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Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]



February 10, 2022

Company name: KATO WORKS CO., LTD. Stock exchange listing: Tokyo Stock Exchange

Code number: 6390

URL: http://www.kato-works.co.jp

Representative: Kimiyasu Kato, President and Representative Director

Contact: Yasushi Ishimaru, Executive Officer and General Manager, Finance Control Department

Phone: +81-3-3458-1130

Scheduled date of filing quarterly securities report: February 14, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 - December 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

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	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million ye	en %	Million yen	%
December 31, 2021	43,770	11.9	(5,805)	_	(5,73	6) –	(4,698)	_
December 31, 2020	39,114	(29.5)	(2,261)	_	(1,98	8) –	(2,320)	_

(Note) Comprehensive income: Nine months ended December 31, 2021: \(\frac{1}{4}(3,410)\) million [-\%] Nine months ended December 31, 2020: \(\frac{1}{4}(2,052)\) million [-\%]

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	Basic earnings per share	Diluted earnings per share	
Nine months ended	Yen	Yen	
December 31, 2021	(400.98)	_	
December 31, 2020	(198.06)	=	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	108,295	47,949	43.3
As of March 31, 2021	115,822	51,494	43.6

(Reference) Equity: As of December 31, 2021: \(\frac{\pmathbf{4}}{4}6,863\) million As of March 31, 2021: \(\frac{\pmathbf{5}}{5}0,507\) million

2. Dividends

	Annual dividends							
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2021	_	0.00	_	10.00	10.00			
Fiscal year ending March 31, 2022	_	0.00	_					
Fiscal year ending March 31, 2022 (Forecast)				10.00	10.00			

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sale	es	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen 65,700	% 12.3	Million yen (2,600)	% _	Million yen (2,900)	% _	Million yen (3,100)	% _	Yen (264.57)

(Note) Revision to the financial results forecast announced most recently: None

Operating profit, ordinary profit and profit attributable to owners of parent for the nine months ended December 31, 2021 fell short of the consolidated financial results forecast for the fiscal year ending March 31, 2022, because a Chinese consolidated subsidiary recorded a ¥4.8 billion provision of allowance for doubtful accounts as selling, general and administrative expenses. However, the Company left unchanged the full-year forecast it announced on August 6, 2021, as it is difficult at present to reasonably calculate the impact of the dissolution and liquidation of a consolidated subsidiary in Thailand and that of the solicitation of voluntary retirement, which are mentioned in the significant subsequent events section of this document. The Company will announce a revised financial results forecast immediately after it becomes possible.

*	Notes:

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

Newly included: – (), Excluded: – ()

- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of shares issued and outstanding (common stock)
 - 1) Total number of shares issued and outstanding at the end of the period (including treasury shares):

December 31, 2021: 11,743,587 shares March 31, 2021: 11,743,587 shares

2) Total number of treasury shares at the end of the period:

December 31, 2021: 26,326 shares March 31, 2021: 26,317 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 11,717,267 shares Nine months ended December 31, 2020: 11,717,502 shares

* Explanation on the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements described herein are based on the information currently available to the Company and certain assumptions that the Company considers reasonable, and actual financial results may significantly differ from the forecast and statements due to various factors.

For the assumptions underlying the financial results forecast and the notes on the use of the financial results forecast, please see "(3) Explanation on Consolidated Financial Results Forecast and Other Forward-looking Information" under "1. Qualitative Information on Quarterly Financial Results" on page 3 of the Attachment.

^{*} These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.