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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 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: November 10, 2022

Scheduled date of commencing dividend payments: December 7, 2022

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 Six Months Ended September 30, 2022 (April 1, 2022 - September 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	%
Six months ended September 30, 2022	16,488	10.7	1,197	67.6	1,202	79.4	929	76.6
September 30, 2021	14,895	11.4	714	238.3	670	256.3	526	—

(Note) Comprehensive income: Six months ended September 30, 2022: ¥911 million [111.6%]

Six months ended September 30, 2021: ¥430 million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2022	Yen 32.58	Yen 31.84
September 30, 2021	21.54	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	66,992	38,534	57.2
As of March 31, 2022	73,736	37,520	50.7

(Reference) Equity: As of September 30, 2022: ¥38,351 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	–	7.75			
Fiscal year ending March 31, 2023 (Forecast)			–	7.75	15.50

(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):

September 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:

September 30, 2022:	5,400 shares
March 31, 2022:	8,126 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2022:	28,530,591 shares
Six months ended September 30, 2021:	24,437,394 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 September 30, 2022
Assets		
Current assets		
Cash and deposits	21,662	18,337
Notes and accounts receivable - trade	7,131	3,900
Merchandise and finished goods	100	102
Work in process	716	1,207
Raw materials and supplies	187	205
Other	1,630	1,323
Allowance for doubtful accounts	(79)	(80)
Total current assets	31,350	24,996
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,527	14,142
Machinery, equipment and vehicles, net	4,430	4,203
Land	13,984	13,997
Tools, furniture and fixtures, net	2,638	2,582
Other, net	238	220
Total property, plant and equipment	35,820	35,147
Intangible assets	916	990
Investments and other assets		
Investment securities	2,894	2,807
Other	2,883	3,181
Allowance for doubtful accounts	(133)	(133)
Total investments and other assets	5,643	5,854
Total non-current assets	42,380	41,993
Deferred assets	5	2
Total assets	73,736	66,992

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,448	2,151
Short-term borrowings	5,500	1,400
Current portion of long-term borrowings	5,509	5,376
Current portion of bonds payable	230	140
Income taxes payable	409	386
Provision for bonuses	283	330
Other	3,109	2,262
Total current liabilities	17,492	12,046
Non-current liabilities		
Bonds payable	90	20
Long-term borrowings	16,972	14,792
Deferred tax liabilities	178	176
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	21	21
Other	1,321	1,261
Total non-current liabilities	18,723	16,411
Total liabilities	36,215	28,457
Net assets		
Shareholders' equity		
Share capital	2,478	100
Capital surplus	8,025	10,404
Retained earnings	26,742	27,672
Treasury shares	(8)	(5)
Total shareholders' equity	37,239	38,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	681	657
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(41)	(18)
Total accumulated other comprehensive income	180	179
Share acquisition rights	9	11
Non-controlling interests	91	171
Total net assets	37,520	38,534
Total liabilities and net assets	73,736	66,992

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	14,895	16,488
Cost of sales	10,745	11,199
Gross profit	4,150	5,289
Selling, general and administrative expenses	3,436	4,091
Operating profit	714	1,197
Non-operating income		
Interest income	0	0
Dividend income	29	28
Recoveries of written off receivables	–	75
Other	128	133
Total non-operating income	158	237
Non-operating expenses		
Interest expenses	134	131
Commission expenses	10	71
Other	57	29
Total non-operating expenses	202	232
Ordinary profit	670	1,202
Extraordinary income		
Gain on sale of non-current assets	30	–
Other	0	0
Total extraordinary income	30	0
Extraordinary losses		
Loss on sale of non-current assets	2	1
Loss on retirement of non-current assets	9	6
Expenses related to litigation cases and other	41	19
Other	26	4
Total extraordinary losses	78	31
Profit before income taxes	622	1,171
Income taxes	111	269
Profit	510	901
Loss attributable to non-controlling interests	(15)	(28)
Profit attributable to owners of parent	526	929

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	510	901
Other comprehensive income		
Valuation difference on available-for-sale securities	(104)	(23)
Foreign currency translation adjustment	24	33
Total other comprehensive income	(80)	10
Comprehensive income	430	911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	438	929
Comprehensive income attributable to non-controlling interests	(7)	(17)