

Summary of Consolidated Financial Results
For the First Quarter of the Year Ending March 31, 2023
(Based on Japanese GAAP)

August 5, 2022

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 First Quarter of the Year Ending March 31, 2023

(April 1, 2022- June 30, 2022)

(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	%
1st Quarter of the Year Ending March 31, 2023	65,282	11.6	2,432	68.2	2,654	66.2	1,828	55.6
1st Quarter of the Year Ended March 31, 2022	58,473	7.6	1,446	128.5	1,596	128.9	1,175	107.9

(Note) Comprehensive Income: First Quarter of the year ending March 31, 2023 ¥2,069million (131.9%)
 First Quarter of the year ended March 31, 2022 ¥892million (-17.1%)

	Profit per Share	Diluted Profit Per Share
	Yen	Yen
1st Quarter of the Year Ending March 31, 2023	170.13	—
1st Quarter of the Year Ended March 31, 2022	109.29	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As at June 30, 2022	137,402	43,208	31.8
As at March 31, 2022	130,460	42,174	32.7

(Reference) Shareholders' Equity : As at June 30, 2022 ¥43,737million
 As at March 31, 2022 ¥42,705 million

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 31, 2022	—	—	—	90.00	90.00
Year Ending March 31, 2023	—	—	—	—	—
Year Ending March, 2023 (Forecast)	—	—	—	90.00	90.00

(Note) Revisions to the most recently announced dividends : None

3. Forecast for the Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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, 2023	275,000	8.4	7,000	9.5	7,000	1.4	4,900	5.7	455.49

(Note) Revisions to the most recently announced forecast : None

* Notes

- (1) Major changes among subsidiaries during the period under review: None
- (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)

As at June 30, 2022	10,928,283	As at March 31, 2022	10,928,283
As at June 30, 2022	187,628	As at March 31, 2022	170,523
As at June 30, 2022	10,750,055	As at June 30, 2021	10,757,535
 - (ii) Number of treasury shares at the end of the period
 - (iii) Average number of shares during the period

* 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, 2022	As at June 30, 2022
Assets		
Current assets		
Cash and deposits	6,544	7,087
Notes and accounts receivable - trade	28,683	30,377
Inventories	54,629	62,186
Other	9,678	6,549
Allowance for doubtful accounts	(9)	(49)
Total current assets	99,527	106,151
Non-current assets		
Property, plant and equipment	18,897	19,941
Intangible assets	350	360
Investments and other assets		
Investment securities	9,272	8,904
Deferred tax assets	1,136	889
Other	2,873	2,752
Allowance for doubtful accounts	(1,597)	(1,597)
Total investments and other assets	11,685	10,949
Total non-current assets	30,932	31,250
Total assets	130,460	137,402

(Million yen)

	As at March 31, 2022	As at June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,950	12,301
Short-term borrowings	15,714	22,860
Commercial papers	15,000	15,000
Income taxes payable	1,081	639
Provisions	1,053	511
Accounts payable - other	7,791	5,761
Other	6,344	6,047
Total current liabilities	56,936	63,120
Non-current liabilities		
Long-term borrowings	27,021	26,714
Provisions	404	433
Retirement benefit liability	3,648	3,639
Asset retirement obligations	29	29
Other	244	255
Total non-current liabilities	31,348	31,073
Total liabilities	88,285	94,193
Net assets		
Shareholders' equity		
Share capital	5,664	5,664
Capital surplus	1,330	1,330
Retained earnings	32,507	33,363
Treasury shares	(429)	(486)
Total shareholders' equity	39,072	39,871
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,234	2,844
Deferred gains or losses on hedges	343	782
Foreign currency translation adjustment	292	453
Remeasurements of defined benefit plans	(237)	(213)
Total accumulated other comprehensive income	3,632	3,866
Non-controlling interests	(530)	(529)
Total net assets	42,174	43,208
Total liabilities and net assets	130,460	137,402

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

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	58,473	65,282
Cost of sales	51,512	57,051
Gross profit	6,961	8,231
Selling, general and administrative expenses	5,514	5,798
Operating profit	1,446	2,432
Non-operating income		
Interest income	1	0
Dividend income	65	72
Share of profit of entities accounted for using equity method	30	50
Foreign exchange gains	64	188
Subsidy income	69	37
Other	44	46
Total non-operating income	276	395
Non-operating expenses		
Interest expenses	92	104
Provision of allowance for doubtful accounts	—	40
Provision for loss on litigation	2	2
Other	31	26
Total non-operating expenses	126	173
Ordinary profit	1,596	2,654
Extraordinary income		
Gain on disposal of non-current assets	1	—
National subsidy income	35	—
Total extraordinary income	37	—
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Impairment losses	2	0
Loss on disaster	—	2
Loss on tax purpose reduction entry of non-current assets	33	—
Loss on valuation of investment securities	7	—
Total extraordinary losses	43	3
Profit before income taxes	1,590	2,650
Income taxes - current	284	600
Income taxes - deferred	179	216
Total income taxes	463	817
Profit	1,127	1,833
Profit (loss) attributable to :		
Owners of parent	1,175	1,828
Non-controlling interests	(48)	4

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

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Other comprehensive income		
Valuation difference on available-for-sale securities	(270)	(390)
Deferred gains or losses on hedges	(92)	439
Foreign currency translation adjustment	105	163
Remeasurements of defined benefit plans, net of tax	22	23
Total other comprehensive income	(234)	235
Comprehensive income	892	2,069
Comprehensive income attributable to :		
Owners of parent	938	2,062
Non-controlling interests	(45)	6