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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 9, 2022

Company name: KOSAIDO Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7868

URL: <https://www.kosaido.co.jp/>

Representative: Hiroshi Kurosawa, President and Representative Director

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Scheduled date of filing quarterly securities report: August 9, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing materials on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for Analysts and Institutional investors)

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(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	%
Three months ended June 30, 2022	7,832	7.1	467	42.9	463	48.1	356	49.7
June 30, 2021	7,312	12.0	326	197.5	312	–	238	–

(Note) Comprehensive income: Three months ended June 30, 2022: ¥342 million [113.1%]

Three months ended June 30, 2021: ¥160 million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2022	Yen 12.49	Yen 12.30
June 30, 2021	9.56	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	68,498	37,962	55.2
As of March 31, 2022	73,736	37,520	50.7

(Reference) Equity: As of June 30, 2022: ¥37,784 million

As of March 31, 2022: ¥37,419 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, 2022	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		7.75	–	7.75	15.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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
Full year	37,800	6.9	3,800	1.9	3,700	2.5	2,950	(19.0)	103.40

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

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
- (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 issued and outstanding shares (common stock)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

June 30, 2022:	28,537,769 shares
March 31, 2022:	28,537,769 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2022:	8,156 shares
March 31, 2022:	8,126 shares
 - 3) Average number of shares during the period:

Three months ended June 30, 2022:	28,529,615 shares
Three months ended June 30, 2021:	24,914,644 shares

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

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

Financial results forecasts and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions that are deemed reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly due to various factors.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	21,662	18,716
Notes and accounts receivable - trade	7,131	4,723
Merchandise and finished goods	100	175
Work in process	716	958
Raw materials and supplies	187	192
Other	1,630	2,007
Allowance for doubtful accounts	(79)	(78)
Total current assets	31,350	26,695
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,527	14,323
Machinery, equipment and vehicles, net	4,430	4,320
Land	13,984	13,984
Tools, furniture and fixtures, net	2,638	2,610
Other, net	238	232
Total property, plant and equipment	35,820	35,471
Intangible assets	916	808
Investments and other assets		
Investment securities	2,894	2,836
Other	2,883	2,816
Allowance for doubtful accounts	(133)	(133)
Total investments and other assets	5,643	5,518
Total non-current assets	42,380	41,799
Deferred assets	5	3
Total assets	73,736	68,498

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,448	1,764
Short-term borrowings	5,500	1,400
Current portion of long-term borrowings	5,509	5,478
Current portion of bonds payable	230	230
Income taxes payable	409	331
Provision for bonuses	283	83
Other	3,109	3,346
Total current liabilities	17,492	12,634
Non-current liabilities		
Bonds payable	90	90
Long-term borrowings	16,972	16,111
Deferred tax liabilities	178	227
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	21	21
Other	1,321	1,310
Total non-current liabilities	18,723	17,901
Total liabilities	36,215	30,535
Net assets		
Shareholders' equity		
Share capital	2,478	2,478
Capital surplus	8,025	8,025
Retained earnings	26,742	27,099
Treasury shares	(8)	(8)
Total shareholders' equity	37,239	37,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	681	678
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(41)	(29)
Total accumulated other comprehensive income	180	189
Share acquisition rights	9	11
Non-controlling interests	91	166
Total net assets	37,520	37,962
Total liabilities and net assets	73,736	68,498

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	7,312	7,832
Cost of sales	5,318	5,359
Gross profit	1,994	2,472
Selling, general and administrative expenses	1,667	2,005
Operating profit	326	467
Non-operating income		
Interest income	0	0
Dividend income	22	24
Rental income	22	20
Other	41	45
Total non-operating income	86	90
Non-operating expenses		
Interest expenses	66	70
Other	34	23
Total non-operating expenses	100	94
Ordinary profit	312	463
Extraordinary income		
Gain on sale of non-current assets	30	–
Other	0	–
Total extraordinary income	30	–
Extraordinary losses		
Loss on sale of non-current assets	2	–
Loss on retirement of non-current assets	6	2
Cost of the infection control under COVID19	12	–
Expenses related to litigation cases and other	27	14
Other	0	0
Total extraordinary losses	49	17
Profit before income taxes	293	445
Income taxes	69	117
Profit	224	327
Loss attributable to non-controlling interests	(13)	(28)
Profit attributable to owners of parent	238	356

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	224	327
Other comprehensive income		
Valuation difference on available-for-sale securities	(83)	(2)
Foreign currency translation adjustment	19	17
Total other comprehensive income	(63)	14
Comprehensive income	160	342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168	365
Comprehensive income attributable to non-controlling interests	(7)	(23)