

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2024 (Based on Japanese GAAP)

February 7, 2025

Company name: KATO SANGYO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9869 URL <https://www.katosangyo.co.jp>  
 Representative: Representative Director and President Kazuya Kato  
 Executive Officer  
 Director and Senior Executive Officer  
 Inquiries: Chief of Administration Headquarters Shigenori Tsuguie TEL 0798-33-7650  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2024	316,266	4.6	5,142	(0.8)	5,754	(1.2)	4,009	6.4
Three months ended December 31, 2023	302,436	6.2	5,184	14.4	5,824	12.8	3,768	11.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2024	128.69	–
Three months ended December 31, 2023	112.08	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	504,456	164,068	31.1
As of September 30, 2024	454,688	162,893	34.3

### 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 September 30, 2024	–	55.00	–	65.00	120.00
Year ending September 30, 2025	–				
Year ending September 30, 2025 (Forecast)		70.00	–	70.00	140.00

### 3. Forecast of consolidated financial results for the year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Percentages indicate year-on-year changes

	Operating revenue		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 March 31, 2025	605,700	3.7	9,100	(4.6)	9,900	(5.2)	6,440	(16.1)	206.71
Full year	1,208,000	3.3	16,650	(1.2)	18,300	(2.1)	11,830	(18.2)	379.71

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended December 31, 2024: No

(2) Application of special accounting methods for preparing quarterly 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 December 31, 2024	35,000,000 shares	As of September 30, 2024	35,000,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	3,844,882 shares	As of September 30, 2024	3,844,866 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2024	31,155,126 shares	Three months ended December 31, 2023	33,624,967 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	90,836	83,393
Notes and accounts receivable - trade	168,691	213,431
Investments in leases	728	730
Securities	500	–
Merchandise and finished goods	36,810	48,940
Work in process	0	11
Raw materials and supplies	507	544
Other	8,078	8,647
Allowance for doubtful accounts	(620)	(642)
Total current assets	305,532	355,056
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,900	19,492
Machinery, equipment and vehicles, net	4,319	4,261
Tools, furniture and fixtures, net	1,272	1,285
Land	26,681	26,544
Leased assets, net	1,143	1,120
Construction in progress	1,442	1,445
Other, net	734	646
Total property, plant and equipment	55,493	54,796
Intangible assets		
Goodwill	1,617	1,413
Customer-related intangible assets	74	66
Software	5,476	6,856
Telephone subscription right	46	46
Other	68	63
Total intangible assets	7,282	8,445
Investments and other assets		
Investment securities	58,082	57,619
Guarantee deposits	6,503	6,797
Investment property, net	2,962	3,155
Deferred tax assets	343	259
Retirement benefit asset	3,907	3,924
Investments in leases	9,475	9,292
Other	5,179	5,181
Allowance for doubtful accounts	(74)	(71)
Total investments and other assets	86,381	86,157
Total non-current assets	149,156	149,399
Total assets	454,688	504,456

(Millions of yen)

	As of September 30, 2024	As of December 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	237,965	289,638
Short-term borrowings	4,903	5,340
Current portion of long-term borrowings	198	147
Lease liabilities	1,437	1,433
Accounts payable - other	11,658	13,009
Accrued expenses	382	309
Income taxes payable	5,231	1,613
Accrued consumption taxes	850	132
Provision for bonuses	1,527	877
Provision for bonuses for directors (and other officers)	74	25
Other	1,696	2,240
<b>Total current liabilities</b>	<b>265,926</b>	<b>314,768</b>
<b>Non-current liabilities</b>		
Long-term borrowings	273	265
Lease liabilities	7,812	7,514
Deferred tax liabilities	8,931	9,082
Provision for retirement benefits for directors (and other officers)	286	278
Retirement benefit liability	5,504	5,428
Asset retirement obligations	172	172
Other	2,888	2,877
<b>Total non-current liabilities</b>	<b>25,868</b>	<b>25,619</b>
<b>Total liabilities</b>	<b>291,795</b>	<b>340,387</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,934	5,934
Capital surplus	8,426	8,429
Retained earnings	127,354	129,338
Treasury shares	(12,954)	(12,954)
<b>Total shareholders' equity</b>	<b>128,760</b>	<b>130,747</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	22,389	21,806
Deferred gains or losses on hedges	(0)	2
Foreign currency translation adjustment	3,831	3,569
Remeasurements of defined benefit plans	770	753
<b>Total accumulated other comprehensive income</b>	<b>26,991</b>	<b>26,131</b>
<b>Non-controlling interests</b>	<b>7,141</b>	<b>7,190</b>
<b>Total net assets</b>	<b>162,893</b>	<b>164,068</b>
<b>Total liabilities and net assets</b>	<b>454,688</b>	<b>504,456</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Operating revenue		
Net sales	293,443	307,025
Other operating revenue	8,992	9,240
Total operating revenue	302,436	316,266
Operating costs		
Cost of sales	273,888	286,127
Other costs	7,287	7,614
Total operating costs	281,175	293,741
Gross profit	19,555	20,897
Operating gross profit	21,260	22,524
Selling, general and administrative expenses	16,076	17,382
Operating profit	5,184	5,142
Non-operating income		
Interest income	72	66
Dividend income	446	415
Share of profit of entities accounted for using equity method	20	16
Rental income from real estate	169	178
Reversal of allowance for doubtful accounts	7	–
Electricity sale income	24	22
Other	104	116
Total non-operating income	846	815
Non-operating expenses		
Interest expenses	82	72
Foreign exchange losses	4	7
Rental expenses on real estate	73	78
Provision of allowance for doubtful accounts	–	16
Electricity sale expenses	11	10
Other	34	16
Total non-operating expenses	206	203
Ordinary profit	5,824	5,754
Extraordinary income		
Gain on sale of non-current assets	229	10
Gain on sale of investment securities	3	411
Subsidy income	–	61
Total extraordinary income	232	483

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	1
Loss on valuation of investment securities	69	–
Loss on business restructuring	11	–
System failure response costs	–	6
Total extraordinary losses	85	7
Profit before income taxes	5,972	6,230
Income taxes - current	1,560	1,543
Income taxes - deferred	386	503
Total income taxes	1,947	2,046
Profit	4,024	4,183
Profit attributable to non-controlling interests	255	174
Profit attributable to owners of parent	3,768	4,009

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Profit	4,024	4,183
Other comprehensive income		
Valuation difference on available-for-sale securities	226	(582)
Deferred gains or losses on hedges	(0)	2
Foreign currency translation adjustment	297	(285)
Remeasurements of defined benefit plans, net of tax	(7)	(17)
Share of other comprehensive income of entities accounted for using equity method	(43)	(7)
Total other comprehensive income	472	(890)
Comprehensive income	4,496	3,292
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,288	3,149
Comprehensive income attributable to non-controlling interests	208	143

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,972	6,230
Depreciation	1,210	1,395
Amortization of goodwill	92	114
Increase (decrease) in allowance for doubtful accounts	(4)	19
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(230)	(7)
Increase (decrease) in provision for bonuses	(632)	(648)
Increase (decrease) in provision for bonuses for directors (and other officers)	(72)	(48)
Decrease (increase) in retirement benefit asset	(81)	(51)
Increase (decrease) in retirement benefit liability	(62)	(66)
Interest and dividend income	(519)	(482)
Interest expenses	82	72
Foreign exchange losses (gains)	9	(19)
Share of loss (profit) of entities accounted for using equity method	(20)	(16)
Loss (gain) on sale of investment securities	(3)	(411)
Loss (gain) on valuation of investment securities	69	–
Loss (gain) on sale of property, plant and equipment	(224)	(10)
Loss on retirement of property, plant and equipment	0	0
Subsidy income	–	(61)
Loss on business restructuring	11	–
Decrease (increase) in trade receivables	(24,866)	(44,785)
Decrease (increase) in inventories	(8,967)	(12,266)
Increase (decrease) in trade payables	34,798	51,732
Decrease (increase) in investments in leases	179	181
Other, net	1,512	586
Subtotal	8,253	1,456
Interest and dividends received	517	561
Interest paid	(82)	(72)
Income taxes paid	(2,894)	(4,949)
Payments associated with disaster loss	–	(0)
Net cash provided by (used in) operating activities	5,793	(3,004)



(Millions of yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	(335)	(106)
Proceeds from withdrawal of time deposits	691	75
Proceeds from redemption of securities	–	500
Purchase of property, plant and equipment	(1,289)	(436)
Proceeds from sale of property, plant and equipment	12	10
Purchase of intangible assets	(359)	(1,840)
Payments for retirement of property, plant and equipment	–	(21)
Subsidies received	–	61
Purchase of investment securities	(662)	(580)
Proceeds from sale of investment securities	21	515
Proceeds from distributions from investment partnerships	–	2
Purchase of investment property	(9)	(0)
Proceeds from sale of investment property	228	–
Loan advances	(300)	(300)
Proceeds from collection of loans receivable	46	104
Payments of leasehold deposits	(0)	(26)
Proceeds from refund of leasehold deposits	0	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,195)	(273)
Net cash provided by (used in) investing activities	(4,150)	(2,312)
Cash flows from financing activities		
Repayments of long-term borrowings	–	(57)
Net increase (decrease) in short-term borrowings	(56)	475
Purchase of treasury shares	(2)	(0)
Dividends paid	(1,681)	(2,025)
Dividends paid to non-controlling interests	(76)	(94)
Repayments of finance lease liabilities	(337)	(376)
Net cash provided by (used in) financing activities	(2,153)	(2,079)
Effect of exchange rate change on cash and cash equivalents	50	(37)
Net increase (decrease) in cash and cash equivalents	(459)	(7,433)
Cash and cash equivalents at beginning of period	83,491	90,268
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	61	–
Cash and cash equivalents at end of period	83,092	82,835

## Segment information

### I First three months ended December 31, 2023 (from October 1, 2023 to December 31, 2023)

Information on operating revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Other	Total	Reconciling items	Per quarterly consolidated financial statements
	Processed foods business	Frozen and chilled business	Alcoholic beverages business	Overseas business	Reportable segments				
Sales									
Revenues from external customers	187,815	30,407	62,491	20,586	301,300	1,135	302,436	—	302,436
Transactions with other segments	110	14	11	—	137	1,912	2,049	(2,049)	—
Operating revenue	187,926	30,421	62,503	20,586	301,437	3,047	304,485	(2,049)	302,436
Operating profit (loss)	4,048	488	441	(38)	4,939	199	5,138	45	5,184

### II First three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

Information on operating revenue and profit or loss by reportable segment

(Millions of yen)

	Reportable segments					Other	Total	Reconciling items	Per quarterly consolidated financial statements
	Processed foods business	Frozen and chilled business	Alcoholic beverages business	Overseas business	Reportable segments				
Sales									
Revenues from external customers	194,623	31,295	64,399	24,759	315,079	1,187	316,266	—	316,266
Transactions with other segments	103	14	12	—	130	2,003	2,133	(2,133)	—
Operating revenue	194,727	31,310	64,411	24,759	315,209	3,190	318,400	(2,133)	316,266
Operating profit (loss)	4,280	471	180	(33)	4,898	170	5,069	73	5,142