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May 14, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (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 of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	36,575	79.8	11,694	183.4	12,500	164.3	8,585	173.0
March 31, 2023	20,346	34.7	4,126	161.4	4,730	89.0	3,144	69.5

Note: Comprehensive income For the fiscal year ended March 31, 2024: 12,363 million yen [212.9%]
 For the fiscal year ended March 31, 2023: 3,951 million yen [36.2%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	499.89	497.10	13.5	16.9	32.0
March 31, 2023	190.17	-	5.7	7.6	20.3

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2024: - million yen

For the fiscal year ended March 31, 2023: - million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2024	83,956	71,254	84.9	3,975.65
March 31, 2023	63,922	56,307	88.1	3,429.37

Reference: Equity

As of March 31, 2024: 71,242 million yen

As of March 31, 2023: 56,307 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	6,447	(1,636)	1,813	29,353
March 31, 2023	943	(2,106)	(2,163)	22,700

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	35.00	-	35.00	70.00	1,156	36.8	2.1
March 31, 2024	-	60.00	-	90.00	150.00	2,666	30.0	4.1
Fiscal year ended March 31, 2025 (Forecast)	-	120.00	-	75.00	195.00		41.0	

Breakdown of interim dividends for the fiscal year ending March 2025 (forecast): Ordinary dividend of 70.00, Commemorative dividend of 50.00 (commemorative dividend for 50th anniversary)

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

(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
First half	20,700	19.3	7,040	20.8	7,440	17.9	5,040	15.7	279.11
Full year	37,000	1.2	11,700	0.0	12,520	0.2	8,600	0.2	476.19

*** 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) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	4,800,290 shares
As of March 31, 2023	6,300,865 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	17,175,721 shares
Fiscal year ended March 31, 2023	16,537,093 shares

* Financial results reports are exempt from audit 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.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,700,571	29,353,869
Notes and accounts receivable - trade	4,430,108	6,002,812
Operating loans	811,761	827,729
Lease receivables and investments in leases	412,793	420,918
Securities	349,965	350,035
Merchandise and finished goods	2,183,557	5,051,742
Work in process	172,942	326,269
Raw materials and supplies	3,247,645	6,230,298
Other	869,685	742,487
Allowance for doubtful accounts	(56,412)	(57,271)
Total current assets	35,122,618	49,248,890
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,297,263	13,424,087
Accumulated depreciation	(8,070,508)	(8,346,849)
Buildings and structures, net	5,226,755	5,077,238
Machinery, equipment and vehicles	402,657	430,528
Accumulated depreciation	(360,407)	(369,744)
Machinery, equipment and vehicles, net	42,250	60,784
Tools, furniture and fixtures	3,540,377	3,473,728
Accumulated depreciation	(3,385,673)	(3,261,788)
Tools, furniture and fixtures, net	154,703	211,939
Land	9,628,287	10,007,470
Leased assets	149,652	80,263
Accumulated depreciation	(56,833)	(17,769)
Leased assets, net	92,818	62,494
Construction in progress	19,470	668,544
Total property, plant and equipment	15,164,285	16,088,471
Intangible assets	306,158	323,054
Investments and other assets		
Investment securities	11,471,098	16,600,901
Retirement benefit asset	—	49,974
Deferred tax assets	445,157	—
Other	1,904,944	2,104,738
Allowance for doubtful accounts	(491,481)	(459,126)
Total investments and other assets	13,329,720	18,296,486
Total non-current assets	28,800,163	34,708,012
Total assets	63,922,782	83,956,902

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,858,476	4,338,627
Lease liabilities	268,902	240,783
Income taxes payable	1,052,319	3,667,889
Provision for bonuses	342,507	431,123
Other	944,796	1,648,862
Total current liabilities	5,467,002	10,327,285
Non-current liabilities		
Lease liabilities	294,372	288,543
Provision for retirement benefits for directors (and other officers)	177,990	195,480
Retirement benefit liability	585,916	—
Asset retirement obligations	61,447	61,914
Deferred tax liabilities	—	858,926
Other	1,028,684	970,716
Total non-current liabilities	2,148,410	2,375,580
Total liabilities	7,615,412	12,702,865
Net assets		
Shareholders' equity		
Share capital	7,934,100	7,934,100
Capital surplus	8,371,830	9,500,829
Retained earnings	51,144,527	58,102,153
Treasury shares	(12,655,002)	(9,584,281)
Total shareholders' equity	54,795,454	65,952,801
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,641,643	4,926,520
Remeasurements of defined benefit plans	(129,727)	363,216
Total accumulated other comprehensive income	1,511,915	5,289,737
Share acquisition rights	—	11,497
Total net assets	56,307,370	71,254,036
Total liabilities and net assets	63,922,782	83,956,902

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	20,346,659	36,575,140
Cost of sales	9,109,140	16,747,328
Gross profit	11,237,518	19,827,812
Selling, general and administrative expenses	7,110,844	8,133,485
Operating profit	4,126,673	11,694,326
Non-operating income		
Dividend income	509,311	660,505
Gain on investments in investment partnerships	—	12,426
Subsidies for employment adjustment	3,780	—
Cooperation income	28,422	—
Other	75,517	133,622
Total non-operating income	617,031	806,554
Non-operating expenses		
Loss on investments in investment partnerships	10,058	—
Commission for purchase of treasury shares	3,349	—
Total non-operating expenses	13,407	—
Ordinary profit	4,730,297	12,500,881
Extraordinary income		
Gain on sale of non-current assets	1,894	—
Gain on sale of investment securities	543,186	96,699
Gain on liquidation of subsidiaries and associates	2,208	—
Total extraordinary income	547,289	96,699
Extraordinary losses		
Impairment losses	509,386	—
Loss on sale of land	3,966	—
Loss on valuation of investment securities	395	—
Retirement benefits for directors (and other officers)	3,120	17,100
Total extraordinary losses	516,868	17,100
Profit before income taxes	4,760,718	12,580,481
Income taxes - current	1,681,022	4,366,708
Income taxes - deferred	(65,152)	(372,213)
Total income taxes	1,615,870	3,994,495
Profit	3,144,848	8,585,986
Profit attributable to owners of parent	3,144,848	8,585,986

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,144,848	8,585,986
Other comprehensive income		
Valuation difference on available-for-sale securities	915,111	3,284,877
Remeasurements of defined benefit plans, net of tax	(108,319)	492,944
Total other comprehensive income	806,791	3,777,821
Comprehensive income	3,951,640	12,363,808
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,951,640	12,363,808