

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Six Months Ended February 29, 2024 (Based on Japanese GAAP)

April 11, 2024

Company name: Kojima Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 7513 URL <https://www.kojima.net/corporation/>
 Representative: Representative Director and President Yuji Nakazawa
 Inquiries: Representative Senior Managing Director, Tadashi Arakawa TEL 03-6907-3113
 General Manager of Corporate Planning
 Division

Scheduled date to file Quarterly Securities Report: April 12, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended February 29, 2024 (from September 1, 2023 to February 29, 2024)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended February 29, 2024	129,385	(5.5)	2,188	(12.5)	2,335	(12.5)	1,633	1.9
Six months ended February 28, 2023	136,945	(1.1)	2,500	(47.5)	2,669	(46.4)	1,601	(52.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 29, 2024	21.14		21.06	
Six months ended February 28, 2023	20.76		20.69	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of February 29, 2024	107,454		64,372		59.8	
As of August 31, 2023	109,244		63,799		58.3	

Reference: Equity As of February 29, 2024 ¥64,267 million
 As of August 31, 2023 ¥63,662 million

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 August 31, 2023	–	0.00	–	14.00	14.00
Year ending August 31, 2024	–	0.00			
Year ending August 31, 2024 (Forecast)			–	14.00	14.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of non-consolidated financial results for the year ending August 31, 2024 (from September 1, 2023 to August 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	263,800	(1.5)	4,600	(4.6)	4,800	(6.7)	3,000	4.6	38.86

Note: Revisions to the forecast of non-consolidated financial results most recently announced: Yes

4. Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of February 29, 2024	77,912,716 shares	As of August 31, 2023	77,912,716 shares
-------------------------	-------------------	-----------------------	-------------------

Number of treasury shares at the end of the period

As of February 29, 2024	621,043 shares	As of August 31, 2023	706,443 shares
-------------------------	----------------	-----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 29, 2024	77,246,925 shares	Six months ended February 28, 2023	77,161,247 shares
------------------------------------	-------------------	------------------------------------	-------------------

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available and on certain assumptions currently made pertaining to uncertain factors that may have an effect on future performance. Actual financial results may differ due to various factors.

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	14,093	11,172
Accounts receivable - trade	11,016	11,000
Merchandise	38,471	40,361
Supplies	149	176
Prepaid expenses	1,970	1,933
Accounts receivable - other	2,512	2,116
Other	1,738	1,803
Allowance for doubtful accounts	(132)	(131)
Total current assets	69,819	68,432
Non-current assets		
Property, plant and equipment		
Buildings, net	7,226	7,181
Land	8,420	8,420
Other, net	1,647	1,829
Total property, plant and equipment	17,294	17,431
Intangible assets		
Other	1,138	1,159
Total intangible assets	1,138	1,159
Investments and other assets		
Prepaid pension costs	2,860	2,945
Deferred tax assets	5,885	5,437
Long-term prepaid expenses	1,839	1,787
Guarantee deposits	10,347	10,203
Other	112	110
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	20,990	20,430
Total non-current assets	39,424	39,021
Total assets	109,244	107,454

(Millions of yen)

	As of August 31, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	12,918	11,841
Current portion of long-term borrowings	3,757	3,752
Current portion of bonds payable	200	200
Lease liabilities	100	97
Accounts payable - other	5,231	4,802
Income taxes payable	393	565
Provision for bonuses	1,232	1,159
Provision for loss on store closings	48	145
Asset retirement obligations	55	144
Other	9,199	8,722
Total current liabilities	33,137	31,431
Non-current liabilities		
Bonds payable	200	100
Long-term borrowings	3,330	3,180
Lease liabilities	173	127
Provision for goods warranties	75	47
Provision for loss on store closings	288	170
Asset retirement obligations	4,081	3,908
Other	4,157	4,115
Total non-current liabilities	12,307	11,650
Total liabilities	45,444	43,081
Net assets		
Shareholders' equity		
Share capital	25,975	25,975
Capital surplus	15,889	15,880
Retained earnings	22,305	22,857
Treasury shares	(508)	(446)
Total shareholders' equity	63,662	64,267
Share acquisition rights	137	104
Total net assets	63,799	64,372
Total liabilities and net assets	109,244	107,454

Non-consolidated statements of income

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Net sales	136,945	129,385
Cost of sales	100,989	94,445
Gross profit	35,955	34,940
Selling, general and administrative expenses	33,455	32,751
Operating profit	2,500	2,188
Non-operating income		
Interest income	13	10
Commission income	27	42
Insurance claim income	93	105
Subsidy income	23	1
Reversal of provision for loss on store closings	48	15
Other	14	19
Total non-operating income	221	194
Non-operating expenses		
Interest expenses	24	18
Interest expenses on bonds	0	0
Commission expenses	9	9
Rental costs	6	10
Penalty for contract	9	–
Other	1	9
Total non-operating expenses	52	47
Ordinary profit	2,669	2,335
Extraordinary income		
Gain on sale of non-current assets	–	0
Compensation for expropriation	–	0
Insurance claim income	64	–
Total extraordinary income	64	1
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	37	19
Total extraordinary losses	37	19
Profit before income taxes	2,697	2,317
Income taxes - current	197	236
Income taxes - deferred	897	447
Total income taxes	1,095	684
Profit	1,601	1,633

Non-consolidated statements of cash flows

(Millions of yen)

	Six months ended February 28, 2023	Six months ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	2,697	2,317
Depreciation	716	722
Increase (decrease) in provision for bonuses	(115)	(73)
Increase (decrease) in provision for goods warranties	(52)	(27)
Increase (decrease) in provision for loss on store closings	(65)	(20)
Decrease (increase) in prepaid pension costs	(106)	(85)
Increase (decrease) in allowance for doubtful accounts	2	(1)
Interest and dividend income	(13)	(10)
Interest expenses on borrowings and bonds	24	18
Loss (gain) on sale of non-current assets	–	(0)
Loss on retirement of non-current assets	37	19
Decrease (increase) in trade receivables	2,391	15
Decrease (increase) in inventories	(3,831)	(1,917)
Increase (decrease) in trade payables	(4,142)	(1,076)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(376)	(234)
Other, net	(1,593)	(251)
Subtotal	(4,427)	(607)
Interest and dividends received	0	0
Interest paid	(24)	(18)
Income taxes paid	(382)	(88)
Net cash provided by (used in) operating activities	(4,833)	(714)
Cash flows from investing activities		
Purchase of property, plant and equipment	(554)	(818)
Proceeds from sale of property, plant and equipment	–	0
Other, net	94	(4)
Net cash provided by (used in) investing activities	(460)	(822)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	2,000
Repayments of long-term borrowings	(2,115)	(2,155)
Redemption of bonds	(100)	(100)
Repayments of lease liabilities	(47)	(49)
Dividends paid	(1,078)	(1,079)
Other, net	0	0
Net cash provided by (used in) financing activities	(3,340)	(1,384)
Net increase (decrease) in cash and cash equivalents	(8,634)	(2,921)
Cash and cash equivalents at beginning of period	17,435	14,093
Cash and cash equivalents at end of period	8,800	11,172