Consolidated Financial Results < under Japanese GAAP >

For the Three Months Ended June 30 ,2024

August 9 ,2024

Company name:	Kitagawa Corporation
Listing:	Tokyo Stock Exchange
Securities code:	6317
URL:	https://www.kiw.co.jp/
Representative:	Kimio Okano, Representative Director, President and Executive Officer
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Scheduled date to commence dividend payments:	—
Preparation of supplementary material on quarterly financial results:	No
Holding of quarterly financial results briefing:	No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30 ,2024

(from April 1 ,2024 to June 30 ,2024)

(1) Consolidated operating results (% indicate change from same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three Months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30 ,2024	13,674	(4.8)	133	(77.2)	507	(46.9)	341	(67.1)
June 30 ,2023	14,366	8.3	586	136.5	955	33.7	1,037	207.3

Note Comprehensive income : For the three months ended June 30 ,2024 477 million yen (9.1) %

For the three months ended June 30 ,2023 525 million yen (10.3) %

	Basic earnings per share	Diluted earnings per share
Three Months ended	Yen	Yen
June 30 ,2024	36.98	—
June 30 ,2023	112.40	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30 ,2024	79,964	40,139	50.2
March 31 ,2024	80,142	40,031	49.9

Reference: Equity

As of June 30 ,2024 40,135 million yen

As of March 31 ,2024 40,027 million yen

2. Dividends

	dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY March 2024	—	0.00	—	40.00	40.00
FY March 2025	—				
FY March 2025 (forecast)		25.00	—	25.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated Financial Forecast(April 1 ,2024 through March 31 ,2025)

(% indicate change from full of the previous fiscal year and first half of the previous fiscal year, respectively.)

	Net sales		Operating income		ordinary income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
2Q(first half)	28,900	(4.1)	520	(35.2)	770	(41.1)	600	(48.2)	65.00
Full year	58,500	(5.0)	1,700	1.2	2,200	(8.7)	1,600	26.3	173.34

Note: Revisions to the financial results forcast announced most recently: No

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No

Newly included: —
Excluded: —

(2) Accounting policies adopted specially for the preparation of quarterly consolidated finaicial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
(ii) Changes in accounting policies due to other reasons: No
(iii) Changes in accounting estimates: No
(iv) Restatement: No

(4) Number of issued shares (common shares)
(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30 ,2024	9,650,803	shares
As of March 31 ,2024	9,650,803	shares

(ii) Number of treasury shares at the end of the period

As of June 30 ,2024	420,552	shares
As of March 31 ,2024	420,342	shares

(iii) Average number of shares outstanding during the period

For the three months ended June 30 ,2024	9,230,329	shares
For the three months ended June 30 ,2023	9,231,518	shares

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

Explanation for the appropriate use of performance forecasts and other special notes:
The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ from forecast values.

Quarterly Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

As of	March 31,2024	June 30,2024
Assets		
Current assets		
Cash and deposits	10,646	9,269
Notes and accounts receivable - trade, and contract assets	9,555	9,838
Electronically recorded monetary claims - operating	7,843	7,185
Merchandise and finished goods	4,098	4,318
Work in process	6,246	6,157
Raw materials and supplies	2,664	2,878
Other	1,031	1,220
Allowance for doubtful accounts	(16)	(16)
Total current assets	42,070	40,853
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,383	7,406
Machinery, equipment and vehicles, net	11,533	11,781
Other, net	6,325	6,726
Total property, plant and equipment	25,242	25,913
Intangible assets		
Goodwill	622	600
Other	564	569
Total intangible assets	1,186	1,169
Investments and other assets	11,642	12,027
Total non-current assets	38,072	39,111
Total assets	80,142	79,964

(Millions of yen)

As of	March 31,2024	June 30,2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,044	4,362
Electronically recorded obligations - operating	6,042	5,276
Short-term borrowings	4,230	4,061
Current portion of bonds payable	10	10
Current portion of long-term borrowings	3,404	3,110
Income taxes payable	963	30
Provision for bonuses	659	168
Provision for bonuses for directors (and other officers)	27	—
Provision for product warranties	133	113
Provision for compensation	183	56
Other	5,314	7,028
Total current liabilities	25,013	24,218
Non-current liabilities		
Long-term borrowings	8,452	8,682
Provision for environmental measures	25	25
Retirement benefit liability	4,841	4,931
Other	1,777	1,967
Total non-current liabilities	15,097	15,607
Total liabilities	40,111	39,825
Net assets		
Shareholders' equity		
Share capital	8,640	8,640
Capital surplus	5,080	5,080
Retained earnings	21,186	21,159
Treasury shares	(795)	(795)
Total shareholders' equity	34,112	34,084
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,043	2,154
Foreign currency translation adjustment	2,237	2,330
Remeasurements of defined benefit plans	1,634	1,565
Total accumulated other comprehensive income	5,914	6,050
Non-controlling interests	4	4
Total net assets	40,031	40,139
Total liabilities and net assets	80,142	79,964

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Millions of yen)

For the three months ended	June 30,2023	June 30,2024
Net sales	14,366	13,674
Cost of sales	12,262	11,786
Gross profit	2,103	1,887
Selling, general and administrative expenses	1,517	1,754
Operating profit	586	133
Non-operating income		
Interest income	32	26
Dividend income	43	55
Share of profit of entities accounted for using equity method	34	55
Foreign exchange gains	212	179
Gain on sale of scraps	40	58
Other	78	107
Total non-operating income	442	483
Non-operating expenses		
Interest expenses	63	108
Other	10	1
Total non-operating expenses	73	110
Ordinary profit	955	507
Extraordinary income		
Gain on sale of non-current assets	—	33
Gain on sale of investment securities	587	—
Total extraordinary income	587	33
Extraordinary losses		
Loss on retirement of non-current assets	28	—
Total extraordinary losses	28	—
Profit before income taxes	1,513	540
Income taxes - current	244	14
Income taxes - deferred	229	184
Total income taxes	473	199
Profit	1,040	341
Profit (loss) attributable to non-controlling interests	2	(0)
Profit attributable to owners of parent	1,037	341

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

For the three months ended	June 30 ,2023	June 30 ,2024
Profit	1,040	341
Other comprehensive income		
Valuation difference on available-for-sale securities	(89)	111
Foreign currency translation adjustment	(437)	68
Remeasurements of defined benefit plans, net of tax	12	(68)
Share of other comprehensive income of entities accounted for using equity method	0	25
Total other comprehensive income	(514)	136
Comprehensive income	525	477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	521	477
Comprehensive income attributable to non-controlling interests	3	(0)

Segment Information

Industry Segment Information

The three months ended June 30 ,2023
1.Sales and Profit or Loss by reportable segments

(Millions of yen)

	Reportable segment				Other	Total
	Kitagawa Global hand Company	Kitagawa Sun Tech Company	Kitagawa Material Technology Company	Total		
Net sales						
Unaffiliated customers	2,479	4,579	7,066	14,125	241	14,366
Intersegment	12	0	39	52	—	52
Total	2,491	4,579	7,106	14,177	241	14,419
Operating profit (loss)	279	398	122	799	(7)	792

2.Difference between reportable segment total and consolidated financial statement amounts and main factors in the difference (related to difference adjustment)

(Millions of yen)

Earnings	Three months ended June 30 ,2023
Reportable segment total	799
Earnings for Other	(7)
Corporate expenses（note）	(206)
Operating profit in consolidated financial statements	586

Note: Corporate expenses are expenses of administrative divisions of company that are not attributable to reportable segments.

The three months ended June 30 ,2024
1.Sales and Profit or Loss by reportable segments

(Millions of yen)

	Reportable segment				Other	Total
	Kitagawa Global hand Company	Kitagawa Sun Tech Company	Kitagawa Material Technology Company	Total		
Net sales						
Unaffiliated customers	1,999	4,709	6,546	13,255	419	13,674
Intersegment	4	0	40	45	0	45
Total	2,004	4,709	6,586	13,300	419	13,720
Operating profit (loss)	125	225	(8)	342	(27)	314

2.Difference between reportable segment total and consolidated financial statement amounts and main factors in the difference (related to difference adjustment)

(Millions of yen)

Earnings	Three months ended June 30 ,2024
Reportable segment total	342
Earnings for Other	(27)
Corporate expenses（note）	(180)
Operating profit in consolidated financial statements	133

Note: Corporate expenses are expenses of administrative divisions of company that are not attributable to reportable segments.