

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



October 30, 2023

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Mars Group Holdings Corporation
 Listing: Tokyo Stock Exchange Prime
 Stock code: 6419 (URL: <https://www.mars-ghd.co.jp/>)
 Representative: President and CEO Akihiro Matsunami
 Inquiries: Director Joji Takahashi (Tel: +81-3-3352-8555)
 Scheduled date to file quarterly securities report: November 14, 2023
 Scheduled date to commence dividend payments: December 8, 2023
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2023	17,349	131.3	5,826	575.4	6,308	426.8	4,356	427.9
September 30, 2022	7,500	9.6	862	47.3	1,197	9.5	825	(45.4)

Note: Comprehensive income For the six months ended September 30, 2023: 6,486 million yen [338.4%]
 For the six months ended September 30, 2022: 1,479 million yen [(9.6%)]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	260.69	259.34
September 30, 2022	49.61	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2023	76,234	65,380	85.7	3,722.10
March 31, 2023	63,922	56,307	88.1	3,429.37

(Reference) Shareholders' equity: As of September 30, 2023: 65,365 million yen As of March 31, 2023: 56,307 million yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	35.00	-	35.00	70.00
FY2024	-	60.00	-	-	-
FY2024 (Forecast)	-	-	-	45.00	105.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal 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		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full year	32,000	57.3	9,300	125.4	10,000	111.4	6,600	109.9	379.05

Note: Revisions to the forecast of operating results most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2023	22,720,000 shares
As of March 31, 2023	22,720,000 shares

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

As of September 30, 2023	5,158,504 shares
As of March 31, 2023	6,300,865 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	16,710,353 shares
Six months ended September 30, 2022	16,632,836 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

- All forward-looking statements in this document such as financial forecasts and outlooks are based on the information currently available to and certain assumptions deemed reasonable by the company and are not a promise that the company is committed to achieving them. In addition, they may be materially different from actual results etc. due to various factors.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	22,700,571	27,881,359
Notes and accounts receivable - trade	4,430,108	4,637,975
Lease receivables and investments in leases	412,793	412,470
Securities	349,965	350,070
Merchandise and finished goods	2,183,557	4,095,514
Work in process	172,942	309,716
Raw materials and supplies	3,247,645	4,692,692
Other	1,681,447	1,749,843
Allowance for doubtful accounts	(56,412)	(61,708)
Total current assets	35,122,618	44,067,933
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,226,755	5,132,094
Land	9,628,287	9,628,287
Other, net	309,242	466,336
Total property, plant and equipment	15,164,285	15,226,718
Intangible assets	306,158	300,626
Investments and other assets		
Investment securities	11,471,098	14,657,496
Other	2,350,102	2,468,682
Allowance for doubtful accounts	(491,481)	(487,255)
Total investments and other assets	13,329,720	16,638,923
Total non-current assets	28,800,163	32,166,268
Total assets	63,922,782	76,234,202
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,858,476	4,523,893
Lease liabilities	268,902	249,838
Income taxes payable	1,052,319	2,276,482
Provision for bonuses	342,507	352,902
Other	944,796	1,135,023
Total current liabilities	5,467,002	8,538,140
Non-current liabilities		
Lease liabilities	294,372	271,157
Provision for retirement benefits for directors (and other officers)	177,990	185,190
Retirement benefit liability	585,916	598,611
Asset retirement obligations	61,447	61,680
Other	1,028,684	1,198,797
Total non-current liabilities	2,148,410	2,315,437
Total liabilities	7,615,412	10,853,577

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	7,934,100	7,934,100
Capital surplus	8,371,830	9,212,309
Retained earnings	51,144,527	54,926,034
Treasury shares	(12,655,002)	(10,348,775)
Total shareholders' equity	54,795,454	61,723,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,641,643	3,750,485
Remeasurements of defined benefit plans	(129,727)	(108,429)
Total accumulated other comprehensive income	1,511,915	3,642,055
Share acquisition rights	—	14,899
Total net assets	56,307,370	65,380,624
Total liabilities and net assets	63,922,782	76,234,202

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)
(For the six months ended September 30, 2023)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	7,500,162	17,349,633
Cost of sales	3,196,899	7,642,103
Gross profit	4,303,263	9,707,529
Selling, general and administrative expenses	3,440,601	3,880,983
Operating profit	862,661	5,826,545
Non-operating income		
Dividend income	236,665	392,633
Other	100,463	89,453
Total non-operating income	337,128	482,086
Non-operating expenses		
Commission for purchase of treasury shares	2,291	—
Total non-operating expenses	2,291	—
Ordinary profit	1,197,499	6,308,632
Extraordinary income		
Gain on sale of non-current assets	1,894	—
Gain on sale of investment securities	—	81,267
Total extraordinary income	1,894	81,267
Extraordinary losses		
Loss on sale of land	3,966	—
Total extraordinary losses	3,966	—
Profit before income taxes	1,195,427	6,389,900
Income taxes - current	354,937	2,211,609
Income taxes - deferred	15,315	(177,886)
Total income taxes	370,253	2,033,723
Profit	825,173	4,356,177
Profit attributable to owners of parent	825,173	4,356,177

(Quarterly Consolidated Statements of Comprehensive Income)
(For the six months ended September 30, 2023)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	825,173	4,356,177
Other comprehensive income		
Valuation difference on available-for-sale securities	642,353	2,108,842
Remeasurements of defined benefit plans, net of tax	12,041	21,297
Total other comprehensive income	654,394	2,130,140
Comprehensive income	1,479,568	6,486,317
Comprehensive income attributable to owners of parent	1,479,568	6,486,317