

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

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: Headquarters Yoichiro Taniguchi TEL 03-3716-1512
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	32,008	3.2	2,466	12.9	2,598	14.6	1,681	17.3
Year ended March 31, 2023	31,008	7.7	2,184	2.1	2,267	(0.9)	1,433	(4.4)

	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, 2024	78.12	–	4.4	5.7	7.7
Year ended March 31, 2023	64.76	–	3.8	5.0	7.0

(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, 2024	45,965	39,039	84.9	1,840.77
As of March 31, 2023	44,643	38,225	85.6	1,737.00

(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, 2024	2,060	(273)	(1,783)	10,486
Year ended March 31, 2023	(1,272)	(731)	(982)	10,498

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, 2023	–	15.00	–	18.00	33.00	729	51.0	1.9
Year ended March 31, 2024	–	18.00	–	22.00	40.00	853	51.2	2.2
Year ending March 31, 2025 (Forecast)	–	21.00	–	21.00	42.00		50.0	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	15,850	1.4	1,220	2.5	1,310	4.0	860	6.4	40.55
Full year	32,000	(0.0)	2,580	4.6	2,730	5.1	1,780	5.9	83.93

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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: No

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, 2024	21,500,000 shares	As of March 31, 2023	23,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	291,806 shares	As of March 31, 2023	993,476 shares
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Average number of shares during the period

Year ended March 31, 2024	21,525,720 shares	Year ended March 31, 2023	22,134,233 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,236	10,845
Notes receivable - trade	1,418	1,285
Accounts receivable - trade	3,834	4,099
Electronically recorded monetary claims - operating	6,009	6,918
Securities	400	–
Merchandise and finished goods	5,760	5,872
Work in process	107	103
Raw materials and supplies	1,442	1,336
Other	465	244
Total current assets	30,675	30,706
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,142	8,569
Accumulated depreciation	(6,193)	(6,337)
Buildings and structures, net	1,948	2,231
Machinery, equipment and vehicles	7,797	7,762
Accumulated depreciation	(7,141)	(7,097)
Machinery, equipment and vehicles, net	655	665
Land	4,622	4,622
Construction in progress	261	72
Other	3,754	3,824
Accumulated depreciation	(3,533)	(3,553)
Other, net	221	270
Total property, plant and equipment	7,708	7,861
Intangible assets		
Software	648	454
Goodwill	276	237
Other	23	23
Total intangible assets	948	714
Investments and other assets		
Investment securities	3,837	5,304
Long-term loans receivable	4	4
Insurance funds	1,241	1,260
Deferred tax assets	133	14
Other	97	101
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	5,310	6,681
Total non-current assets	13,967	15,258
Total assets	44,643	45,965

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,417	3,052
Electronically recorded obligations - operating	451	794
Income taxes payable	484	474
Provision for bonuses	251	259
Provision for bonuses for directors (and other officers)	20	29
Buy-sell transaction liability	60	49
Other	916	1,053
Total current liabilities	5,602	5,712
Non-current liabilities		
Deferred tax liabilities	267	611
Retirement benefit liability	466	534
Asset retirement obligations	4	4
Other	77	62
Total non-current liabilities	816	1,213
Total liabilities	6,418	6,925
Net assets		
Shareholders' equity		
Share capital	3,358	3,358
Capital surplus	3,711	3,909
Retained earnings	30,304	29,600
Treasury shares	(941)	(312)
Total shareholders' equity	36,432	36,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,417	2,229
Foreign currency translation adjustment	385	281
Remeasurements of defined benefit plans	(10)	(28)
Total accumulated other comprehensive income	1,792	2,483
Total net assets	38,225	39,039
Total liabilities and net assets	44,643	45,965

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	31,008	32,008
Cost of sales	22,402	22,668
Gross profit	8,605	9,340
Selling, general and administrative expenses	6,421	6,873
Operating profit	2,184	2,466
Non-operating income		
Interest income	22	14
Dividend income	105	114
Dispatching income	12	13
Other	40	49
Total non-operating income	180	191
Non-operating expenses		
Foreign exchange losses	84	42
Loss on cancellation of insurance policies	10	13
Other	1	3
Total non-operating expenses	96	60
Ordinary profit	2,267	2,598
Extraordinary income		
Gain on sale of non-current assets	9	0
Total extraordinary income	9	0
Extraordinary losses		
Loss on sale of non-current assets	3	–
Loss on retirement of non-current assets	3	3
Impairment losses	115	–
Total extraordinary losses	122	3
Profit before income taxes	2,154	2,595
Income taxes - current	763	796
Income taxes - deferred	(42)	117
Total income taxes	721	914
Profit	1,433	1,681
Profit attributable to owners of parent	1,433	1,681

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,433	1,681
Other comprehensive income		
Valuation difference on available-for-sale securities	20	812
Foreign currency translation adjustment	89	(103)
Remeasurements of defined benefit plans, net of tax	4	(17)
Total other comprehensive income	114	690
Comprehensive income	1,548	2,372
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,548	2,372

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(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	30,304	(941)	36,432
Changes during period					
Dividends of surplus			(782)		(782)
Profit attributable to owners of parent			1,681		1,681
Purchase of treasury shares				(1,000)	(1,000)
Cancellation of treasury shares		(1,605)		1,605	–
Disposal of treasury shares		3		23	26
Transfer from retained earnings to capital surplus		1,602	(1,602)		–
Capital reduction of consolidated subsidiaries		198			198
Net changes in items other than shareholders' equity					
Total changes during period	–	198	(703)	629	123
Balance at end of period	3,358	3,909	29,600	(312)	36,556

	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	1,417	385	(10)	1,792	38,225
Changes during period					
Dividends of surplus					(782)
Profit attributable to owners of parent					1,681
Purchase of treasury shares					(1,000)
Cancellation of treasury shares					–
Disposal of treasury shares					26
Transfer from retained earnings to capital surplus					–
Capital reduction of consolidated subsidiaries					198
Net changes in items other than shareholders' equity	812	(103)	(17)	690	690
Total changes during period	812	(103)	(17)	690	814
Balance at end of period	2,229	281	(28)	2,483	39,039

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,154	2,595
Depreciation	631	672
Amortization of goodwill	39	39
Insurance claim income	–	(2)
Increase (decrease) in provision for bonuses	(1)	8
Increase (decrease) in provision for bonuses for directors (and other officers)	4	9
Increase (decrease) in allowance for doubtful accounts	0	–
Increase (decrease) in retirement benefit liability	(14)	43
Share-based payment expenses	23	26
Interest and dividend income	(127)	(128)
Foreign exchange losses (gains)	84	42
Loss (gain) on cancellation of insurance policies	1	13
Decrease (increase) in trade receivables	(656)	(1,034)
Decrease (increase) in inventories	(1,307)	6
Decrease (increase) in accounts receivable - other	(46)	190
Increase (decrease) in trade payables	(1,792)	(27)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	145	95
Impairment losses	115	–
Other, net	(77)	170
Subtotal	(824)	2,721
Interest and dividends received	140	137
Proceeds from insurance income	–	2
Interest paid	(0)	(0)
Income taxes paid	(588)	(801)
Net cash provided by (used in) operating activities	(1,272)	2,060
Cash flows from investing activities		
Payments into time deposits	(380)	(159)
Proceeds from withdrawal of time deposits	437	574
Proceeds from redemption of securities	400	400
Purchase of investment securities	(400)	(301)
Purchase of property, plant and equipment	(597)	(727)
Proceeds from sale of property, plant and equipment	14	2
Purchase of intangible assets	(430)	(28)
Repayments of insurance funds contract	(388)	(376)
Proceeds from cancellation of insurance funds	602	336
Proceeds from maturity of insurance funds	10	6
Long-term loan advances	–	(0)
Proceeds from collection of long-term loans receivable	0	0
Net cash provided by (used in) investing activities	(731)	(273)
Cash flows from financing activities		
Repayments of lease liabilities	(5)	(1)
Dividends paid	(776)	(782)
Purchase of treasury shares	(199)	(1,000)
Net cash provided by (used in) financing activities	(982)	(1,783)
Effect of exchange rate change on cash and cash equivalents	(62)	(14)
Net increase (decrease) in cash and cash equivalents	(3,048)	(11)
Cash and cash equivalents at beginning of period	13,546	10,498
Cash and cash equivalents at end of period	10,498	10,486