



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

February 09, 2022

Company name: Kinjiro Co., Ltd.
Stock exchange listing: Tokyo
Code number: 4013
URL: <https://www.kinjiro-e.com>
Representative: Minoru Kamura
Contact: Shinichi Tanaka
Phone: 052-249-9200

President
Executive Officer

Scheduled date of Annual General Meeting of Shareholders: March 25, 2022
Scheduled date of commencing dividend payments: March 28, 2022
Scheduled date of filing annual securities report: March 28, 2022
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 01, 2021 to December 31, 2021)

(1) Consolidated Operating Results (% indicates changes 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	%
Fiscal year ended December 31, 2021	3,324	(3.2)	261	(53.5)	244	(52.2)	162	(50.5)
December 31, 2020	3,432	7.7	562	22.4	511	11.2	329	(0.8)

(Note) Comprehensive income: Fiscal year ended December 31, 2021: ¥ 166 million [(49.5) %]
Fiscal year ended December 31, 2020: ¥ 328 million [(0.9) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2021	15.94	-	1.7	2.4	7.9
December 31, 2020	40.48	-	5.7	7.6	16.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2021: ¥ million
Fiscal year ended December 31, 2020: ¥ million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2021	9,778	8,854	90.5	894.14
December 31, 2020	10,984	9,896	90.1	949.76

(Reference) Equity: As of December 31, 2021: ¥ 8,854 million
As of December 31, 2020: ¥ 9,896 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2021	179	(587)	(1,212)	7,528
December 31, 2020	686	(96)	7,935	9,153

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2020	-	0.00	-	20.00	20.00	208	63.3	3.6
December 31, 2021	-	0.00	-	17.00	17.00	168	106.7	1.8
Fiscal year ending December 31, 2022 (Forecast)	-	0.00	-	17.00	17.00		84.2	

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2021 :

Commemorative dividend	10.00 yen
Special dividend	10.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended June 30, 2022	1,800	5.2	82	(54.3)	82	(54.5)	55	(53.7)	5.55
Full year	3,800	14.3	300	14.6	300	22.9	200	22.8	20.20

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

December 31, 2021:	10,420,000 shares
December 31, 2020:	10,420,000 shares

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

December 31, 2021:	517,500 shares
December 31, 2020:	- shares

3) Average number of shares during the period:

Fiscal Year ended December 31, 2021:	10,221,892 shares
Fiscal Year ended December 31, 2020:	8,136,256 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2020	As of December 31,2021
Assets		
Current assets		
Cash and deposits	9,234,228	7,627,459
Notes and accounts receivable - trade	587,143	588,330
Inventories	67,688	48,517
Other	56,484	108,216
Allowance for doubtful accounts	-	(3)
Total current assets	9,945,545	8,372,520
Non-current assets		
Property, plant and equipment		
Buildings and structures	124,971	231,538
Accumulated depreciation	(108,502)	(115,895)
Buildings and structures, net	16,468	115,642
Machinery, equipment and vehicles	21,443	21,443
Accumulated depreciation	(13,399)	(16,078)
Machinery, equipment and vehicles, net	8,043	5,364
Tools, furniture and fixtures	475,617	632,830
Accumulated depreciation	(292,396)	(361,012)
Tools, furniture and fixtures, net	183,221	271,817
Land	165,005	250,055
Total property, plant and equipment	372,739	642,880
Intangible assets		
Software	118,970	403,039
Software in progress	261,938	71,845
Other	1,856	10,519
Total intangible assets	382,766	485,404
Investments and other assets		
Investment securities	1,713	-
Deferred tax assets	65,013	54,964
Leasehold and guarantee deposits	180,344	184,423
Other	37,410	39,490
Allowance for doubtful accounts	(1,220)	(1,220)
Total investments and other assets	283,262	277,658
Total non-current assets	1,038,768	1,405,943
Total assets	10,984,313	9,778,464

(Thousand yen)

	As of December 31,2020	As of December 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	71,397	65,442
Short-term borrowings	-	40,000
Current portion of long-term borrowings	44,592	44,608
Accounts payable - other	98,996	127,749
Income taxes payable	181,915	36,397
Unearned revenue	224,721	212,855
Other	183,340	165,201
Total current liabilities	804,964	692,254
Non-current liabilities		
Long-term borrowings	94,451	49,843
Provision for retirement benefits for directors (and other officers)	50,976	44,186
Retirement benefit liability	120,408	120,679
Asset retirement obligations	17,036	17,274
Total non-current liabilities	282,872	231,983
Total liabilities	1,087,836	924,238
Net assets		
Shareholders' equity		
Share capital	4,099,300	4,099,300
Capital surplus	4,056,450	4,056,450
Retained earnings	1,738,240	1,692,758
Treasury shares	-	(999,946)
Total shareholders' equity	9,893,990	8,848,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	-
Foreign currency translation adjustment	2,521	5,664
Total accumulated other comprehensive income	2,486	5,664
Total net assets	9,896,477	8,854,226
Total liabilities and net assets	10,984,313	9,778,464

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended December 31, 2020	For the fiscal year ended December 31, 2021
Net sales	3,432,574	3,324,414
Cost of sales	1,162,942	1,294,885
Gross profit	2,269,632	2,029,529
Selling, general and administrative expenses	1,707,344	1,767,799
Operating profit	562,287	261,729
Non-operating income		
Interest income	92	125
Subsidy income	-	595
Surrender value of insurance policies	4,782	2,045
Other	69	142
Total non-operating income	4,944	2,909
Non-operating expenses		
Interest expenses	328	265
Share issuance costs	40,563	-
Going public expenses	12,133	-
Foreign exchange losses	2,397	4,876
Commission expenses	-	14,522
Other	429	786
Total non-operating expenses	55,852	20,450
Ordinary profit	511,379	244,187
Profit before income taxes	511,379	244,187
Income taxes - current	182,071	71,188
Income taxes - deferred	(8)	10,080
Total income taxes	182,063	81,269
Profit	329,315	162,918
Profit attributable to owners of parent	329,315	162,918

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Profit	329,315	162,918
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	34
Foreign currency translation adjustment	(648)	3,143
Total other comprehensive income	(667)	3,178
Comprehensive income	328,648	166,096
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	328,648	166,096

Consolidated Statements of Changes in Net Assets

For the fiscal year ended December 31, 2020

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	98,400	55,550	1,430,359	-	1,584,309
Changes during period					
Issuance of new shares	4,000,900	4,000,900			8,001,800
Dividends of surplus			(21,435)		(21,435)
Purchase of treasury shares					-
Profit attributable to owners of parent			329,315		329,315
Net changes in items other than shareholders' equity					
Total changes during period	4,000,900	4,000,900	307,880	-	8,309,680
Balance at end of period	4,099,300	4,056,450	1,738,240	-	9,893,990

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(15)	3,169	3,154	1,587,463
Changes during period				
Issuance of new shares				8,001,800
Dividends of surplus				(21,435)
Purchase of treasury shares				-
Profit attributable to owners of parent				329,315
Net changes in items other than shareholders' equity	(18)	(648)	(667)	(667)
Total changes during period	(18)	(648)	(667)	8,309,013
Balance at end of period	(34)	2,521	2,486	9,896,477

For the fiscal year ended December 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,099,300	4,056,450	1,738,240	-	9,893,990
Changes during period					
Issuance of new shares					-
Dividends of surplus			(208,400)		(208,400)
Purchase of treasury shares				(999,946)	(999,946)
Profit attributable to owners of parent			162,918		162,918
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(45,481)	(999,946)	(1,045,428)
Balance at end of period	4,099,300	4,056,450	1,692,758	(999,946)	8,848,561

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(34)	2,521	2,486	9,896,477
Changes during period				
Issuance of new shares				-
Dividends of surplus				(208,400)
Purchase of treasury shares				(999,946)
Profit attributable to owners of parent				162,918
Net changes in items other than shareholders' equity	34	3,143	3,178	3,178
Total changes during period	34	3,143	3,178	(1,042,250)
Balance at end of period	-	5,664	5,664	8,854,226

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31,2020	For the fiscal year ended December 31,2021
Cash flows from operating activities		
Profit before income taxes	511,379	244,187
Depreciation	194,301	186,660
Increase (decrease) in allowance for doubtful accounts	(9)	3
Interest and dividend income	(92)	(125)
Interest expenses	328	265
Loss (gain) on sale of short-term and long-term investment securities	-	(43)
Share issuance costs	40,563	-
Decrease (increase) in trade receivables	(39,548)	(3,893)
Decrease (increase) in inventories	23,309	18,757
Increase (decrease) in trade payables	14,762	(5,172)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,538	(6,789)
Increase (decrease) in retirement benefit liability	21,160	271
Increase (decrease) in unearned revenue	8,987	(11,866)
Increase (decrease) in accounts payable - other, and accrued expenses	(18,929)	39,200
Increase (decrease) in accrued consumption taxes	24,464	(64,448)
Other, net	48,376	(11,307)
Subtotal	833,591	385,699
Interest and dividends received	89	123
Interest paid	(327)	(270)
Income taxes paid	(146,687)	(206,420)
Net cash provided by (used in) operating activities	686,666	179,132
Cash flows from investing activities		
Purchase of property, plant and equipment	(99,367)	(351,557)
Proceeds from sale of investment securities	-	1,760
Purchase of intangible assets	(130,146)	(210,608)
Decrease (increase) in time deposits	150,340	(18,000)
Other, net	(16,883)	(9,081)
Net cash provided by (used in) investing activities	(96,056)	(587,486)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	40,000
Proceeds from long-term borrowings	98,000	-
Repayments of long-term borrowings	(102,491)	(44,592)
Proceeds from issuance of shares	7,961,236	-
Purchase of treasury shares	-	(999,946)
Dividends paid	(21,435)	(208,400)
Net cash provided by (used in) financing activities	7,935,310	(1,212,938)
Effect of exchange rate change on cash and cash equivalents	1,035	(3,476)
Net increase (decrease) in cash and cash equivalents	8,526,955	(1,624,769)
Cash and cash equivalents at beginning of period	626,463	9,153,419
Cash and cash equivalents at end of period	9,153,419	7,528,650