

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2022
(Based on Japanese GAAP)**

May 12, 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 of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	36,778	18.4	(3,541)	–	1,820	–	650	–
Year ended March 31, 2021	31,067	–	(4,219)	–	(3,567)	–	(5,577)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	25.15	25.06	2.6	3.9	(9.6)
Year ended March 31, 2021	(218.46)	–	(23.8)	(7.7)	(13.6)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	47,898	26,601	55.5	983.02
As of March 31, 2021	46,344	23,469	50.6	919.20

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	3,656	(1,641)	(400)	17,617
Year ended March 31, 2021	(5,233)	(2,507)	9,850	16,002

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	0.00	–	15.00	15.00	382	–	1.6
Year ended March 31, 2022	–	8.00	–	8.00	16.00	421	63.6	1.7
Year ending March 31, 2023 (Forecast)	–	8.00	–	8.00	16.00		40.0	

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
Six months ending September 30, 2022	23,300	57.0	(500)	–	(500)	–	(620)	–	(22.94)
Full year	52,000	41.4	1,850	–	1,860	2.2	1,080	65.9	39.95

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes

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 March 31, 2022	27,413,889 shares	As of March 31, 2021	25,913,889 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	381,656 shares	As of March 31, 2021	381,209 shares
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Average number of shares during the period

Year ended March 31, 2022	25,882,386 shares	Year ended March 31, 2021	25,532,870 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	16,002	17,617
Accounts receivable - trade	1,238	1,437
Merchandise and finished goods	36	38
Raw materials and supplies	1,483	1,848
Other	1,594	1,781
Allowance for doubtful accounts	(1)	(1)
Total current assets	20,354	22,721
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,981	21,874
Accumulated depreciation	(15,416)	(15,400)
Buildings and structures, net	6,564	6,473
Machinery, equipment and vehicles	518	538
Accumulated depreciation	(469)	(467)
Machinery, equipment and vehicles, net	48	71
Tools, furniture and fixtures	4,028	4,044
Accumulated depreciation	(3,183)	(3,178)
Tools, furniture and fixtures, net	844	866
Land	6,379	6,198
Leased assets	2,140	2,159
Accumulated depreciation	(1,207)	(1,400)
Leased assets, net	933	759
Construction in progress	9	149
Total property, plant and equipment	14,779	14,520
Intangible assets		
Goodwill	2,090	1,916
Other	1,092	1,045
Total intangible assets	3,183	2,961
Investments and other assets		
Investment securities	2,825	2,760
Deferred tax assets	451	430
Guarantee deposits	4,638	4,363
Other	141	168
Allowance for doubtful accounts	(29)	(28)
Total investments and other assets	8,027	7,693
Total non-current assets	25,990	25,176
Total assets	46,344	47,898

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,123	1,203
Short-term borrowings	11,400	4,500
Current portion of long-term borrowings	363	490
Lease liabilities	317	306
Income taxes payable	121	560
Asset retirement obligations	254	89
Provision for bonuses	509	519
Provision for point card certificates	316	–
Other	2,108	3,322
Total current liabilities	16,515	10,993
Non-current liabilities		
Long-term borrowings	2,622	6,891
Lease liabilities	787	600
Deferred tax liabilities	307	294
Retirement benefit liability	966	948
Asset retirement obligations	1,321	1,296
Other	353	272
Total non-current liabilities	6,359	10,303
Total liabilities	22,874	21,296
Net assets		
Shareholders' equity		
Share capital	10,056	11,553
Capital surplus	9,875	11,371
Retained earnings	4,458	4,520
Treasury shares	(930)	(931)
Total shareholders' equity	23,460	26,515
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6	44
Remeasurements of defined benefit plans	2	13
Total accumulated other comprehensive income	9	58
Share acquisition rights	–	28
Total net assets	23,469	26,601
Total liabilities and net assets	46,344	47,898

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	31,067	36,778
Cost of sales	10,912	12,831
Gross profit	20,155	23,947
Selling, general and administrative expenses	24,374	27,489
Operating loss	(4,219)	(3,541)
Non-operating income		
Interest and dividend income	43	46
Sponsorship money income	7	0
Subsidy income	777	5,327
Other	18	90
Total non-operating income	846	5,465
Non-operating expenses		
Interest expenses	37	62
Loss on cancellation of leasehold contracts	154	17
Share issuance costs	–	14
Other	2	9
Total non-operating expenses	194	103
Ordinary profit (loss)	(3,567)	1,820
Extraordinary income		
Gain on sale of non-current assets	1	4
Gain on sale of investment securities	–	16
Total extraordinary income	1	20
Extraordinary losses		
Loss on retirement of non-current assets	90	55
Impairment losses	855	742
Loss on COVID-19	225	–
Other	–	51
Total extraordinary losses	1,172	850
Profit (loss) before income taxes	(4,738)	991
Income taxes - current	101	333
Income taxes - deferred	737	6
Total income taxes	839	340
Profit (loss)	(5,577)	650
Profit (loss) attributable to owners of parent	(5,577)	650

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(5,577)	650
Other comprehensive income		
Valuation difference on available-for-sale securities	218	37
Remeasurements of defined benefit plans, net of tax	(7)	11
Total other comprehensive income	211	48
Comprehensive income	(5,366)	699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,366)	699
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,056	9,875	10,419	(929)	29,421
Changes during period					
Dividends of surplus			(382)		(382)
Profit (loss) attributable to owners of parent			(5,577)		(5,577)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	(5,960)	(0)	(5,961)
Balance at end of period	10,056	9,875	4,458	(930)	23,460

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(211)	10	(201)	29,220
Changes during period				
Dividends of surplus				(382)
Profit (loss) attributable to owners of parent				(5,577)
Purchase of treasury shares				(0)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	218	(7)	211	211
Total changes during period	218	(7)	211	(5,750)
Balance at end of period	6	2	9	23,469

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,056	9,875	4,458	(930)	23,460
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,496	1,496			2,993
Dividends of surplus			(588)		(588)
Profit (loss) attributable to owners of parent			650		650
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	1,496	1,496	62	(1)	3,054
Balance at end of period	11,553	11,371	4,520	(931)	26,515

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6	2	9		23,469
Changes during period					
Issuance of new shares - exercise of share acquisition rights					2,993
Dividends of surplus					(588)
Profit (loss) attributable to owners of parent					650
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	37	11	48	28	77
Total changes during period	37	11	48	28	3,132
Balance at end of period	44	13	58	28	26,601