

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: KOA SHOJI HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9273 URL <https://www.koashoji-hd.com/>
 Representative: President and Representative Director Toshiyuki SHUTO
 Inquiries: Director in charge of Finance & Accounting Miyoko KOMATSU TEL 045(560)6607
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2022 (from July 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended December 31, 2022	11,166	7.8	2,160	(0.3)	2,176	1.4	1,394	(0.2)
Six months ended December 31, 2021	10,355	21.0	2,167	36.0	2,146	30.6	1,397	24.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2022	35.19		–	
Six months ended December 31, 2021	35.28		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	27,626	19,557	70.8
As of June 30, 2022	26,249	18,665	71.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2022	–	0.00	–	11.00	11.00
Year ending June 30, 2023	–	0.00			
Year ending June 30, 2023 (Forecast)			–	12.00	12.00

3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 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
Full year	22,200	9.1	3,950	3.7	3,950	5.2	2,450	3.8	61.84

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2022	39,619,980 shares	As of June 30, 2022	39,619,980 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,356 shares	As of June 30, 2022	1,356 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2022	39,618,624 shares	Six months ended December 31, 2021	39,618,668 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	9,123,370	8,935,334
Notes and accounts receivable - trade	3,662,466	4,127,543
Electronically recorded monetary claims - operating	4,169,136	5,115,235
Merchandise and finished goods	1,505,144	1,806,978
Work in process	400,428	443,031
Raw materials and supplies	384,702	434,854
Other	160,572	144,318
Total current assets	19,405,821	21,007,297
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,853,376	4,880,362
Accumulated depreciation	(2,144,793)	(2,242,470)
Buildings and structures, net	2,708,583	2,637,892
Machinery, equipment and vehicles	3,714,364	3,724,542
Accumulated depreciation	(1,910,485)	(2,101,046)
Machinery, equipment and vehicles, net	1,803,878	1,623,495
Tools, furniture and fixtures	1,252,664	1,277,676
Accumulated depreciation	(1,032,481)	(1,060,231)
Tools, furniture and fixtures, net	220,182	217,444
Land	1,761,774	1,761,774
Construction in progress	48,723	63,635
Total property, plant and equipment	6,543,142	6,304,242
Intangible assets		
Other	52,740	42,848
Total intangible assets	52,740	42,848
Investments and other assets		
Investment securities	63,731	63,544
Deferred tax assets	138,633	164,600
Retirement benefit asset	34,262	27,034
Other	11,602	16,582
Total investments and other assets	248,229	271,762
Total non-current assets	6,844,113	6,618,853
Total assets	26,249,934	27,626,150

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,464,164	2,020,697
Electronically recorded obligations - operating	658,864	822,895
Short-term borrowings	850,000	850,000
Current portion of long-term borrowings	349,904	373,904
Income taxes payable	809,405	794,336
Provision for bonuses	48,224	35,295
Other	757,440	705,893
Total current liabilities	4,938,004	5,603,022
Non-current liabilities		
Long-term borrowings	2,291,192	2,116,240
Deferred tax liabilities	6,311	1,906
Provision for retirement benefits for directors (and other officers)	124,588	130,805
Retirement benefit liability	120,339	125,832
Other	103,666	90,445
Total non-current liabilities	2,646,098	2,465,229
Total liabilities	7,584,102	8,068,252
Net assets		
Shareholders' equity		
Share capital	522,277	522,277
Capital surplus	205,828	205,828
Retained earnings	17,920,673	18,879,213
Treasury shares	(407)	(407)
Total shareholders' equity	18,648,371	19,606,911
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,990	16,166
Deferred gains or losses on hedges	1,469	(65,179)
Total accumulated other comprehensive income	17,460	(49,012)
Total net assets	18,665,832	19,557,898
Total liabilities and net assets	26,249,934	27,626,150

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Net sales	10,355,258	11,166,974
Cost of sales	7,196,762	7,973,282
Gross profit	3,158,496	3,193,692
Selling, general and administrative expenses	991,388	1,033,450
Operating profit	2,167,107	2,160,241
Non-operating income		
Interest and dividend income	2,372	1,841
Foreign exchange gains	24,334	3,644
Commission income	8,071	9,331
Subsidy income	2,566	–
Compensation income	350	7,004
Other	585	2,820
Total non-operating income	38,279	24,641
Non-operating expenses		
Interest expenses	6,757	3,949
Loss on valuation of investment securities	–	3,071
Settlement payments	16,000	–
Voluntary recall related expenses	34,953	1
Other	1,362	995
Total non-operating expenses	59,074	8,017
Ordinary profit	2,146,313	2,176,866
Profit before income taxes	2,146,313	2,176,866
Income taxes - current	744,159	778,653
Income taxes - deferred	4,575	3,868
Total income taxes	748,735	782,522
Profit	1,397,578	1,394,344
Profit attributable to owners of parent	1,397,578	1,394,344

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	1,397,578	1,394,344
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,831)	175
Deferred gains or losses on hedges	26,611	(66,649)
Total other comprehensive income	20,779	(66,473)
Comprehensive income	1,418,357	1,327,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,418,357	1,327,870

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,146,313	2,176,866
Depreciation	332,889	339,027
Increase (decrease) in provision for bonuses	(16,248)	(12,929)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6,476	6,216
Decrease (increase) in retirement benefit asset	3,092	7,227
Increase (decrease) in retirement benefit liability	777	5,493
Loss (gain) on valuation of investment securities	–	3,071
Interest and dividend income	(2,372)	(1,841)
Interest expenses	6,757	3,949
Subsidy income	(2,566)	(766)
Settlement payments	16,000	–
Foreign exchange losses (gains)	(13,129)	(416)
Loss (gain) on sale and retirement of non-current assets	248	437
Decrease (increase) in trade receivables	(1,328,691)	(1,411,175)
Decrease (increase) in inventories	(91,866)	(394,553)
Increase (decrease) in trade payables	251,609	720,564
Decrease (increase) in accounts receivable - other	8,185	(6,967)
Other, net	(180,151)	(121,676)
Subtotal	1,137,324	1,312,525
Interest and dividends received	4,546	4,115
Interest paid	(6,401)	(3,661)
Subsidies received	3,523	766
Income taxes paid	(682,901)	(795,361)
Settlement paid	(16,000)	–
Net cash provided by (used in) operating activities	440,090	518,384
Cash flows from investing activities		
Purchase of non-current assets	(248,372)	(104,085)
Payments into time deposits	(79,011)	(85,011)
Proceeds from withdrawal of time deposits	66,010	72,011
Other, net	(2,652)	(2,698)
Net cash provided by (used in) investing activities	(264,025)	(119,784)
Cash flows from financing activities		
Repayments of long-term borrowings	(167,618)	(150,952)
Dividends paid	(395,294)	(436,130)
Other, net	(13,105)	(12,971)
Net cash provided by (used in) financing activities	(576,018)	(600,053)
Effect of exchange rate change on cash and cash equivalents	13,129	416
Net increase (decrease) in cash and cash equivalents	(386,823)	(201,037)
Cash and cash equivalents at beginning of period	7,590,119	8,421,859
Cash and cash equivalents at end of period	7,203,295	8,220,822