

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended May 31, 2023 (Based on Japanese GAAP)

July 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: July 14, 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. Non-consolidated financial results for the nine months ended May 31, 2023 (from September 1, 2022 to May 31, 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	%
Nine months ended May 31, 2023	201,452	(3.7)	3,247	(50.1)	3,464	(49.2)	2,168	(51.4)
Nine months ended May 31, 2022	209,238	–	6,511	–	6,820	–	4,462	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2023	28.10		28.01	
Nine months ended May 31, 2022	57.87		57.74	

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 nine months ended May 31, 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 May 31, 2023	108,679	63,085	57.9
As of August 31, 2022	117,154	61,941	52.8

Reference: Equity As of May 31, 2023 ¥62,962 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 May 31, 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 May 31, 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)

Nine months ended May 31, 2023	77,176,430 shares	Nine months ended May 31, 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.

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of August 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	18,935	7,698
Accounts receivable - trade	12,937	11,001
Merchandise	38,257	43,634
Supplies	114	143
Prepaid expenses	1,943	1,954
Accounts receivable - other	2,003	2,215
Other	1,287	1,656
Allowance for doubtful accounts	(127)	(127)
Total current assets	75,351	68,177
Non-current assets		
Property, plant and equipment		
Buildings, net	8,053	7,717
Land	8,420	8,420
Other, net	1,657	1,673
Total property, plant and equipment	18,131	17,811
Intangible assets		
Other	1,095	1,167
Total intangible assets	1,095	1,167
Investments and other assets		
Prepaid pension costs	2,646	2,806
Deferred tax assets	7,350	6,439
Long-term prepaid expenses	1,922	1,843
Guarantee deposits	10,594	10,375
Other	116	113
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	22,575	21,523
Total non-current assets	41,802	40,502
Total assets	117,154	108,679

(Millions of yen)

	As of August 31, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	16,822	13,736
Current portion of long-term borrowings	4,120	3,840
Current portion of bonds payable	200	200
Lease liabilities	96	99
Accounts payable - other	5,321	4,351
Income taxes payable	704	174
Provision for bonuses	1,229	1,828
Provision for loss on store closings	170	33
Asset retirement obligations	86	106
Other	10,321	8,407
Total current liabilities	39,072	32,778
Non-current liabilities		
Bonds payable	400	200
Long-term borrowings	6,587	3,750
Lease liabilities	274	199
Provision for goods warranties	171	107
Provision for loss on store closings	275	314
Asset retirement obligations	4,185	4,067
Other	4,245	4,176
Total non-current liabilities	16,140	12,815
Total liabilities	55,212	45,593
Net assets		
Shareholders' equity		
Share capital	25,975	25,975
Capital surplus	15,913	15,889
Retained earnings	20,516	21,605
Treasury shares	(572)	(508)
Total shareholders' equity	61,833	62,962
Share acquisition rights	108	123
Total net assets	61,941	63,085
Total liabilities and net assets	117,154	108,679

Non-consolidated statements of income

(Millions of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Net sales	209,238	201,452
Cost of sales	153,085	148,398
Gross profit	56,153	53,054
Selling, general and administrative expenses	49,642	49,807
Operating profit	6,511	3,247
Non-operating income		
Interest income	24	19
Commission income	46	36
Insurance claim income	141	133
Subsidy income	164	25
Reversal of provision for loss on store closings	–	49
Other	57	29
Total non-operating income	433	294
Non-operating expenses		
Interest expenses	46	35
Interest on bonds	0	0
Commission expenses	13	13
Penalty for contract	42	9
Other	21	17
Total non-operating expenses	124	76
Ordinary profit	6,820	3,464
Extraordinary income		
Gain on sale of non-current assets	226	0
Insurance claim income	–	64
Total extraordinary income	226	65
Extraordinary losses		
Loss on sale of non-current assets	149	–
Loss on retirement of non-current assets	42	43
Loss on cancellation of leases	0	–
Provision for loss on store closings	17	–
Loss on disaster	443	–
Total extraordinary losses	653	43
Profit before income taxes	6,392	3,485
Income taxes - current	771	405
Income taxes - deferred	1,158	911
Total income taxes	1,929	1,316
Profit	4,462	2,168