
Total assets	74,821	75,411

(Millions of yen)

	As of June 30, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,835	2,170
Electronically recorded obligations - operating	1,762	2,130
Short-term borrowings	2,379	1,595
Current portion of long-term borrowings	1,152	1,155
Current portion of bonds with share acquisition rights	12,010	12,007
Accounts payable - other	1,365	1,775
Lease liabilities	578	627
Income taxes payable	2,178	726
Provision for bonuses	975	721
Notes payable - facilities	61	48
Other	687	936
Total current liabilities	24,988	23,895
Non-current liabilities		
Long-term borrowings	944	855
Long-term accounts payable - other	613	613
Lease liabilities	3,532	3,689
Deferred tax liabilities	27	39
Provision for retirement benefits for directors (and other officers)	34	35
Retirement benefit liability	1,205	1,219
Other	46	46
Total non-current liabilities	6,403	6,498
Total liabilities	31,391	30,394
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,472	3,472
Capital surplus	3,461	3,461
Retained earnings	39,763	41,199
Treasury shares	(4,966)	(4,966)
Total shareholders' equity	41,731	43,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	759	963
Deferred gains or losses on hedges	-	(50)
Foreign currency translation adjustment	872	871
Remeasurements of defined benefit plans	(1)	(1)
Total accumulated other comprehensive income	1,630	1,782
Share acquisition rights	68	68
Total net assets	43,430	45,017
Total liabilities and net assets	74,821	75,411



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

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Net sales	12,317	13,779
Cost of sales	7,906	8,661
Gross profit	4,410	5,117
Selling, general and administrative expenses	2,311	2,405
Operating profit	2,099	2,712
Non-operating income		
Interest income	0	1
Interest on securities	3	3
Dividend income	2	2
Foreign exchange gains	94	64
Gain on sale of non-current assets	5	–
Other	16	12
Total non-operating income	121	84
Non-operating expenses		
Interest expenses	19	62
Loss on retirement of non-current assets	1	1
Other	7	9
Total non-operating expenses	28	73
Ordinary profit	2,192	2,724
Profit before income taxes	2,192	2,724
Income taxes - current	593	476
Income taxes - deferred	82	387
Total income taxes	675	863
Profit	1,516	1,860
Profit attributable to owners of parent	1,516	1,860

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Profit	1,516	1,860
Other comprehensive income		
Valuation difference on available-for-sale securities	169	203
Deferred gains or losses on hedges	–	(50)
Foreign currency translation adjustment	44	(1)
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Total other comprehensive income	213	151
Comprehensive income	1,730	2,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,730	2,012

**(3) Notes to quarterly consolidated financial statements****(Segment information)**

## I. For the three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022)

Information on net sales and profit or loss by reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
	Social Infrastructure Business	Industrial Infrastructure Business	Total		
Net sales					
Income from contracts with customers	8,049	4,268	12,317	–	12,317
Sales from external customers	8,049	4,268	12,317	–	12,317
Inter-segment sales and transfers	3	4	7	(7)	–
Total	8,052	4,272	12,325	(7)	12,317
Segment income	1,843	525	2,368	(269)	2,099

Notes: 1. Adjustments for segment income of ¥(269) million are corporate expenses not allocated to an individual reportable segment. Corporate expenses primarily consist of expenses related to the administrative departments of the Company.

2. Segment income is adjusted to the operating profit recorded on the quarterly consolidated statements of income.

## II. For the three months ended September 30, 2023 (from July 1, 2023 to September 30, 2023)

Information on net sales and profit or loss by reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount reported on the quarterly consolidated statements of income (Note 2)
	Social Infrastructure Business	Industrial Infrastructure Business	Total		
Net sales					
Income from contracts with customers	8,618	5,161	13,779	–	13,779
Sales from external customers	8,618	5,161	13,779	–	13,779
Inter-segment sales and transfers	2	1	3	(3)	–
Total	8,620	5,162	13,782	(3)	13,779
Segment income	2,031	938	2,970	(258)	2,712

- Notes: 1. Adjustments for segment income of ¥(258) million are corporate expenses not allocated to an individual reportable segment. Corporate expenses primarily consist of expenses related to the administrative departments of the Company.
2. Segment income is adjusted to the operating profit recorded on the quarterly consolidated statements of income.

**(Revenue recognition)**

Information on disaggregation of revenue from contracts with customers is presented in “(3) Notes to quarterly consolidated financial statements (Segment information).”