

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

February 3, 2023

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, 2023

(April 1, 2022- December 31, 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	%
3rd Quarter of the Year Ending March 31, 2023	213,387	6.4	8,124	42.2	8,339	38.3	5,964	49.4
3rd Quarter of the Year Ended March 31, 2022	200,477	3.1	5,715	55.2	6,030	57.8	3,991	23.9

(Note) Comprehensive Income: Third Quarter of the year ending March 31, 2023 ¥5,852million (97.9%)
 Third Quarter of the year ended March 31, 2022 ¥2,956million (-53.9%)

	Profit per Share	Diluted Profit Per Share
	Yen	Yen
3rd Quarter of the Year Ending March 31, 2023	555.87	—
3rd Quarter of the Year Ended March 31, 2022	371.07	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As at December 31,2022	166,095	46,902	28.6
As at March 31,2022	130,460	42,174	32.7

(Reference) Shareholders' Equity : As at December 31,2022 ¥47,466million
 As at March 31,2022 ¥42,705million

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

New: 1 (Company name) Kyokuyo Vina Foods Co.,Ltd. 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 31,2022	10,928,283	As at March 31,2022	10,928,283
As at December 31,2022	211,639	As at March 31,2022	170,523
As at December 31,2022	10,729,529	As at December 31,2021	10,757,726

* 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	6,544	7,793
Notes and accounts receivable - trade	28,683	49,394
Inventories	54,629	68,777
Other	9,678	8,341
Allowance for doubtful accounts	(9)	(12)
Total current assets	99,527	134,294
Non-current assets		
Property, plant and equipment	18,897	19,337
Intangible assets	350	357
Investments and other assets		
Investment securities	9,272	9,385
Deferred tax assets	1,136	1,451
Other	2,873	2,867
Allowance for doubtful accounts	(1,597)	(1,597)
Total investments and other assets	11,685	12,106
Total non-current assets	30,932	31,801
Total assets	130,460	166,095

As at March 31, 2022

As at December 31, 2022

	As at March 31, 2022	As at December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,950	12,239
Short-term borrowings	15,714	46,240
Commercial papers	15,000	15,000
Income taxes payable	1,081	1,851
Provisions	1,053	434
Accounts payable - other	7,791	5,800
Asset retirement obligations	—	5
Other	6,344	7,249
Total current liabilities	56,936	88,820
Non-current liabilities		
Long-term borrowings	27,021	26,053
Provisions	404	400
Retirement benefit liability	3,648	3,649
Asset retirement obligations	29	16
Other	244	252
Total non-current liabilities	31,348	30,372
Total liabilities	88,285	119,193
Net assets		
Shareholders' equity		
Share capital	5,664	5,664
Capital surplus	1,330	1,330
Retained earnings	32,507	37,498
Treasury shares	(429)	(575)
Total shareholders' equity	39,072	43,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,234	3,134
Deferred gains or losses on hedges	343	(162)
Foreign currency translation adjustment	292	743
Remeasurements of defined benefit plans	(237)	(167)
Total accumulated other comprehensive income	3,632	3,548
Non-controlling interests	(530)	(564)
Total net assets	42,174	46,902
Total liabilities and net assets	130,460	166,095

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, 2021	For the nine months ended December 31, 2022
Net sales	200,477	213,387
Cost of sales	178,278	188,010
Gross profit	22,199	25,377
Selling, general and administrative expenses	16,484	17,252
Operating profit	5,715	8,124
Non-operating income		
Interest income	1	0
Dividend income	127	139
Share of profit of entities accounted for using equity method	13	53
Insurance claim income	59	183
Foreign exchange gains	214	144
Subsidy income	158	77
Other	128	160
Total non-operating income	704	758
Non-operating expenses		
Interest expenses	288	356
Provision for loss on litigation	7	7
Provision of allowance for doubtful accounts	(2)	—
Other	96	179
Total non-operating expenses	389	544
Ordinary profit	6,030	8,339
Extraordinary income		
Gain on disposal of non-current assets	3	307
Insurance claim income	—	45
National subsidy income	35	—
Total extraordinary income	39	352
Extraordinary losses		
Loss on disposal of non-current assets	2	4
Impairment losses	19	28
Loss on disaster	—	41
Retirement benefit expenses	157	—
Loss on tax purpose reduction entry of non-current assets	33	—
Loss on valuation of investment securities	7	—
Total extraordinary losses	220	74
Profit before income taxes	5,849	8,617
Income taxes - current	1,655	2,761
Income taxes - deferred	239	(75)
Total income taxes	1,895	2,686
Profit	3,954	5,931
Profit (loss) attributable to :		
Owners of parent	3,991	5,964
Non-controlling interests	(37)	(32)

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

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,079)	(99)
Deferred gains or losses on hedges	(32)	(505)
Foreign currency translation adjustment	46	456
Remeasurements of defined benefit plans, net of tax	67	70
Total other comprehensive income	(997)	(79)
Comprehensive income	2,956	5,852
Comprehensive income attributable to :		
Owners of parent	3,071	5,879
Non-controlling interests	(114)	(27)