

Summary of Consolidated Financial Results
For the Third Quarter of the Year Ending March 31, 2024
(Based on Japanese GAAP)

February 2, 2024

Company name: KYOKUYO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 1301 URL <https://www.kyokuyo.co.jp/en/>

(Yen in millions, rounded down)

1. Consolidated Financial Results for the Third Quarter of the Year Ending March 31, 2024

(April 1, 2023- December 31, 2023)

(1) Consolidated Result of Operations (cumulative)

(% figures denote change from the same period in the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3rd Quarter of the Year Ending March 31, 2024	201,614	-5.5	6,949	-14.5	6,993	-16.1	4,985	-16.4
3rd Quarter of the Year Ended March 31, 2023	213,387	6.4	8,124	42.2	8,339	38.3	5,964	49.4

(Note) Comprehensive Income: Third Quarter of the year ending March 31, 2024 ¥6,622million (13.2%)
 Third Quarter of the year ended March 31, 2023 ¥5,852million (97.9%)

	Profit per Share	Diluted Profit Per Share
	Yen	Yen
3rd Quarter of the Year Ending March 31, 2024	464.87	—
3rd Quarter of the Year Ended March 31, 2023	555.87	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As at December 31,2023	169,137	53,257	31.4
As at March 31,2023	146,301	46,966	32.5

(Reference) Shareholders' Equity : As at December 31,2023 ¥53,072million
 As at March 31,2023 ¥47,541million

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2023	—	—	—	100.00	100.00
Year Ending March 31, 2024	—				
Year Ending March,2024 (Forecast)		—	—	100.00	100.00

(Note) Revisions to the most recently announced dividends : Yes

3. Forecast for the Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% figures denote change from the previous fiscal year)

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year Ending March 31,2024	262,000	−3.7	8,600	6.1	8,600	5.1	5,500	−4.9	512.87

(Note) Revisions to the most recently announced forecast : Yes

* Notes

(1) Major changes among subsidiaries (changes in specified subsidiaries affecting the scope of consolidation) during the period under review: Yes

New: 1 (Company name) Ocean's Kitchen Property Management LLC Excluded: − (Company name)

(2) Application of specific accounting treatments in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting principles and accounting estimates, retrospective restatements:

(i)Changes due to revisions in accounting standards, etc.: None

(ii)Changes other than(i) : None

(iii)Changes in accounting estimates : None

(iv)Retrospective restatements : None

(4) Number of shares issued (common shares)

(i)Number of shares issued at the end of the period (including treasury shares)

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

(iii)Average number of shares during the period

As at December 31,2023	10,928,283	As at March 31,2023	10,928,283
As at December 31,2023	200,774	As at March 31,2023	211,655
As at December 31,2023	10,723,904	As at December 31,2022	10,729,529

* The summary of quarterly financial results is not subject to audits.

*Explanation about the appropriate use of the forecasts of financial results, and other noteworthy matters.

The projections and other statements with respect to the future included in this material are based on currently available information and certain assumptions that are judged reasonable by the Company. Please be advised that the Company does not guarantee in any way the achievement of the projections and other goals in this material and that cases may occur where the actual results and other situations differ materially from the projections due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As at March 31, 2023	As at December 31, 2023
Assets		
Current assets		
Cash and deposits	7,050	8,644
Notes and accounts receivable - trade	33,079	45,312
Inventories	63,886	71,472
Other	10,196	8,337
Allowance for doubtful accounts	(9)	(12)
Total current assets	114,202	133,753
Non-current assets		
Property, plant and equipment	18,912	21,294
Intangible assets	348	896
Investments and other assets		
Investment securities	10,134	11,087
Deferred tax assets	1,454	590
Other	2,845	3,110
Allowance for doubtful accounts	(1,597)	(1,596)
Total investments and other assets	12,837	13,192
Total non-current assets	32,098	35,383
Total assets	146,301	169,137

(Million yen)

	As at March 31, 2023	As at December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,563	11,604
Short-term borrowings	23,783	40,716
Commercial papers	15,000	15,000
Income taxes payable	2,091	384
Provisions	1,021	476
Accounts payable - other	8,261	5,854
Other	6,228	7,836
Total current liabilities	64,950	81,871
Non-current liabilities		
Long-term borrowings	29,816	31,224
Provisions	414	382
Retirement benefit liability	3,909	1,834
Asset retirement obligations	16	16
Deferred tax liabilities	—	354
Other	226	194
Total non-current liabilities	34,383	34,007
Total liabilities	99,334	115,879
Net assets		
Shareholders' equity		
Share capital	5,664	5,664
Capital surplus	1,330	1,330
Retained earnings	37,317	41,225
Treasury shares	(575)	(543)
Total shareholders' equity	43,736	47,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,704	4,392
Deferred gains or losses on hedges	(72)	(58)
Foreign currency translation adjustment	470	1,071
Remeasurements of defined benefit plans	(296)	(8)
Total accumulated other comprehensive income	3,805	5,396
Non-controlling interests	(575)	185
Total net assets	46,966	53,257
Total liabilities and net assets	146,301	169,137

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	213,387	201,614
Cost of sales	188,010	176,154
Gross profit	25,377	25,459
Selling, general and administrative expenses	17,252	18,510
Operating profit	8,124	6,949
Non-operating income		
Interest income	0	1
Dividend income	139	155
Foreign exchange gains	144	129
Insurance claim income	183	88
Subsidy income	77	51
Share of profit of entities accounted for using equity method	53	—
Other	160	146
Total non-operating income	758	572
Non-operating expenses		
Interest expenses	356	431
Share of loss of entities accounted for using equity method	—	10
Provision for loss on litigation	7	8
Other	179	77
Total non-operating expenses	544	527
Ordinary profit	8,339	6,993
Extraordinary income		
Gain on disposal of non-current assets	307	1
Gain on revision of retirement benefit plan	—	1,717
Settlement income	—	113
Gain on sale of investment securities	—	8
Insurance claim income	45	—
Total extraordinary income	352	1,841
Extraordinary losses		
Loss on disposal of non-current assets	4	10
Impairment losses	28	6
Loss on disaster	41	1,526
Loss on valuation of investment securities	—	1
Total extraordinary losses	74	1,544
Profit before income taxes	8,617	7,290
Income taxes - current	2,761	1,566
Income taxes - deferred	(75)	782
Total income taxes	2,686	2,348
Profit	5,931	4,942
Profit (loss) attributable to :		
Owners of parent	5,964	4,985
Non-controlling interests	(32)	(43)

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Other comprehensive income		
Valuation difference on available-for-sale securities	(99)	688
Deferred gains or losses on hedges	(505)	13
Foreign currency translation adjustment	456	690
Remeasurements of defined benefit plans, net of tax	70	288
Total other comprehensive income	(79)	1,679
Comprehensive income	5,852	6,622
Comprehensive income attributable to :		
Owners of parent	5,879	6,576
Non-controlling interests	(27)	45