

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 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 Yoichiro Taniguchi
 Inquiries: Headquarters Yoichiro Taniguchi TEL 03-3716-1512
 Scheduled date to file Semi-annual Securities Report: November 11, 2024
 Scheduled date to commence dividend payments: December 5, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2024	15,716	0.5	1,583	33.0	1,669	32.6	1,114	37.8
Six months ended September 30, 2023	15,636	1.5	1,190	9.2	1,259	7.3	808	4.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	52.83	—
Six months ended September 30, 2023	37.12	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	46,080	39,584	85.9	1,883.84
As of March 31, 2024	45,965	39,039	84.9	1,840.77

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	18.00	—	22.00	40.00
Year ending March 31, 2025	—	21.00			
Year ending March 31, 2025 (Forecast)			—	21.00	42.00

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
Full year	32,000	(0.0)	2,580	4.6	2,730	5.1	1,780	5.9	83.93

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2024	21,500,000 shares	As of March 31, 2024	21,500,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	487,245 shares	As of March 31, 2024	291,806 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	21,096,317 shares	Six months ended September 30, 2023	21,780,109 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	10,845	10,221
Notes and accounts receivable - trade	5,384	5,126
Electronically recorded monetary claims - operating	6,918	6,282
Merchandise and finished goods	5,872	6,713
Work in process	103	176
Raw materials and supplies	1,336	1,423
Other	244	345
Total current assets	30,706	30,289
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,231	2,184
Machinery, equipment and vehicles, net	665	668
Land	4,622	4,622
Construction in progress	72	319
Other, net	270	226
Total property, plant and equipment	7,861	8,021
Intangible assets		
Software	454	445
Goodwill	237	217
Other	23	24
Total intangible assets	714	687
Investments and other assets		
Investment securities	5,304	5,494
Long-term loans receivable	4	4
Insurance funds	1,260	1,463
Deferred tax assets	14	6
Other	101	116
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	6,681	7,081
Total non-current assets	15,258	15,791
Total assets	45,965	46,080

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3,052	2,865
Electronically recorded obligations - operating	794	610
Income taxes payable	474	546
Provision for bonuses	259	266
Provision for bonuses for directors (and other officers)	29	20
Buy-sell transaction liability	49	58
Other	1,053	867
Total current liabilities	5,712	5,235
Non-current liabilities		
Deferred tax liabilities	611	687
Retirement benefit liability	534	502
Asset retirement obligations	4	4
Other	62	67
Total non-current liabilities	1,213	1,260
Total liabilities	6,925	6,496
Net assets		
Shareholders' equity		
Share capital	3,358	3,358
Capital surplus	3,909	3,909
Retained earnings	29,600	30,238
Treasury shares	(312)	(587)
Total shareholders' equity	36,556	36,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,229	2,289
Foreign currency translation adjustment	281	401
Remeasurements of defined benefit plans	(28)	(24)
Total accumulated other comprehensive income	2,483	2,665
Total net assets	39,039	39,584
Total liabilities and net assets	45,965	46,080

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	15,636	15,716
Cost of sales	10,977	10,809
Gross profit	4,658	4,907
Selling, general and administrative expenses	3,467	3,323
Operating profit	1,190	1,583
Non-operating income		
Interest income	10	6
Dividend income	58	65
Other	29	33
Total non-operating income	98	106
Non-operating expenses		
Foreign exchange losses	13	18
Loss on cancellation of insurance policies	13	–
Other	2	1
Total non-operating expenses	29	20
Ordinary profit	1,259	1,669
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Total extraordinary losses	2	0
Profit before income taxes	1,257	1,669
Income taxes	449	554
Profit	808	1,114
Profit attributable to owners of parent	808	1,114

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	808	1,114
Other comprehensive income		
Valuation difference on available-for-sale securities	374	59
Foreign currency translation adjustment	81	119
Remeasurements of defined benefit plans, net of tax	(25)	3
Total other comprehensive income	430	182
Comprehensive income	1,238	1,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,238	1,297

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,257	1,669
Depreciation	306	329
Amortization of goodwill	19	19
Insurance claim income	(2)	–
Increase (decrease) in retirement benefit liability	31	(27)
Share-based payment expenses	13	14
Increase (decrease) in provision for bonuses	(12)	7
Increase (decrease) in provision for bonuses for directors (and other officers)	(6)	(9)
Interest and dividend income	(69)	(72)
Foreign exchange losses (gains)	13	18
Surrender value of insurance policies	(4)	–
Loss (gain) on cancellation of insurance policies	17	(5)
Decrease (increase) in trade receivables	(555)	906
Decrease (increase) in inventories	(13)	(928)
Increase (decrease) in trade payables	(116)	(376)
Increase (decrease) in accrued consumption taxes	5	(55)
Decrease (increase) in accounts receivable - other	154	(19)
Other, net	42	(263)
Subtotal	1,082	1,209
Interest and dividends received	73	69
Proceeds from insurance income	2	–
Interest paid	(0)	(0)
Income taxes paid	(435)	(438)
Net cash provided by (used in) operating activities	722	839
Cash flows from investing activities		
Payments into time deposits	(271)	(100)
Proceeds from withdrawal of time deposits	295	100
Proceeds from redemption of securities	100	–
Purchase of investment securities	(200)	(100)
Purchase of property, plant and equipment	(562)	(428)
Proceeds from sale of property, plant and equipment	0	–
Purchase of intangible assets	(17)	(11)
Repayments of insurance funds contract	(166)	(209)
Proceeds from cancellation of insurance funds	336	11
Proceeds from collection of long-term loans receivable	0	0
Net cash provided by (used in) investing activities	(486)	(738)
Cash flows from financing activities		
Repayments of lease liabilities	(0)	(0)
Dividends paid	(395)	(466)
Purchase of treasury shares	(628)	(299)
Net cash provided by (used in) financing activities	(1,025)	(767)
Effect of exchange rate change on cash and cash equivalents	1	15
Net increase (decrease) in cash and cash equivalents	(788)	(651)
Cash and cash equivalents at beginning of period	10,498	10,486
Cash and cash equivalents at end of period	9,710	9,835