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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 9, 2024

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

Contact: Makoto Tokiwa, Senior Executive Officer

Phone: +81-3-3453-0557

Scheduled date of filing quarterly securities report: February 13, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 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	%
Nine months ended December 31, 2023	25,076	(4.3)	3,631	50.3	3,650	53.7	2,931	54.1
December 31, 2022	26,199	9.7	2,416	26.9	2,374	32.9	1,902	21.6

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥3,323 million [83.0%]

Nine months ended December 31, 2022: ¥1,816 million [29.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	21.35	19.77
December 31, 2022	13.34	12.85

(Note) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023.

Accordingly, the basic earnings per share and the diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	70,061	40,315	57.1
As of March 31, 2023	71,134	41,434	58.0

(Reference) Equity: As of December 31, 2023: ¥40,034 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
Fiscal year ended March 31, 2023	Yen —	Yen 7.75	Yen —	Yen 13.50	Yen 21.25
Fiscal year ending March 31, 2024	—	29.47	—		
Fiscal year ending March 31, 2024 (Forecast)				5.89	—

(Note 1) Revision to the dividend forecast announced most recently: None

(Note 2) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023. The amounts of the dividends per share for the fiscal year ended March 31, 2023 and the second quarter-end dividend per share for the fiscal year ending March 31, 2024 represent the actual amounts of the dividends before the stock split.

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
Full year	Million yen 39,841	% 8.7	Million yen 6,128	% 43.2	Million yen 6,081	% 45.3	Million yen 4,900	% 21.2	Yen 35.83

(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: 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):

December 31, 2023:	143,366,845 shares
March 31, 2023:	142,688,845 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2023:	8,080,935 shares
March 31, 2023:	29,555 shares
 - 3) Average number of shares during the period:

Nine months ended December 31, 2023:	137,338,448 shares
Nine months ended December 31, 2022:	142,655,890 shares

(Note) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023. Accordingly, the total number of issued and outstanding shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.

* 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	18,699	10,854
Notes and accounts receivable - trade	5,810	4,034
Securities	-	4,000
Merchandise and finished goods	90	124
Work in process	279	837
Raw materials and supplies	185	236
Other	3,016	5,403
Allowance for doubtful accounts	(82)	(84)
Total current assets	27,998	25,406
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,758	14,097
Machinery, equipment and vehicles, net	4,012	3,782
Land	14,473	14,562
Tools, furniture and fixtures, net	2,553	2,682
Other, net	1,009	2,288
Total property, plant and equipment	35,807	37,413
Intangible assets	886	736
Investments and other assets		
Investment securities	3,002	3,535
Other	3,570	3,101
Allowance for doubtful accounts	(132)	(132)
Total investments and other assets	6,440	6,504
Total non-current assets	43,134	44,655
Deferred assets	1	-
Total assets	71,134	70,061

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,978	2,115
Short-term borrowings	1,400	1,400
Current portion of long-term borrowings	5,917	6,141
Current portion of bonds payable	90	–
Income taxes payable	325	659
Provision for bonuses	387	98
Provision for bonuses for directors (and other officers)	24	–
Other	2,320	2,096
Total current liabilities	12,443	12,511
Non-current liabilities		
Long-term borrowings	15,788	16,047
Deferred tax liabilities	141	156
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	16	17
Other	1,170	873
Total non-current liabilities	17,256	17,234
Total liabilities	29,699	29,745
Net assets		
Shareholders' equity		
Share capital	100	181
Capital surplus	10,404	10,486
Retained earnings	30,561	32,311
Treasury shares	(6)	(3,486)
Total shareholders' equity	41,060	39,493
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	678	1,018
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(31)	(17)
Total accumulated other comprehensive income	187	540
Share acquisition rights	11	67
Non-controlling interests	175	213
Total net assets	41,434	40,315
Total liabilities and net assets	71,134	70,061

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	26,199	25,076
Cost of sales	17,595	15,935
Gross profit	8,603	9,140
Selling, general and administrative expenses	6,187	5,509
Operating profit	2,416	3,631
Non-operating income		
Interest income	5	180
Dividend income	50	53
Recoveries of written off receivables	75	–
Other	178	148
Total non-operating income	308	382
Non-operating expenses		
Interest expenses	190	179
Commission expenses	119	127
Other	40	56
Total non-operating expenses	350	363
Ordinary profit	2,374	3,650
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	6	9
Cost of the infection control under COVID19	8	–
Expenses related to litigation cases and other	24	–
Other	0	0
Total extraordinary losses	41	9
Profit before income taxes	2,333	3,640
Income taxes	453	676
Profit	1,880	2,964
Profit (loss) attributable to non-controlling interests	(22)	32
Profit attributable to owners of parent	1,902	2,931

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,880	2,964
Other comprehensive income		
Valuation difference on available-for-sale securities	(97)	339
Foreign currency translation adjustment	34	19
Total other comprehensive income	(63)	359
Comprehensive income	1,816	3,323
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,828	3,284
Comprehensive income attributable to non-controlling interests	(12)	38