

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: Kamigumi Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9364 URL <https://www.kamigumi.co.jp/>
 Representative: President & Representative Director Yoshihiro Fukai
 Senior Corporate Officer, General Manager of Financial Hq. Yasuhiro Kishino TEL 078-271-5119
 Inquiries: Yasuhiro Kishino
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to file Securities Report: June 30, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Operating revenue		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, 2023	274,139	4.8	31,580	10.7	35,064	13.6	24,620	18.0
Year ended March 31, 2022	261,681	9.3	28,524	16.7	30,875	17.9	20,861	16.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/Operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2023	220.69	–	6.7	7.9	11.5
Year ended March 31, 2022	180.14	–	5.8	7.3	10.9

(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, 2023	456,038	373,005	81.4	3,372.82
As of March 31, 2022	434,734	367,917	84.2	3,193.03

(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, 2023	35,564	(13,720)	(2,224)	66,147
Year ended March 31, 2022	37,036	(3,804)	(9,779)	46,364

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, 2022	–	27.00	–	46.00	73.00	8,411	40.5	2.4
Year ended March 31, 2023	–	40.00	–	50.00	90.00	9,925	40.8	2.7
Year ending March 31, 2024 (Forecast)	–	45.00	–	45.00	90.00		40.9	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Operating revenue		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, 2023	146,000	4.6	15,600	(4.0)	17,600	(4.0)	12,200	(1.4)	113.12
Full year	290,000	5.8	31,000	(1.8)	34,700	(1.0)	23,500	(4.5)	220.01

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	116,376,837 shares	As of March 31, 2022	127,496,837 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	6,307,262 shares	As of March 31, 2022	12,828,055 shares
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Average number of shares during the period

Year ended March 31, 2023	111,559,702 shares	Year ended March 31, 2022	115,806,902 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	45,897	65,680
Trade notes and accounts receivable, and contract assets	47,075	48,371
Electronically recorded monetary claims - operating	748	1,004
Securities	10,500	10,600
Inventories	764	816
Other	6,975	6,173
Allowance for doubtful accounts	(56)	(58)
Total current assets	111,904	132,587
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	104,779	106,864
Machinery, equipment and vehicles, net	17,455	18,444
Land	100,265	100,227
Construction in progress	8,149	2,244
Other, net	1,435	1,955
Total property, plant and equipment	232,086	229,737
Intangible assets	6,649	6,586
Investments and other assets		
Investment securities	75,101	78,441
Long-term loans receivable	43	93
Deferred tax assets	2,328	1,610
Other	6,937	7,299
Allowance for doubtful accounts	(316)	(317)
Total investments and other assets	84,094	87,126
Total non-current assets	322,829	323,451
Total assets	434,734	456,038

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade notes and accounts payable	27,107	25,831
Income taxes payable	5,817	5,760
Provision for bonuses	177	180
Other	13,528	11,133
Total current liabilities	46,631	42,906
Non-current liabilities		
Long-term borrowings	–	20,000
Deferred tax liabilities	468	542
Provision for retirement benefits for directors (and other officers)	66	75
Provision for special repairs for ships and vessels	20	27
Retirement benefit liability	18,324	18,312
Provision for loss on business of subsidiaries and associates	267	267
Other	1,038	901
Total non-current liabilities	20,185	40,127
Total liabilities	66,816	83,033
Net assets		
Shareholders' equity		
Share capital	31,642	31,642
Capital surplus	26,854	26,854
Retained earnings	321,928	313,851
Treasury shares	(25,034)	(14,292)
Total shareholders' equity	355,390	358,055
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,708	12,146
Foreign currency translation adjustment	336	724
Remeasurements of defined benefit plans	(294)	318
Total accumulated other comprehensive income	10,750	13,189
Non-controlling interests	1,776	1,760
Total net assets	367,917	373,005
Total liabilities and net assets	434,734	456,038

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue	261,681	274,139
Operating costs	213,736	222,787
Operating gross profit	47,944	51,352
Selling, general and administrative expenses	19,420	19,771
Operating profit	28,524	31,580
Non-operating income		
Interest income	35	24
Dividend income	941	1,671
Foreign exchange gains	79	79
Share of profit of entities accounted for using equity method	837	1,269
Other	533	518
Total non-operating income	2,425	3,564
Non-operating expenses		
Interest expenses	–	18
Other	74	61
Total non-operating expenses	74	80
Ordinary profit	30,875	35,064
Extraordinary income		
Gain on sale of non-current assets	252	57
Gain on sale of investment securities	627	256
Subsidy income	262	181
Total extraordinary income	1,142	494
Extraordinary losses		
Loss on sale and retirement of non-current assets	814	376
Loss on valuation of investment securities	1	–
Loss on valuation of shares of subsidiaries and associates	641	224
Provision for loss on business of subsidiaries and associates	267	–
Total extraordinary losses	1,726	600
Profit before income taxes	30,291	34,958
Income taxes - current	9,792	10,420
Income taxes - deferred	(227)	(84)
Total income taxes	9,564	10,335
Profit	20,726	24,623
Profit (loss) attributable to non-controlling interests	(134)	3
Profit attributable to owners of parent	20,861	24,620

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	20,726	24,623
Other comprehensive income		
Valuation difference on available-for-sale securities	3,371	1,543
Foreign currency translation adjustment	234	269
Remeasurements of defined benefit plans, net of tax	462	592
Share of other comprehensive income of entities accounted for using equity method	294	35
Total other comprehensive income	4,363	2,441
Comprehensive income	25,089	27,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,220	27,058
Comprehensive income attributable to non-controlling interests	(130)	5

Consolidated statements of changes in equity

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	31,642	26,854	310,401	(24,810)	344,087
Changes during period					
Dividends of surplus			(6,272)		(6,272)
Profit attributable to owners of parent			20,861		20,861
Purchase of treasury shares				(3,300)	(3,300)
Disposal of treasury shares		2		12	14
Cancellation of treasury shares		(2)	(3,061)	3,063	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	11,527	(224)	11,302
Balance at end of period	31,642	26,854	321,928	(25,034)	355,390

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,252	(27)	(833)	6,392	1,929	352,408
Changes during period						
Dividends of surplus						(6,272)
Profit attributable to owners of parent						20,861
Purchase of treasury shares						(3,300)
Disposal of treasury shares						14
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	3,456	364	538	4,358	(152)	4,206
Total changes during period	3,456	364	538	4,358	(152)	15,508
Balance at end of period	10,708	336	(294)	10,750	1,776	367,917

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,642	26,854	321,928	(25,034)	355,390
Changes during period					
Dividends of surplus			(9,696)		(9,696)
Profit attributable to owners of parent			24,620		24,620
Purchase of treasury shares				(12,300)	(12,300)
Disposal of treasury shares		6		36	43
Cancellation of treasury shares		(6)	(22,999)	23,006	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(8,076)	10,742	2,665
Balance at end of period	31,642	26,854	313,851	(14,292)	358,055

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,708	336	(294)	10,750	1,776	367,917
Changes during period						
Dividends of surplus						(9,696)
Profit attributable to owners of parent						24,620
Purchase of treasury shares						(12,300)
Disposal of treasury shares						43
Cancellation of treasury shares						–
Net changes in items other than shareholders' equity	1,438	387	613	2,438	(16)	2,421
Total changes during period	1,438	387	613	2,438	(16)	5,087
Balance at end of period	12,146	724	318	13,189	1,760	373,005

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	30,291	34,958
Depreciation	13,082	13,589
Increase (decrease) in allowance for doubtful accounts	(4)	3
Increase (decrease) in provision for loss on business of subsidiaries and associates	267	–
Increase (decrease) in retirement benefit liability	620	579
Interest and dividend income	(976)	(1,696)
Interest expenses	–	18
Share of loss (profit) of entities accounted for using equity method	(837)	(1,269)
Loss (gain) on sale of investment securities	(627)	(256)
Loss (gain) on valuation of investment securities	1	–
Loss on valuation of shares of subsidiaries and associates	641	224
Loss (gain) on sale and retirement of non-current assets	562	319
Decrease (increase) in trade receivables	(306)	(1,436)
Decrease (increase) in inventories	18	(51)
Increase (decrease) in trade payables	974	(1,360)
Other, net	375	(494)
Subtotal	44,084	43,128
Interest and dividends received	2,403	2,935
Interest paid	–	(21)
Payments associated with disaster loss	(450)	–
Income taxes paid	(9,000)	(10,477)
Net cash provided by (used in) operating activities	37,036	35,564
Cash flows from investing activities		
Net decrease (increase) in time deposits	10,568	(500)
Purchase of securities	(30,000)	(30,000)
Proceeds from sale of securities	30,000	30,000
Proceeds from redemption of securities	900	–
Purchase of non-current assets	(16,628)	(11,680)
Proceeds from sale of non-current assets	347	80
Payments for retirement of non-current assets	(712)	(372)
Purchase of investment securities	(22)	(2,427)
Proceeds from sale and redemption of investment securities	1,689	1,215
Purchase of shares of subsidiaries and associates	(117)	–
Payments of guarantee deposits	(113)	(196)
Other, net	284	161
Net cash provided by (used in) investing activities	(3,804)	(13,720)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	20,000
Dividends paid	(6,272)	(9,696)
Purchase of treasury shares	(3,300)	(12,300)
Other, net	(206)	(226)
Net cash provided by (used in) financing activities	(9,779)	(2,224)
Effect of exchange rate change on cash and cash equivalents	130	163
Net increase (decrease) in cash and cash equivalents	23,583	19,783
Cash and cash equivalents at beginning of period	22,780	46,364
Cash and cash equivalents at end of period	46,364	66,147