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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 10, 2023

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 13, 2023

Scheduled date of commencing dividend payments: December 21, 2023

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, 2023 (April 1, 2023 - September 30, 2023)

(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, 2023	15,730	(4.6)	1,817	51.8	1,842	53.1	1,460	57.2
September 30, 2022	16,488	10.7	1,197	67.6	1,202	79.4	929	76.6

(Note) Comprehensive income: Six months ended September 30, 2023: ¥1,710 million [87.7%]

Six months ended September 30, 2022: ¥911 million [111.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	52.77	49.04
September 30, 2022	32.58	31.84

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	71,064	39,452	55.1
As of March 31, 2023	71,134	41,434	58.0

(Reference) Equity: As of September 30, 2023: ¥39,186 million

As of March 31, 2023: ¥41,247 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, 2023	–	7.75	–	13.50	21.25
Fiscal year ending March 31, 2024	–	29.47			
Fiscal year ending March 31, 2024 (Forecast)			–	5.89	–

(Note) Revision to the dividend forecast announced most recently: Yes

At the Board of Directors meeting held today, the Company resolved to implement a 5-for-1 stock split of shares of common stock with an effective date of December 1, 2023, and to revise the dividend forecast. Therefore, the year-end dividend per share for the fiscal year ending March 2024 (forecast) reflects an amount after taking into account the effect of this stock split. Without considering the stock split, the year-end dividend per share for the fiscal year ending March 2024 (forecast) is 29.47 yen. For details, please refer to the "Notice Concerning Differences Between Forecast and Actual Results of Six Months Ended September 30, 2023, Revision of Quarterly Financial Results Forecasts, Review of Dividend Payout Ratio, Revision of Dividend Forecasts (Dividend Increase) in Conjunction with Stock Split, and Distribution of Interim Dividends from Surplus" announced today.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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
Nine months ending December 31, 2023	26,320	0.5	3,583	48.3	3,559	49.9	2,878	51.2	20.96
Full year	39,841	8.7	6,940	62.1	6,893	64.7	4,900	21.2	35.83

(Note) Revision to the financial results forecast announced most recently: Yes

Basic earnings per share for nine months ending December 31, 2023 and full year for the fiscal year ending March 31, 2024 take into account the effect of the stock split. Without the effect of the stock split, basic earnings per share would be 104.80 yen for nine months ending December 31, 2023 and 179.15 yen for full year.

*** 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: None
 - 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, 2023:	28,636,369 shares
March 31, 2023:	28,537,769 shares
 - 2) Total number of treasury shares at the end of the period:

September 30, 2023:	1,616,142 shares
March 31, 2023:	5,911 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2023:	27,682,904 shares
Six months ended September 30, 2022:	28,530,591 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.

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	18,699	13,133
Notes and accounts receivable - trade	5,810	3,458
Securities	—	4,000
Merchandise and finished goods	90	106
Work in process	279	706
Raw materials and supplies	185	207
Real estate for sale	—	198
Other	3,016	5,401
Allowance for doubtful accounts	(82)	(84)
Total current assets	27,998	27,127
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,758	13,341
Machinery, equipment and vehicles, net	4,012	3,886
Land	14,473	14,562
Tools, furniture and fixtures, net	2,553	2,588
Other, net	1,009	2,306
Total property, plant and equipment	35,807	36,684
Intangible assets	886	783
Investments and other assets		
Investment securities	3,002	3,303
Other	3,570	3,298
Allowance for doubtful accounts	(132)	(132)
Total investments and other assets	6,440	6,469
Total non-current assets	43,134	43,937
Deferred assets	1	—
Total assets	71,134	71,064

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,978	1,870
Short-term borrowings	1,400	1,400
Current portion of long-term borrowings	5,917	6,488
Current portion of bonds payable	90	—
Income taxes payable	325	551
Provision for bonuses	387	409
Provision for bonuses for directors (and other officers)	24	—
Other	2,320	2,432
Total current liabilities	12,443	13,152
Non-current liabilities		
Long-term borrowings	15,788	17,181
Deferred tax liabilities	141	152
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	16	17
Other	1,170	968
Total non-current liabilities	17,256	18,459
Total liabilities	29,699	31,611
Net assets		
Shareholders' equity		
Share capital	100	159
Capital surplus	10,404	10,464
Retained earnings	30,561	31,636
Treasury shares	(6)	(3,486)
Total shareholders' equity	41,060	38,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	892
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(31)	(21)
Total accumulated other comprehensive income	187	411
Share acquisition rights	11	66
Non-controlling interests	175	200
Total net assets	41,434	39,452
Total liabilities and net assets	71,134	71,064

(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, 2022	For the six months ended September 30, 2023
Net sales	16,488	15,730
Cost of sales	11,199	10,219
Gross profit	5,289	5,511
Selling, general and administrative expenses	4,091	3,693
Operating profit	1,197	1,817
Non-operating income		
Interest income	0	172
Dividend income	28	31
Recoveries of written off receivables	75	—
Other	133	117
Total non-operating income	237	320
Non-operating expenses		
Interest expenses	131	122
Commission expenses	71	123
Other	29	50
Total non-operating expenses	232	295
Ordinary profit	1,202	1,842
Extraordinary income		
Other	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sale of non-current assets	1	—
Loss on retirement of non-current assets	6	8
Expenses related to litigation cases and other	19	—
Other	4	0
Total extraordinary losses	31	8
Profit before income taxes	1,171	1,833
Income taxes	269	351
Profit	901	1,482
Profit (loss) attributable to non-controlling interests	(28)	21
Profit attributable to owners of parent	929	1,460

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	901	1,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	214
Foreign currency translation adjustment	33	13
Total other comprehensive income	10	227
Comprehensive income	911	1,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	929	1,685
Comprehensive income attributable to non-controlling interests	(17)	24