

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2023 (Based on Japanese GAAP)

August 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 of ordinary general meeting of shareholders: September 28, 2023
 Scheduled date to file Securities Report: September 29, 2023
 Scheduled date to commence dividend payments: September 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(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 June 30, 2023	22,052	8.3	4,249	11.6	4,091	9.0	2,687	13.9
Year ended June 30, 2022	20,353	14.2	3,807	12.7	3,753	10.2	2,359	10.4

	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 June 30, 2023	67.83	–	13.6	15.0	19.3
Year ended June 30, 2022	59.55	–	13.3	14.7	18.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	28,464	20,923	73.5	528.12
As of June 30, 2022	26,249	18,665	71.1	471.14

(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 June 30, 2023	2,736	(304)	(812)	10,035
Year ended June 30, 2022	2,094	(477)	(804)	8,421

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 June 30, 2022	–	0.00	–	11.00	11.00	435	18.5	2.5
Year ended June 30, 2023	–	0.00	–	12.00	12.00	475	17.7	2.4
Year ending June 30, 2024 (Forecast)	–	0.00	–	12.00	12.00		17.2	

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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	22,980	4.2	4,380	3.1	4,380	7.0	2,770	3.1	69.92

4. Notes

(1) Changes in significant subsidiaries during the year ended June 30, 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 June 30, 2023	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 June 30, 2023	1,356 shares	As of June 30, 2022	1,356 shares
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Average number of shares during the period

Year ended June 30, 2023	39,618,624 shares	Year ended June 30, 2022	39,618,657 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	9,123,370	10,767,016
Notes receivable - trade	257,083	105,423
Accounts receivable - trade	3,405,382	3,805,030
Electronically recorded monetary claims - operating	4,169,136	4,406,195
Merchandise and finished goods	1,505,144	1,415,639
Work in process	400,428	563,125
Raw materials and supplies	384,702	483,358
Other	160,572	284,469
Total current assets	19,405,821	21,830,258
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,853,376	4,889,478
Accumulated depreciation	(2,144,793)	(2,336,069)
Buildings and structures, net	2,708,583	2,553,408
Machinery, equipment and vehicles	3,714,364	3,798,624
Accumulated depreciation	(1,910,485)	(2,267,079)
Machinery, equipment and vehicles, net	1,803,878	1,531,544
Tools, furniture and fixtures	1,252,664	1,351,945
Accumulated depreciation	(1,032,481)	(1,085,743)
Tools, furniture and fixtures, net	220,182	266,201
Land	1,761,774	1,761,774
Construction in progress	48,723	163,026
Total property, plant and equipment	6,543,142	6,275,955
Intangible assets		
Other	52,740	33,879
Total intangible assets	52,740	33,879
Investments and other assets		
Investment securities	63,731	56,775
Deferred tax assets	138,633	222,079
Retirement benefit asset	34,262	29,891
Other	11,602	15,652
Total investments and other assets	248,229	324,399
Total non-current assets	6,844,113	6,634,234
Total assets	26,249,934	28,464,493

(Thousands of yen)

	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,464,164	1,504,004
Electronically recorded obligations - operating	658,864	686,818
Short-term borrowings	850,000	850,000
Current portion of long-term borrowings	349,904	349,904
Income taxes payable	809,405	810,011
Provision for bonuses	48,224	48,558
Other	757,440	984,618
Total current liabilities	4,938,004	5,233,914
Non-current liabilities		
Long-term borrowings	2,291,192	1,941,288
Deferred tax liabilities	6,311	1,460
Provision for retirement benefits for directors (and other officers)	124,588	137,624
Retirement benefit liability	120,339	135,597
Other	103,666	91,119
Total non-current liabilities	2,646,098	2,307,090
Total liabilities	7,584,102	7,541,004
Net assets		
Shareholders' equity		
Share capital	522,277	522,277
Capital surplus	205,828	205,828
Retained earnings	17,920,673	20,172,089
Treasury shares	(407)	(407)
Total shareholders' equity	18,648,371	20,899,787
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,990	11,915
Deferred gains or losses on hedges	1,469	11,785
Total accumulated other comprehensive income	17,460	23,700
Total net assets	18,665,832	20,923,488
Total liabilities and net assets	26,249,934	28,464,493

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

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Net sales	20,353,415	22,052,802
Cost of sales	14,419,316	15,609,967
Gross profit	5,934,098	6,442,835
Selling, general and administrative expenses	2,126,727	2,192,878
Operating profit	3,807,371	4,249,956
Non-operating income		
Interest and dividend income	2,430	1,983
Commission income	15,786	14,189
Subsidy income	2,566	-
Gain on transfer of sales rights	15,181	-
Compensation income	16,523	9,098
Other	6,577	9,437
Total non-operating income	59,066	34,709
Non-operating expenses		
Interest expenses	11,077	7,462
Loss on valuation of investment securities	10,745	3,071
Foreign exchange losses	28,037	157,729
Settlement payments	16,000	-
Voluntary recall related expenses	37,034	13,127
Other	9,946	11,409
Total non-operating expenses	112,841	192,800
Ordinary profit	3,753,596	4,091,865
Profit before income taxes	3,753,596	4,091,865
Income taxes - current	1,404,119	1,496,161
Income taxes - deferred	(9,842)	(91,516)
Total income taxes	1,394,277	1,404,645
Profit	2,359,319	2,687,220
Profit attributable to owners of parent	2,359,319	2,687,220

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Profit	2,359,319	2,687,220
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,463)	(4,075)
Deferred gains or losses on hedges	1,469	10,315
Total other comprehensive income	(993)	6,240
Comprehensive income	2,358,326	2,693,461
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,358,326	2,693,461

Consolidated statements of changes in equity

Fiscal year ended June 30, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	522,277	205,828	15,957,540	(376)	16,685,270
Changes during period					
Dividends of surplus			(396,186)		(396,186)
Profit attributable to owners of parent			2,359,319		2,359,319
Purchase of treasury shares				(31)	(31)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,963,133	(31)	1,963,101
Balance at end of period	522,277	205,828	17,920,673	(407)	18,648,371

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	18,453	-	18,453	16,703,724
Changes during period				
Dividends of surplus				(396,186)
Profit attributable to owners of parent				2,359,319
Purchase of treasury shares				(31)
Net changes in items other than shareholders' equity	(2,463)	1,469	(993)	(993)
Total changes during period	(2,463)	1,469	(993)	1,962,108
Balance at end of period	15,990	1,469	17,460	18,665,832

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	522,277	205,828	17,920,673	(407)	18,648,371
Changes during period					
Dividends of surplus			(435,804)		(435,804)
Profit attributable to owners of parent			2,687,220		2,687,220
Purchase of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,251,416	–	2,251,416
Balance at end of period	522,277	205,828	20,172,089	(407)	20,899,787

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	15,990	1,469	17,460	18,665,832
Changes during period				
Dividends of surplus				(435,804)
Profit attributable to owners of parent				2,687,220
Purchase of treasury shares				–
Net changes in items other than shareholders' equity	(4,075)	10,315	6,240	6,240
Total changes during period	(4,075)	10,315	6,240	2,257,656
Balance at end of period	11,915	11,785	23,700	20,923,488

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,753,596	4,091,865
Depreciation	678,242	692,593
Increase (decrease) in provision for bonuses	(3,955)	333
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13,705	13,035
Decrease (increase) in retirement benefit asset	(6,050)	4,370
Increase (decrease) in retirement benefit liability	(5,982)	15,257
Loss (gain) on valuation of investment securities	10,745	3,071
Interest and dividend income	(2,430)	(1,983)
Interest expenses	11,077	7,462
Subsidy income	(2,566)	–
Settlement payments	16,000	–
Foreign exchange losses (gains)	(19,819)	7,135
Loss (gain) on sale and retirement of non-current assets	1,015	1,384
Decrease (increase) in trade receivables	(685,585)	(485,045)
Decrease (increase) in inventories	(154,932)	(171,813)
Increase (decrease) in trade payables	(107,169)	67,793
Decrease (increase) in accounts receivable - other	(7,956)	(35,087)
Other, net	(73,827)	100,770
Subtotal	3,414,106	4,311,144
Interest and dividends received	6,877	4,257
Interest paid	(11,073)	(7,455)
Subsidies received	3,523	2,463
Income taxes paid	(1,303,247)	(1,573,456)
Settlement paid	(16,000)	–
Net cash provided by (used in) operating activities	2,094,186	2,736,953
Cash flows from investing activities		
Proceeds from sale of investment securities	–	929
Purchase of non-current assets	(443,521)	(271,633)
Payments into time deposits	(192,011)	(198,011)
Proceeds from withdrawal of time deposits	162,010	168,011
Other, net	(3,809)	(3,409)
Net cash provided by (used in) investing activities	(477,331)	(304,113)
Cash flows from financing activities		
Repayments of long-term borrowings	(383,248)	(349,904)
Dividends paid	(395,443)	(436,213)
Purchase of treasury shares	(31)	–
Other, net	(26,211)	(25,942)
Net cash provided by (used in) financing activities	(804,934)	(812,059)
Effect of exchange rate change on cash and cash equivalents	19,819	(7,135)
Net increase (decrease) in cash and cash equivalents	831,739	1,613,644
Cash and cash equivalents at beginning of period	7,590,119	8,421,859
Cash and cash equivalents at end of period	8,421,859	10,035,504