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## Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]



February 8, 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

Contact: Ryoma Noguchi, Executive Officer and General Manager, Management Strategy Headquarters

Phone: +81-3-3453-0557

Scheduled date of filing quarterly securities report: February 9, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing materials on quarterly financial results: None

Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

# 1. Consolidated Financial Results for the Nine Months Ended December 31, 2021 (April 1, 2021 - December 31, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sale	es	Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	23,891	9.7	1,904	119.0	1,786	126.3	1,565	_
December 31, 2020	21,787	(14.5)	869	(31.6)	789	(35.2)	(331)	_

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥1,402 million [(–)%] Nine months ended December 31, 2020: ¥(520) million [(–)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	65.88	_
December 31, 2020	(13.30)	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	
	Million yen	Million yen	%	
As of December 31, 2021	68,164	30,529	44.6	
As of March 31, 2021	64,592	31,622	48.8	

(Reference) Equity: As of December 31, 2021: ¥30,429 million As of March 31, 2021: ¥31,511 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, 2021	_	0.00	-	0.00	0.00
Fiscal year ending March 31, 2022	_	0.00	-		
Fiscal year ending March 31, 2022 (Forecast)				0.00	0.00

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

For revisions to the dividend forecast, please refer to "Notice of Revisions to Dividend Forecast (No Dividends)," which was separately announced today.

# 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales	S	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen 33,500	% 6.4	Million yen 2,400	% 19.0	Million yen 2,200	% 20.6	Million yen 1,700	% 99.0	Yen 72.56

(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): Yes

Newly included: 2 companies KOSAIDO NEXT Co., Ltd.

KOSAIDO HR SOLUTIONS Co., Ltd.

- (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):

December 31, 2021: 24,925,300 shares March 31, 2021: 24,925,300 shares

2) Total number of treasury shares at the end of the period:

December 31, 2021: 2,508,126 shares March 31, 2021: 10,656 shares

3) Average number of shares during the period:

Nine months ended December 31, 2021: 23,761,539 shares Nine months ended December 31, 2020: 24,913,644 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

The Company implemented the acquisition of treasury shares based on the resolution of its Board of Directors' meeting held on August 26, 2021. The impact of the said acquisition of treasury shares has been taken into account in the calculation of "Basic earnings per share" stated in the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022.

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. For the preconditions for the forecasts herein and cautionary notes on these financial results forecasts, please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the Attachments.

# 2. Quarterly Consolidated Financial Statements and Primary Notes (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	13,154	17,490
Notes and accounts receivable - trade	5,604	5,129
Securities	1,000	_
Merchandise and finished goods	99	106
Work in process	384	1,211
Raw materials and supplies	190	180
Other	1,004	1,560
Allowance for doubtful accounts	(75)	(71)
Total current assets	21,364	25,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,270	14,700
Machinery, equipment and vehicles, net	4,553	4,561
Land	13,984	13,984
Tools, furniture and fixtures, net	2,680	2,663
Other, net	305	250
Total property, plant and equipment	36,794	36,161
Intangible assets	657	918
Investments and other assets		
Investment securities	3,242	3,139
Other	2,627	2,422
Allowance for doubtful accounts	(108)	(91)
Total investments and other assets	5,761	5,471
Total non-current assets	43,214	42,550
Deferred assets	14	6
Total assets	64,592	68,164
Liabilities		·
Current liabilities		
Notes and accounts payable - trade	2,293	2,093
Short-term borrowings	1,300	5,500
Current portion of long-term borrowings	5,334	5,574
Current portion of bonds payable	500	300
Income taxes payable	521	206
Provision for bonuses	289	72
Other	2,871	4,111
Total current liabilities	13,109	17,858

	As of March 31, 2021	As of December 31, 2021
Non-current liabilities		
Bonds payable	320	180
Long-term borrowings	17,528	17,812
Deferred tax liabilities	229	229
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	16	17
Other	1,626	1,396
Total non-current liabilities	19,860	19,776
Total liabilities	32,970	37,634
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	6,754	6,755
Retained earnings	23,342	24,907
Treasury shares	(6)	(2,502)
Total shareholders' equity	31,091	30,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	950	779
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(70)	(51)
Total accumulated other comprehensive income	420	268
Non-controlling interests	110	99
Total net assets	31,622	30,529
Total liabilities and net assets	64,592	68,164

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

		(2.2222222
	For the nine months ended	For the nine months ended
	December 31, 2020	December 31, 2021
Net sales	21,787	23,891
Cost of sales	15,788	16,802
Gross profit	5,998	7,088
Selling, general and administrative expenses	5,128	5,184
Operating profit	869	1,904
Non-operating income		
Interest income	1	0
Dividend income	66	50
Rental income	68	73
Other	247	137
Total non-operating income	382	262
Non-operating expenses		
Interest expenses	207	207
Share of loss of entities accounted for using equity method	77	_
Commission expenses	37	81
Other	140	90
Total non-operating expenses	462	379
Ordinary profit	789	1,786
Extraordinary income		
Gain on sale of non-current assets	60	30
Gain on sale of investment securities	147	24
Profit for business structure improvement	200	_
Other	_	0
Total extraordinary income	407	55
Extraordinary losses		
Loss on sale of non-current assets	129	2
Loss on retirement of non-current assets	41	10
Impairment losses	121	
Loss on sale of shares of subsidiaries and associates	481	<del>-</del>
Cost of the infection control under COVID19	41	26
Expenses related to litigation cases and other	_	52
Other	157	2
Total extraordinary losses	973	93
Profit before income taxes	223	1,748
Income taxes	558	203
Profit (loss)	(335)	1,545
Loss attributable to non-controlling interests	(3)	(20)
Profit (loss) attributable to owners of parent	(331)	1,565
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## Quarterly Consolidated Statements of Comprehensive Income

## Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit (loss)	(335)	1,545
Other comprehensive income		
Valuation difference on available-for-sale securities	(189)	(171)
Foreign currency translation adjustment	(3)	28
Share of other comprehensive income of entities accounted for using equity method	8	-
Total other comprehensive income	(184)	(142)
Comprehensive income	(520)	1,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(515)	1,413
Comprehensive income attributable to non-controlling interests	(4)	(10)