



Summary of Financial Results for the Third Quarter Ended December 31, 2024 [Japan GAAP] (Consolidated)

February 7, 2025

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 Stock Code 3580 URL: <https://www.komatsumatere.co.jp/>
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 Scheduled starting date of dividend payment: -
 Preparation of supplementary financial document: Yes
 Financial results briefing: No

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(Rounded down to million yen)

1. Consolidated financial results for the nine months ended December 2024 (April 1, 2024, through December 31, 2024)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2024	29,529	8.8	1,935	38.9	2,451	20.9	2,665	82.8
Nine months ended Dec. 2023	27,146	2.0	1,394	0.3	2,028	40.0	1,458	45.5

(Note) Comprehensive income

Nine months ended December 2024: 3,046 million yen (42.5%)

Nine months ended December 2023: 2,137 million yen (28.3%)

	Basic earnings per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 2024	66.54	—
Nine months ended Dec. 2023	36.42	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2024	51,600	39,968	77.2	998.17
As of March 31, 2024	49,998	37,937	75.6	943.89

(Reference) Shareholders' equity

As of December 31, 2024: 39,820 million yen

As of March 31, 2024: 37,807 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2024	—	12.00	—	10.00	22.00
Year ending Mar. 2025	—	12.00	—	—	—
Year ending Mar. 2025 (forecast)	—	—	—	12.00	24.00

(Note) Revisions to dividend forecast for the current quarter: No

3. Forecast of consolidated financial results for the fiscal year ending March 2025 (April 1, 2024, through March 31, 2025)

(% figures for the full year are the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year ending Mar. 2025	39,000	6.4	2,100	13.1	2,900	9.7	2,600	41.1	64.92

(Note) Revisions to financial forecast for the current quarter: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period under review: Yes

Excluded: 1 company (Company name) KOMATSU SEIREN (SUZHOU) TEXTILE & DYEING Co., Ltd.

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: No

(3) Changes in accounting policies, accounting estimates and restatement

- | | |
|---|-------|
| 1) Changes in accounting policies associated with revision of accounting standards: | : Yes |
| 2) Changes in accounting policies other than 1) above | : No |
| 3) Changes in accounting estimates | : No |
| 4) Restatement | : No |

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (treasury stock included)

As of December 31, 2024 43,140,999shares

As of March 31, 2024 43,140,999shares

2) Number of Treasury stock at the end of the period

As of December 31, 2024 3,247,996shares

As of March 31, 2024 3,086,630shares

3) Average number of stock during period (cumulative total)

Nine months ended December 2024 40,050,627shares

Nine months ended December 2023 40,032,340shares

* Review by certified public accountants or auditors of the accompanying quarterly consolidated financial statements : No

* Explanation of the proper use of financial forecasts and other special notes

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee that it will achieve these forecasts. Actual results may differ materially from these forecasts due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of earnings forecasts, please refer to “(3) Consolidated Financial Forecasts and Other Forward-Looking Information” on page 3 of the attached document.
- Supplementary materials for the financial statements will be posted on the Company's website immediately after the announcement of the financial statements.

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1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

During the third quarter of the current consolidated cumulative period, the Japanese economy maintained a gradual recovery trend, supported by improvements in the employment and income environment and an increase in inbound demand. However, the outlook remains uncertain due to factors such as unstable international conditions, rising resource prices, exchange rate trends, and a decline in consumer spending due to rising domestic prices.

In this economic environment, the Company's business in Japan remained strong, particularly in the clothing sector, where we stepped up our sales activities, and overseas, we worked to further expand sales in markets such as Europe, the United States, the Middle East, and Asia. As a result, sales increased both in Japan and overseas.

During the third quarter of the current consolidated cumulative period, the Company held the “Active Material Exhibition” and announced the breathable and waterproof fabric “QUATTRONI EX”. This new material is equipped with the “VDR Technology” developed by the Company and is a sustainable material that uses a two-layer material without a backing material, achieving a feeling of expression and a feeling of separation from the skin that has never been seen before.

In addition, the Company's sludge volume reduction agent “Bellefomer” won the Grand Prize of the “Ishikawa Ecodesign Award” for excellent products and services originating in Ishikawa Prefecture. This was due to the high evaluation of the fact that it contributes to the realization of a sustainable society by eliminating the generation of waste (excess sludge). Furthermore, “Greenbiz Ground Kawara,” a block material that utilizes the vast amount of waste roof tiles generated by the Noto Peninsula Earthquake in 2024 as an effective resource, was certified as an “Ishikawa Ecorecycle Certified Product” as a recycled product made from waste roof tiles that has functionality and safety. Starting with the utilization of this product, the Company will continue to contribute to the recovery of disaster areas.

As a result of the above, net sales for the third quarter of the current consolidated cumulative period were 29,529 million yen (up 8.8% year-on-year), operating profit was 1,935 million yen (up 38.9% year-on-year), ordinary profit was 2,451 million yen (up 20.9% year-on-year), and profit attributable to owners of the parent company was 2,665 million yen (up 82.8% year-on-year).

Segment results are as follows.

(Textile business)

In the Fashion fabrics division, we have been actively promoting high-sensitivity, high-functionality materials with high added value that meet market demands, as well as environmentally friendly products, in both domestic and overseas markets, and have been working to expand sales. In the third quarter of the consolidated cumulative period, sales to overseas markets were driven mainly by North American fashion and Middle Eastern ethnic costumes. While demand for sportswear for overseas markets was sluggish, sales of fashion products for the domestic market increased overall, resulting in an overall increase in sales for the division.

In the Highly functional fabrics division, although we withdrew from unprofitable businesses in the living sector, orders increased in the automotive and lifestyle-related materials sector, and overall sales in this division also increased.

In the Product business, sales increased due to strengthening the sales system and working to penetrate the market with our product brands. As a result of the above, sales in this business for the third quarter of the current consolidated cumulative period were 29,144 million yen.

(Other businesses)

Sales in the logistics field for the third quarters of the current consolidated cumulative period were 385 million yen.

(2) Financial Position

Assets, liabilities and net assets

(Assets)

Total assets at the end of the third quarter of the current consolidated fiscal year were 51.6 billion yen, an increase of 1.601 billion yen compared to the end of the previous consolidated fiscal year. This is mainly due to an increase of 2,026 million yen in marketable securities and investment securities and an increase of 324 million yen in cash and deposits despite a decrease of 590 million yen in deferred tax assets and a decrease of 219 million yen in raw materials and supplies.

(Liabilities)

At the end of the third quarter of the current consolidated fiscal year, liabilities amounted to 11,632 million yen, a decrease of 429 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 301 million yen in income taxes payable and a decrease of 274 million yen in the provision for bonuses.

(Net assets)

Net assets at the end of the third quarter of the current consolidated fiscal year were 39,968 million yen, an increase of 2,030 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of 1,777 million yen and an increase in valuation difference on marketable securities of 796 million yen, despite a decrease in foreign currency translation adjustment of 432 million yen and an increase in treasury shares of 107 million yen.

(3) Consolidated Financial Forecasts and Other Forward-Looking Information

Based on trends during the third quarter of the current consolidated cumulative period, we have revised the consolidated earnings forecast for the fiscal year ending March 2025, announced on October 30, 2024. This is because operating profit, ordinary profit, and profit attributable to owners of parent are expected to exceed the previous forecast since the results of strengthening sales activities, such as negotiations to raise prices and product mix conversion, in response to high raw material and fuel costs in the clothing sector during the third quarter are progressing ahead of schedule.

The earnings forecast announced this time has not been disclosed separately because the revision is minor and does not meet the timely disclosure standards set by the stock exchange. If it meets the standards in the future, we will promptly implement timely disclosure.

In addition, the earnings forecast may change due to the impact of future social conditions, domestic and international market trends, etc., and actual earnings may differ from the estimates due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	9,065	9,390
Notes receivable - trade	1,470	1,512
Accounts receivable - trade	6,374	6,386
Securities	3,000	4,000
Merchandise and finished goods	1,813	1,702
Work in process	845	844
Raw materials and supplies	2,441	2,221
Other	131	455
Allowance for doubtful accounts	-20	-19
Total current assets	25,123	26,494
Non-current assets		
Property, plant and equipment	7,391	7,560
Intangible assets	972	1,817
Investments and other assets		
Investment securities	14,157	15,183
Deferred tax assets	901	311
Other	1,489	284
Allowance for doubtful accounts	-37	-52
Total investments and other assets	16,511	15,727
Total non-current assets	24,875	25,105
Total assets	49,998	51,600

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,047	5,321
Income taxes payable	553	251
Contract liabilities	94	55
Provision for bonuses	600	326
Other	2,138	1,871
Total current liabilities	8,434	7,826
Non-current liabilities		
Retirement benefit liability	3,397	3,493
Other	229	312
Total non-current liabilities	3,627	3,805
Total liabilities	12,061	11,632
Net assets		
Shareholders' equity		
Share capital	4,680	4,680
Capital surplus	4,631	4,610
Retained earnings	29,972	31,750
Treasury shares	-3,533	-3,640
Total shareholders' equity	35,750	37,400
Accumulated other comprehensive income		
Valuation difference on marketable securities	1,544	2,341
Foreign currency translation adjustment	507	74
Remeasurements of defined benefit plans	4	3
Total accumulated other comprehensive income	2,056	2,419
Non-controlling interests	130	148
Total net assets	37,937	39,968
Total liabilities and net assets	49,998	51,600

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

The third quarter of the current consolidated cumulative period

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	27,146	29,529
Cost of sales	21,800	23,174
Gross profit	5,346	6,355
Selling, general and administrative expenses	3,952	4,419
Operating profit	1,394	1,935
Non-operating profit		
Dividend income	156	171
Share of profit of entities accounted for using equity method	227	248
Foreign exchange gains	—	3
Compensation for forced relocation	109	—
Other	177	148
Total non-operating profit	670	571
Non-operating expenses		
Interest expenses	—	1
Foreign exchange losses	2	—
Rental costs on real estate	26	25
Exchange rate contract valuation loss	0	—
Provision of allowance for doubtful accounts	—	25
Other	7	2
Total non-operating expenses	37	55
Ordinary profit	2,028	2,451
Extraordinary profit		
Gain on sale of non-current assets	0	82
Gain on sale of investment securities	0	400
Gain on redemption of investment securities	—	101
Gain on liquidation of subsidiaries and associates	—	711
Total extraordinary profit	1	1,296
Extraordinary losses		
Loss on sale of non-current assets	18	—
Loss on retirement of non-current assets	44	51
Loss on valuation of investment securities	—	0
Loss on disaster	2	26
Difference in fulfillment of asset retirement obligations	—	14
Total extraordinary losses	66	92
Profit before income taxes	1,963	3,655
Income taxes - current	429	598
Income taxes - deferred	56	374
Total income taxes	486	972
Profit	1,477	2,682
Profit attributable to non-controlling interests	18	17
Profit attributable to owners of parent	1,458	2,665

Quarterly Consolidated Statements of Comprehensive Income
The third quarter of the current consolidated cumulative period

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	1,477	2,682
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	506	776
Foreign currency translation adjustment	159	-432
Remeasurements of defined benefit plans, net of tax	-0	-0
Share of other comprehensive income of entities accounted for using equity method	-4	20
Total other comprehensive income	660	364
Comprehensive income	2,137	3,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,118	3,028
Comprehensive income attributable to non-controlling interests	19	17

(3) Notes to the interim consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of “Accounting Standards for Corporate Tax, Local Tax and Business Tax, etc.”)

“Accounting Standards for Corporate Tax, Inhabitant Tax and Enterprise Tax, etc.” (Corporate Accounting Standards No. 27, October 28, 2022; hereinafter referred to as the ‘2022 Revised Accounting Standards’) and other standards have been applied from the beginning of the first quarter of the consolidated accounting period. Regarding the revision of the classification of recording of corporate taxes, etc. (taxation on other comprehensive income), the Company is in accordance with the transitional treatment prescribed in the proviso of Article 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso of Article 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Amendment Guidance”). There is no impact on the quarterly consolidated financial statements.

In addition, the amendments related to the review of the treatment of consolidated financial statements in the case of deferring gains or losses on the sale of subsidiary shares, etc. between consolidated companies for tax purposes are applied from the beginning of the first quarter of the consolidated accounting period in the 2022 amendment application guidelines. The change in accounting policy is applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and previous consolidated fiscal year are the quarterly consolidated financial statements and consolidated financial statements after retroactive application. This has no effect on the quarterly consolidated financial statements for the previous quarter and the consolidated financial statements for the previous consolidated fiscal year.

(Notes to the Consolidated Statements of Cash Flows)

The Company has not prepared a consolidated statement of cash flows for the third quarter of the current consolidated cumulative period. Depreciation and amortization (including amortization of intangible assets) for the third quarter of the current consolidated cumulative period is as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	755 million yen	952 million yen

(Notes on segment information, etc.)

【Segment information】

I Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information about sales and profit by reportable segment

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Quarterly consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Sales to external customers	26,753	392	27,146	—	27,146
Intersegment sales or transfers	22	1,367	1,390	-1,390	—
Total	26,776	1,760	28,536	-1,390	27,146
Segment profit	1,316	68	1,385	8	1,394

(Notes) 1. Adjustments to segment profit refer to eliminating inter-segment transactions.

2. Segment profit is adjusted with an operating profit in the quarterly consolidated statement of income.

II Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information about sales and profit by reportable segment

(Millions of yen)

	Reportable segments			Adjustment account (Note 1)	Quarterly consolidated statements of income (Note 2)
	Textile	Others	Subtotal		
Sales					
Sales to external customers	29,144	385	29,529	—	29,529
Intersegment sales or transfers	24	1,463	1,487	-1,487	—
Total	29,168	1,848	31,017	-1,487	29,529
Segment profit	1,877	49	1,927	8	1,935

(Notes) 1. Adjustments to segment profit refer to eliminating inter-segment transactions.

2. Segment profit is adjusted with an operating profit in the quarterly consolidated statement of income.