

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended February 28, 2023 (Based on Japanese GAAP)

April 10, 2023

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 13, 2023
 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 28, 2023 (from September 1, 2022 to February 28, 2023)

(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 28, 2023	136,945	(1.1)	2,500	(47.5)	2,669	(46.4)	1,601	(52.9)
Six months ended February 28, 2022	138,516	–	4,759	–	4,976	–	3,401	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended February 28, 2023	20.76		20.69	
Six months ended February 28, 2022	44.11		44.03	

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the first quarter ended November 30, 2021. Each figure for the six months ended February 28, 2023 is the figure after applying the accounting standard and relevant ASBJ regulations. Therefore, the percentages of year-on-year change are not stated.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of February 28, 2023	108,702		62,505		57.4	
As of August 31, 2022	117,154		61,941		52.8	

Reference: Equity As of February 28, 2023 ¥62,395 million
 As of August 31, 2022 ¥61,833 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, 2022	–	0.00	–	14.00	14.00
Year ending August 31, 2023	–	0.00			
Year ending August 31, 2023 (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, 2023 (from September 1, 2022 to August 31, 2023)

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	277,900	(0.5)	5,000	(38.3)	5,200	(39.0)	3,100	(46.2)	40.16

Note: Revisions to the forecast of non-consolidated financial results most recently announced: No

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:	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 February 28, 2023	77,912,716 shares	As of August 31, 2022	77,912,716 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	706,413 shares	As of August 31, 2022	795,213 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2023	77,161,247 shares	Six months ended February 28, 2022	77,117,571 shares
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* 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.

(Means of access to contents of supplementary material on quarterly earnings and quarterly earnings performance review)

The Company plans to hold a quarterly financial results briefing for institutional investors and analysts on Tuesday, April 18, 2023. The progress of the meeting and the description (audio) will be posted on the Company website with the material on quarterly earnings.

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	18,935	10,300
Accounts receivable - trade	12,937	10,545
Merchandise	38,257	42,058
Supplies	114	144
Prepaid expenses	1,943	1,940
Accounts receivable - other	2,003	1,946
Other	1,287	1,461
Allowance for doubtful accounts	(127)	(129)
Total current assets	75,351	68,269
Non-current assets		
Property, plant and equipment		
Buildings, net	8,053	7,874
Land	8,420	8,420
Other, net	1,657	1,548
Total property, plant and equipment	18,131	17,843
Intangible assets		
Other	1,095	1,075
Total intangible assets	1,095	1,075
Investments and other assets		
Prepaid pension costs	2,646	2,752
Deferred tax assets	7,350	6,452
Long-term prepaid expenses	1,922	1,866
Guarantee deposits	10,594	10,381
Other	116	114
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	22,575	21,513
Total non-current assets	41,802	40,432
Total assets	117,154	108,702

(Millions of yen)

	As of August 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	16,822	12,679
Current portion of long-term borrowings	4,120	4,010
Current portion of bonds payable	200	200
Lease liabilities	96	98
Accounts payable - other	5,321	4,517
Income taxes payable	704	515
Provision for bonuses	1,229	1,114
Provision for loss on store closings	170	23
Asset retirement obligations	86	107
Other	10,321	9,112
Total current liabilities	39,072	32,379
Non-current liabilities		
Bonds payable	400	300
Long-term borrowings	6,587	4,582
Lease liabilities	274	224
Provision for goods warranties	171	119
Provision for loss on store closings	275	332
Asset retirement obligations	4,185	4,057
Other	4,245	4,200
Total non-current liabilities	16,140	13,817
Total liabilities	55,212	46,197
Net assets		
Shareholders' equity		
Share capital	25,975	25,975
Capital surplus	15,913	15,889
Retained earnings	20,516	21,038
Treasury shares	(572)	(508)
Total shareholders' equity	61,833	62,395
Share acquisition rights	108	110
Total net assets	61,941	62,505
Total liabilities and net assets	117,154	108,702

Non-consolidated statements of income

(Millions of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Net sales	138,516	136,945
Cost of sales	100,976	100,989
Gross profit	37,540	35,955
Selling, general and administrative expenses	32,781	33,455
Operating profit	4,759	2,500
Non-operating income		
Interest income	16	13
Commission income	25	27
Insurance claim income	105	93
Subsidy income	163	23
Reversal of provision for loss on store closings	–	48
Other	7	14
Total non-operating income	319	221
Non-operating expenses		
Interest expenses	31	24
Interest on bonds	0	0
Commission expenses	9	9
Penalty for contract	42	9
Other	17	8
Total non-operating expenses	101	52
Ordinary profit	4,976	2,669
Extraordinary income		
Gain on sale of non-current assets	226	–
Insurance claim income	–	64
Total extraordinary income	226	64
Extraordinary losses		
Loss on sale of non-current assets	149	–
Loss on retirement of non-current assets	39	37
Loss on cancellation of leases	0	–
Total extraordinary losses	189	37
Profit before income taxes	5,013	2,697
Income taxes - current	447	197
Income taxes - deferred	1,164	897
Total income taxes	1,612	1,095
Profit	3,401	1,601

Non-consolidated statements of cash flows

(Millions of yen)

	Six months ended February 28, 2022	Six months ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	5,013	2,697
Depreciation	680	716
Increase (decrease) in provision for bonuses	(48)	(115)
Increase (decrease) in provision for goods warranties	(69)	(52)
Increase (decrease) in provision for loss on store closings	(91)	(65)
Decrease (increase) in prepaid pension costs	(115)	(106)
Increase (decrease) in allowance for doubtful accounts	(78)	2
Interest and dividend income	(16)	(13)
Interest expenses on borrowings and bonds	31	24
Loss (gain) on sale of non-current assets	(76)	–
Loss on retirement of non-current assets	39	37
Decrease (increase) in trade receivables	(1,981)	2,391
Decrease (increase) in inventories	(1,144)	(3,831)
Increase (decrease) in trade payables	1,116	(4,142)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	508	(376)
Other, net	(60)	(1,593)
Subtotal	3,706	(4,427)
Interest and dividends received	2	0
Interest paid	(31)	(24)
Income taxes paid	(565)	(382)
Net cash provided by (used in) operating activities	3,112	(4,833)
Cash flows from investing activities		
Purchase of property, plant and equipment	(717)	(554)
Proceeds from sale of property, plant and equipment	409	–
Other, net	320	94
Net cash provided by (used in) investing activities	11	(460)
Cash flows from financing activities		
Repayments of long-term borrowings	(2,370)	(2,115)
Redemption of bonds	(100)	(100)
Repayments of lease liabilities	(52)	(47)
Dividends paid	(1,078)	(1,078)
Other, net	–	0
Net cash provided by (used in) financing activities	(3,601)	(3,340)
Net increase (decrease) in cash and cash equivalents	(477)	(8,634)
Cash and cash equivalents at beginning of period	18,055	17,435
Cash and cash equivalents at end of period	17,578	8,800