

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: MAEZAWA KYUSO INDUSTRIES CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6485 URL <https://www.qso.co.jp/>  
 Representative: President and Representative Director Yuichi Taniai  
 Director, Chief of Administration  
 Inquiries: Headquarter Yoichiro Taniguchi TEL 03-3716-1512  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2023	31,008	7.7	2,184	2.1	2,267	(0.9)	1,433	(4.4)
Year ended March 31, 2022	28,789	4.8	2,139	(16.6)	2,287	(14.8)	1,498	(19.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	64.76	–	3.8	5.0	7.0
Year ended March 31, 2022	67.25	–	4.0	5.1	7.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	44,643	38,225	85.6	1,737.00
As of March 31, 2022	45,619	37,630	82.5	1,695.48

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(1,272)	(731)	(982)	10,498
Year ended March 31, 2022	1,061	(207)	(708)	13,546

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	10.00	–	20.00	30.00	667	44.5	1.8
Year ended March 31, 2023	–	15.00	–	18.00	33.00	729	51.0	1.9
Year ending March 31, 2024 (Forecast)	–	18.00	–	18.00	36.00		50.1	

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
Six months ending September 30, 2023	15,700	1.9	1,120	2.7	1,160	(1.2)	780	0.8	35.44
Full year	31,500	1.6	2,250	3.0	2,350	3.6	1,580	10.2	71.80

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	23,000,000 shares	As of March 31, 2022	23,000,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	993,476 shares	As of March 31, 2022	805,117 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2023	22,134,233 shares	Year ended March 31, 2022	22,286,776 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,301	11,236
Notes receivable - trade	1,454	1,418
Accounts receivable - trade	3,742	3,834
Electronically recorded monetary claims - operating	5,401	6,009
Securities	399	400
Merchandise and finished goods	4,707	5,760
Work in process	66	107
Raw materials and supplies	1,211	1,442
Other	520	465
Total current assets	31,806	30,675
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,074	8,142
Accumulated depreciation	(6,087)	(6,193)
Buildings and structures, net	1,987	1,948
Machinery, equipment and vehicles	7,820	7,797
Accumulated depreciation	(7,139)	(7,141)
Machinery, equipment and vehicles, net	681	655
Land	4,622	4,622
Construction in progress	21	261
Other	3,667	3,754
Accumulated depreciation	(3,461)	(3,533)
Other, net	206	221
Total property, plant and equipment	7,518	7,708
Intangible assets		
Software	435	648
Goodwill	316	276
Other	23	23
Total intangible assets	775	948
Investments and other assets		
Investment securities	3,807	3,837
Long-term loans receivable	5	4
Insurance funds	1,468	1,241
Deferred tax assets	127	133
Other	115	97
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	5,519	5,310
Total non-current assets	13,813	13,967
Total assets	45,619	44,643

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,017	3,417
Electronically recorded obligations - operating	639	451
Income taxes payable	300	484
Provision for bonuses	252	251
Provision for bonuses for directors (and other officers)	16	20
Buy-sell transaction liability	57	60
Other	837	916
Total current liabilities	7,121	5,602
Non-current liabilities		
Deferred tax liabilities	293	267
Retirement benefit liability	487	466
Asset retirement obligations	4	4
Other	82	77
Total non-current liabilities	867	816
Total liabilities	7,989	6,418
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,358	3,358
Capital surplus	3,711	3,711
Retained earnings	29,649	30,304
Treasury shares	(766)	(941)
Total shareholders' equity	35,953	36,432
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,396	1,417
Foreign currency translation adjustment	296	385
Remeasurements of defined benefit plans	(15)	(10)
Total accumulated other comprehensive income	1,677	1,792
Total net assets	37,630	38,225
Total liabilities and net assets	45,619	44,643

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	28,789	31,008
Cost of sales	20,566	22,402
Gross profit	8,223	8,605
Selling, general and administrative expenses	6,083	6,421
Operating profit	2,139	2,184
Non-operating income		
Interest income	21	22
Dividend income	100	105
Foreign exchange gains	5	–
Subsidy income	5	–
Dispatching income	11	12
Other	7	40
Total non-operating income	151	180
Non-operating expenses		
Foreign exchange losses	–	84
Loss on cancellation of insurance policies	2	10
Other	1	1
Total non-operating expenses	4	96
Ordinary profit	2,287	2,267
Extraordinary income		
Gain on sale of non-current assets	0	9
Gain on sale of membership	1	–
Total extraordinary income	1	9
Extraordinary losses		
Loss on sale of non-current assets	–	3
Loss on retirement of non-current assets	20	3
Loss on sale of investment securities	0	–
Impairment losses	–	115
Total extraordinary losses	21	122
Profit before income taxes	2,267	2,154
Income taxes - current	701	763
Income taxes - deferred	66	(42)
Total income taxes	768	721
Profit	1,498	1,433
Profit attributable to owners of parent	1,498	1,433

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,498	1,433
Other comprehensive income		
Valuation difference on available-for-sale securities	194	20
Foreign currency translation adjustment	202	89
Remeasurements of defined benefit plans, net of tax	4	4
Total other comprehensive income	402	114
Comprehensive income	1,900	1,548
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,900	1,548

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,358	3,711	28,654	(587)	35,136
Changes during period					
Dividends of surplus			(502)		(502)
Profit attributable to owners of parent			1,498		1,498
Purchase of treasury shares				(199)	(199)
Disposal of treasury shares				21	21
Transfer from retained earnings to capital surplus			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	995	(178)	816
Balance at end of period	3,358	3,711	29,649	(766)	35,953

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,202	93	(20)	1,275	36,412
Changes during period					
Dividends of surplus					(502)
Profit attributable to owners of parent					1,498
Purchase of treasury shares					(199)
Disposal of treasury shares					21
Transfer from retained earnings to capital surplus					(0)
Net changes in items other than shareholders' equity	194	202	4	402	402
Total changes during period	194	202	4	402	1,218
Balance at end of period	1,396	296	(15)	1,677	37,630

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,358	3,711	29,649	(766)	35,953
Changes during period					
Dividends of surplus			(777)		(777)
Profit attributable to owners of parent			1,433		1,433
Purchase of treasury shares				(199)	(199)
Disposal of treasury shares				24	24
Transfer from retained earnings to capital surplus			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	655	(175)	479
Balance at end of period	3,358	3,711	30,304	(941)	36,432

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,396	296	(15)	1,677	37,630
Changes during period					
Dividends of surplus					(777)
Profit attributable to owners of parent					1,433
Purchase of treasury shares					(199)
Disposal of treasury shares					24
Transfer from retained earnings to capital surplus					(1)
Net changes in items other than shareholders' equity	20	89	4	114	114
Total changes during period	20	89	4	114	594
Balance at end of period	1,417	385	(10)	1,792	38,225

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,267	2,154
Depreciation	618	631
Amortization of goodwill	39	39
Increase (decrease) in provision for bonuses	6	(1)
Increase (decrease) in provision for bonuses for directors (and other officers)	(25)	4
Increase (decrease) in allowance for doubtful accounts	–	0
Increase (decrease) in retirement benefit liability	(115)	(14)
Share-based payment expenses	20	23
Interest and dividend income	(122)	(127)
Foreign exchange losses (gains)	(5)	84
Loss (gain) on cancellation of insurance policies	(1)	1
Loss (gain) on sale of investment securities	0	–
Loss (gain) on sale of membership	(1)	–
Decrease (increase) in trade receivables	(447)	(656)
Decrease (increase) in inventories	(722)	(1,307)
Decrease (increase) in accounts receivable - other	7	(46)
Increase (decrease) in trade payables	868	(1,792)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(527)	145
Impairment losses	–	115
Other, net	(63)	(77)
Subtotal	1,797	(824)
Interest and dividends received	117	140
Interest paid	(0)	(0)
Income taxes paid	(853)	(588)
Net cash provided by (used in) operating activities	1,061	(1,272)
Cash flows from investing activities		
Payments into time deposits	(339)	(380)
Proceeds from withdrawal of time deposits	308	437
Proceeds from redemption of securities	150	400
Purchase of investment securities	–	(400)
Proceeds from sale of investment securities	125	–
Purchase of property, plant and equipment	(308)	(597)
Proceeds from sale of property, plant and equipment	0	14
Purchase of intangible assets	(111)	(430)
Proceeds from sale of membership	6	–
Repayments of insurance funds contract	(184)	(388)
Proceeds from cancellation of insurance funds	135	602
Proceeds from maturity of insurance funds	10	10
Long-term loan advances	(2)	–
Proceeds from collection of long-term loans receivable	2	0
Net cash provided by (used in) investing activities	(207)	(731)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of lease liabilities	(5)	(5)
Dividends paid	(503)	(776)
Purchase of treasury shares	(199)	(199)
Net cash provided by (used in) financing activities	(708)	(982)
Effect of exchange rate change on cash and cash equivalents	52	(62)
Net increase (decrease) in cash and cash equivalents	197	(3,048)
Cash and cash equivalents at beginning of period	13,348	13,546
Cash and cash equivalents at end of period	13,546	10,498