

Summary of Consolidated Financial Results
For the First Quarter of the Year Ending March 31, 2022
(Based on Japanese GAAP)

August 6, 2021

Company name: KYOKUYO CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange, First Section
 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, 2022

(April 1, 2021- June 30, 2021)

(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	%
1 st Quarter of the Year Ending March, 2022	58,473	7.6	1,446	128.5	1,596	128.9	1,175	107.9
1 st Quarter of the Year Ended March, 2021	54,320	-13.3	633	-17.8	697	-31.3	565	-19.9

(Note) Comprehensive Income: First Quarter of the year ending March, 2022 ¥ 892 million (-17.1%)
 First Quarter of the year ended March, 2021 ¥1,076 million (251.9%)

	Profit per Share	Diluted Profit Per Share
	Yen	Yen
1 st Quarter of the Year Ending March, 2022	109.29	—
1 st Quarter of the Year Ended March, 2021	52.64	—

(Note)The company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. The figures for the first quarter of the fiscal year ending March 31, 2022 are figures after the application of the said accounting standard, etc.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
As at June 30,2021	119,592	39,995	33.8
As at March 31,2021	116,331	39,975	34.7

(Reference) Shareholders' Equity : As at June 30,2021 ¥40,456 million
 As at March 31,2021 ¥40,382 million

(Note)The company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current fiscal year. The figures for the first quarter of the fiscal year ending March 31, 2022 are figures after the application of the said accounting standard, etc.

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Total
Year Ended March, 2021	Yen —	Yen —	Yen —	Yen 80.00	Yen 80.00
Year Ending March, 2022	—				
Year Ending March, 2022 (Forecast)		—	—	80.00	80.00

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

3. Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% 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, 2022	250,000	0.3	5,000	7.3	5,000	2.5	3,500	-8.8	325.35

(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.: Yes

(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, 2021	10,928,283	As at March 31, 2021	10,928,283
As at June 30, 2021	170,681	As at March 31, 2021	170,774
As at June 30, 2021	10,757,535	As at June 30, 2020	10,741,708

(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, 2021	As at June 30, 2021
Assets		
Current assets		
Cash and deposits	7,100	6,193
Notes and accounts receivable - trade	32,869	29,044
Inventories	41,760	48,214
Other	4,927	4,987
Allowance for doubtful accounts	(8)	(8)
Total current assets	86,649	88,432
Non-current assets		
Property, plant and equipment	15,715	17,621
Intangible assets	417	405
Investments and other assets		
Investment securities	11,682	11,348
Other	3,478	3,396
Allowance for doubtful accounts	(1,612)	(1,612)
Total investments and other assets	13,547	13,132
Total non-current assets	29,681	31,159
Total assets	116,331	119,592

(Million yen)

	As at March 31, 2021	As at June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,941	12,375
Short-term borrowings	8,056	7,850
Commercial papers	10,000	10,000
Income taxes payable	1,721	331
Provisions	990	562
Other	9,478	10,131
Total current liabilities	39,189	41,250
Non-current liabilities		
Long-term borrowings	32,720	33,766
Provisions	326	348
Retirement benefit liability	3,764	3,795
Asset retirement obligations	29	29
Other	326	405
Total non-current liabilities	37,166	38,345
Total liabilities	76,355	79,596
Net assets		
Shareholders' equity		
Share capital	5,664	5,664
Capital surplus	1,329	1,329
Retained earnings	28,737	29,048
Treasury shares	(430)	(430)
Total shareholders' equity	35,300	35,611
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,139	4,869
Deferred gains or losses on hedges	148	56
Foreign currency translation adjustment	95	198
Remeasurements of defined benefit plans	(301)	(279)
Total accumulated other comprehensive income	5,081	4,844
Non-controlling interests	(407)	(460)
Total net assets	39,975	39,995
Total liabilities and net assets	116,331	119,592

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, 2020	For the three months ended June 30, 2021
Net sales	54,320	58,473
Cost of sales	48,617	51,512
Gross profit	5,702	6,961
Selling, general and administrative expenses	5,069	5,514
Operating profit	633	1,446
Non-operating income		
Interest income	1	1
Dividend income	62	65
Share of profit of entities accounted for using equity method	9	30
Subsidy income	23	69
Foreign exchange gains	45	64
Other	47	44
Total non-operating income	189	276
Non-operating expenses		
Interest expenses	100	92
Provision for loss on litigation	2	2
Other	21	31
Total non-operating expenses	124	126
Ordinary profit	697	1,596
Extraordinary income		
Gain on disposal of non-current assets	0	1
National subsidy income	63	35
Insurance claim income	112	—
Total extraordinary income	176	37
Extraordinary losses		
Loss on disposal of non-current assets	4	0
Impairment losses	0	2
Loss on disaster	48	—
Loss on tax purpose reduction entry of non-current assets	62	33
Loss on valuation of investment securities	—	7
Total extraordinary losses	115	43
Profit before income taxes	758	1,590
Income taxes - current	130	284
Income taxes - deferred	87	179
Total income taxes	218	463
Profit	539	1,127
Profit (loss) attributable to :		
Owners of parent	565	1,175
Non-controlling interests	(26)	(48)

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

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Other comprehensive income		
Valuation difference on available-for-sale securities	700	(270)
Deferred gains or losses on hedges	(58)	(92)
Foreign currency translation adjustment	(133)	105
Remeasurements of defined benefit plans, net of tax	28	22
Total other comprehensive income	536	(234)
Comprehensive income	1,076	892
Comprehensive income attributable to :		
Owners of parent	1,130	938
Non-controlling interests	(54)	(45)