

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: Kisoji Co.,Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8160 URL: <https://www.kisoji.co.jp/>
 Representative: Representative Director and President Toyonaru Uchida
 Inquiries: Accounting Manager Akihiro Toya TEL 052-872-1811
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	20,042	35.0	(1,697)	–	(1,677)	–	(1,635)	–
Six months ended September 30, 2021	14,845	–	(3,307)	–	(252)	–	(170)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	(58.65)	–
Six months ended September 30, 2021	(6.67)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	47,265	26,946	57.0
As of March 31, 2022	47,898	26,601	55.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	8.00	–	8.00	16.00
Year ending March 31, 2023	–	8.00			
Year ending March 31, 2023 (Forecast)			–	8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	49,400	34.3	650	–	620	(65.9)	150	(77.0)	5.38

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	28,543,889 shares	As of March 31, 2022	27,413,889 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	381,984 shares	As of March 31, 2022	381,656 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	27,883,206 shares	Six months ended September 30, 2021	25,535,526 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	17,617	16,882
Accounts receivable - trade	1,437	1,298
Merchandise and finished goods	38	84
Raw materials and supplies	1,848	2,167
Other	1,781	633
Allowance for doubtful accounts	(1)	(1)
Total current assets	22,721	21,065
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,473	7,240
Land	6,198	6,198
Other, net	1,848	2,137
Total property, plant and equipment	14,520	15,576
Intangible assets		
Goodwill	1,916	1,828
Other	1,045	990
Total intangible assets	2,961	2,819
Investments and other assets		
Guarantee deposits	4,363	4,229
Other	3,359	3,603
Allowance for doubtful accounts	(28)	(28)
Total investments and other assets	7,693	7,804
Total non-current assets	25,176	26,199
Total assets	47,898	47,265

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,203	1,162
Short-term borrowings	4,500	4,500
Current portion of long-term borrowings	490	5,290
Income taxes payable	560	208
Asset retirement obligations	89	30
Provision for bonuses	519	593
Other	3,628	3,373
Total current liabilities	10,993	15,158
Non-current liabilities		
Long-term borrowings	6,891	1,845
Retirement benefit liability	948	947
Asset retirement obligations	1,296	1,298
Other	1,167	1,069
Total non-current liabilities	10,303	5,160
Total liabilities	21,296	20,318
Net assets		
Shareholders' equity		
Share capital	11,553	12,648
Capital surplus	11,371	12,467
Retained earnings	4,520	2,669
Treasury shares	(931)	(931)
Total shareholders' equity	26,515	26,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44	80
Remeasurements of defined benefit plans	13	12
Total accumulated other comprehensive income	58	93
Share acquisition rights	28	–
Total net assets	26,601	26,946
Total liabilities and net assets	47,898	47,265

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	14,845	20,042
Cost of sales	5,404	6,557
Gross profit	9,440	13,485
Selling, general and administrative expenses	12,748	15,182
Operating loss	(3,307)	(1,697)
Non-operating income		
Interest income	12	12
Dividend income	11	20
Subsidy income	3,048	27
Other	29	26
Total non-operating income	3,100	86
Non-operating expenses		
Interest expenses	39	21
Loss on cancellation of rental contracts	0	29
Other	6	15
Total non-operating expenses	45	66
Ordinary loss	(252)	(1,677)
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	16	–
Total extraordinary income	16	1
Extraordinary losses		
Loss on retirement of non-current assets	27	93
Total extraordinary losses	27	93
Loss before income taxes	(263)	(1,769)
Income taxes - current	60	76
Income taxes - deferred	(154)	(210)
Total income taxes	(93)	(134)
Loss	(170)	(1,635)
Loss attributable to owners of parent	(170)	(1,635)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Loss	(170)	(1,635)
Other comprehensive income		
Valuation difference on available-for-sale securities	15	36
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Total other comprehensive income	14	35
Comprehensive income	(156)	(1,600)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(156)	(1,600)
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(263)	(1,769)
Depreciation	655	693
Amortization of goodwill	87	87
Increase (decrease) in provision for bonuses	(31)	73
Increase (decrease) in retirement benefit liability	4	(2)
Increase (decrease) in allowance for doubtful accounts	0	(0)
Interest and dividend income	(23)	(32)
Subsidy income	(3,048)	(27)
Interest expenses	39	21
Loss on cancellation of rental contracts	0	29
Loss (gain) on sale of non-current assets	(0)	(1)
Loss (gain) on sale of investment securities	(16)	–
Loss on retirement of non-current assets	27	93
Decrease (increase) in trade receivables	339	139
Decrease (increase) in inventories	(223)	(365)
Decrease (increase) in other current assets	326	(56)
Increase (decrease) in trade payables	(222)	(41)
Increase (decrease) in other current liabilities	285	(424)
Increase (decrease) in long-term accounts payable - other	(40)	(26)
Other, net	25	(5)
Subtotal	(2,080)	(1,613)
Interest and dividends received	25	33
Interest paid	(40)	(21)
Subsidies received	1,682	1,248
Payments for cancellation of leasehold contracts	(16)	(34)
Income taxes paid	(51)	(377)
Income taxes refund	263	–
Net cash provided by (used in) operating activities	(217)	(764)
Cash flows from investing activities		
Purchase of property, plant and equipment	(491)	(1,493)
Purchase of intangible assets	(94)	(13)
Proceeds from sale of investment securities	116	–
Payments of guarantee deposits	(58)	(88)
Proceeds from refund of guarantee deposits	119	209
Payments for asset retirement obligations	(89)	(77)
Other, net	(8)	(45)
Net cash provided by (used in) investing activities	(505)	(1,510)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	11,300	4,000
Repayments of short-term borrowings	(11,300)	(4,000)
Proceeds from long-term borrowings	2,144	–
Repayments of long-term borrowings	(2,321)	(245)
Repayments of lease liabilities	(159)	(154)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	224	2,176
Proceeds from issuance of share acquisition rights	47	–
Payments for retirement by purchase of share acquisition rights	–	(18)
Dividends paid	(382)	(216)
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(447)	1,540
Net increase (decrease) in cash and cash equivalents	(1,169)	(734)
Cash and cash equivalents at beginning of period	16,002	17,617
Cash and cash equivalents at end of period	14,833	16,882