

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 7, 2024

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: February 8, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	9,303	(14.3)	943	(50.9)	1,017	(49.2)	681	(49.8)
Nine months ended December 31, 2022	10,856	14.7	1,920	30.5	2,002	32.8	1,358	33.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	93.80		–	
Nine months ended December 31, 2022	187.02		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	18,621	15,143	81.3
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	–	47.00	–		
Year ending March 31, 2024 (Forecast)				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
Full year	12,000	(17.2)	940	(60.8)	1,250	(50.7)	820	(52.5)	112.85

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	7,743,000 shares	As of March 31, 2023	7,743,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	476,457 shares	As of March 31, 2023	476,457 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	7,266,543 shares	Nine months ended December 31, 2022	7,266,543 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	5,140,192	4,839,089
Notes and accounts receivable - trade	3,380,318	2,879,726
Electronically recorded monetary claims - operating	1,942,552	1,399,683
Securities	162,994	177,904
Merchandise and finished goods	983,438	741,558
Work in process	48,851	85,654
Raw materials and supplies	1,518,593	1,566,553
Other	128,598	191,664
Allowance for doubtful accounts	(5,157)	(4,022)
Total current assets	13,300,383	11,877,813
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,348,216	1,371,360
Machinery, equipment and vehicles, net	1,267,980	1,445,831
Tools, furniture and fixtures, net	373,771	347,122
Land	1,171,754	1,171,754
Construction in progress	5,500	–
Total property, plant and equipment	4,167,222	4,336,069
Intangible assets	148,975	171,478
Investments and other assets		
Investment securities	1,042,011	1,140,217
Other	1,019,467	1,095,513
Total investments and other assets	2,061,479	2,235,731
Total non-current assets	6,377,676	6,743,279
Total assets	19,678,059	18,621,093
Liabilities		
Current liabilities		
Notes and accounts payable - trade	810,319	622,634
Electronically recorded obligations - operating	1,590,389	1,301,503
Short-term borrowings	450,000	450,000
Income taxes payable	448,748	6,013
Provision for bonuses	302,375	182,811
Provision for bonuses for directors (and other officers)	74,000	35,000
Other	471,526	326,167
Total current liabilities	4,147,357	2,924,132
Non-current liabilities		
Retirement benefit liability	487,090	487,640
Other	2,650	65,838
Total non-current liabilities	489,740	553,479
Total liabilities	4,637,098	3,477,611

(Thousands of yen)

	As of March 31, 2023	As of December 31, 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	11,588,501
Treasury shares	(246,674)	(246,674)
Total shareholders' equity	14,458,425	14,398,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	405,009	473,331
Foreign currency translation adjustment	175,868	268,736
Remeasurements of defined benefit plans	1,658	2,528
Total accumulated other comprehensive income	582,536	744,596
Total net assets	15,040,961	15,143,481
Total liabilities and net assets	19,678,059	18,621,093

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	10,856,852	9,303,861
Cost of sales	7,307,555	6,697,094
Gross profit	3,549,296	2,606,767
Selling, general and administrative expenses	1,628,356	1,662,774
Operating profit	1,920,940	943,993
Non-operating income		
Interest income	2,571	6,865
Dividend income	23,591	42,331
Foreign exchange gains	62,264	16,477
Subsidy income	4,488	7,590
Other	3,555	2,895
Total non-operating income	96,470	76,159
Non-operating expenses		
Interest expenses	1,742	1,891
Loss on cancellation of insurance policies	10,485	-
Compensation expenses	2,254	-
Other	200	345
Total non-operating expenses	14,681	2,236
Ordinary profit	2,002,730	1,017,916
Extraordinary income		
Gain on sale of non-current assets	-	11
Total extraordinary income	-	11
Extraordinary losses		
Loss on retirement of non-current assets	98	198
Total extraordinary losses	98	198
Profit before income taxes	2,002,631	1,017,729
Income taxes - current	595,511	298,238
Income taxes - deferred	48,127	37,843
Total income taxes	643,638	336,081
Profit	1,358,992	681,647
Profit attributable to owners of parent	1,358,992	681,647

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,358,992	681,647
Other comprehensive income		
Valuation difference on available-for-sale securities	36,395	68,322
Foreign currency translation adjustment	86,414	92,868
Remeasurements of defined benefit plans, net of tax	3,756	869
Total other comprehensive income	126,567	162,060
Comprehensive income	1,485,560	843,707
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,485,560	843,707
Comprehensive income attributable to non-controlling interests	—	—