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Consolidated Financial Results for the Fiscal Year Ended July 31, 2023 (Under Japanese GAAP)

September 13, 2023

Company name: TORIKIZOKU HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3193
 URL: <http://www.torikizoku-holdings.co.jp/>
 Representative: Tadashi Okura, Representative Director and President
 Inquiries: Hiroshi Kobata, Executive Officer and General Manager of Corporate Management
 Department
 TEL: 06-6562-5333
 Scheduled date of annual general meeting of shareholders: October 25, 2023
 Scheduled date to commence dividend payments: October 26, 2023
 Scheduled date to file annual securities report: October 25, 2023
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the fiscal year ended July 31, 2023 (from August 1, 2022 to July 31, 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	%
Fiscal year ended July 31, 2023	33,449	64.9	1,417	-	1,429	(27.4)	616	(45.7)
Fiscal year ended July 31, 2022	20,288	30.1	(2,433)	-	1,968	-	1,134	-

Note: Comprehensive income For the fiscal year ended July 31, 2023: ¥645 million [(42.5%)]
 For the fiscal year ended July 31, 2022: ¥1,123 million [(-%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2023	53.18	-	9.3	7.6	4.2
Fiscal year ended July 31, 2022	97.88	-	19.6	11.2	(12.0)

Reference: Share of profit (loss) of entities accounted for using equity method For the fiscal year ended July 31, 2023: ¥- million
 For the fiscal year ended July 31, 2022: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2023	19,318	6,890	35.7	594.55
As of July 31, 2022	18,466	6,337	34.3	546.85

Reference: Equity

As of July 31, 2023: ¥6,890 million
 As of July 31, 2022: ¥6,337 million

(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
Fiscal year ended July 31, 2023	1,720	(1,204)	(587)	8,689
Fiscal year ended July 31, 2022	5,912	(473)	(1,536)	8,719

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2022	-	0.00	-	4.00	4.00	46	4.1	0.8
Fiscal year ended July 31, 2023	-	4.00	-	6.00	10.00	116	18.9	1.8
Fiscal year ending July 31, 2024 (Forecast)	-	4.00	-	6.00	10.00		11.0	

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	19,671	28.9	975	168.0	966	165.2	580	411.6	50.05
Full year	39,964	19.5	1,861	31.3	1,844	29.1	1,037	68.3	89.49

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 2 companies TORIKIZOKU USA INC., Excluded: – companies (Company
(Company names) DAIKICHI SYSTEM LIMITED , name)

Of the above two new companies, one significant subsidiary has been transferred.
TORIKIZOKU USA INC., which was established in the fiscal year under review, is a specified subsidiary.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
(ii) Changes in accounting policies due to other reasons : None
(iii) Changes in accounting estimates : None
(iv) Restatement : None

- (3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of July 31, 2023	11,622,300 shares	As of July 31, 2022	11,622,300 shares
(ii) Number of treasury shares at the end of the period	As of July 31, 2023	33,564 shares	As of July 31, 2022	33,564 shares
(iii) Average number of shares outstanding during the period	Fiscal year ended July 31, 2023	11,588,736 shares	Fiscal year ended July 31, 2022	11,588,128 shares

* Financial results are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forecasts of financial results and other forward-looking statements herein are based on information available to the Company (TORIKIZOKU HOLDINGS Co., Ltd.) at the time of submission and certain assumptions deemed reasonable by the Company. They do not constitute guarantees of future performance and actual results, etc., may differ materially from these forecasts due to a variety of factors. Please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 3 of the attached document for the assumptions underlying the forecast and cautionary statements regarding use of the forecast.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	8,657,764	8,631,720
Accounts receivable - trade	520,079	857,369
Inventories	130,823	156,058
Accounts receivable - other	587,836	549,670
Other	398,095	461,844
Total current assets	10,294,598	10,656,663
Non-current assets		
Property, plant and equipment		
Buildings	12,861,880	13,664,050
Accumulated depreciation and impairment	(8,064,820)	(9,218,269)
Buildings, net	4,797,060	4,445,781
Tools, furniture and fixtures	916,074	1,306,867
Accumulated depreciation and impairment	(716,603)	(883,009)
Tools, furniture and fixtures, net	199,470	423,857
Other	2,719,084	2,741,194
Accumulated depreciation and impairment	(2,666,451)	(2,714,057)
Other, net	52,632	27,137
Construction in progress	11,690	64,963
Total property, plant and equipment	5,060,854	4,961,739
Intangible assets		
Software	28,745	85,367
Goodwill	-	256,070
Other	714	128,168
Total intangible assets	29,459	469,606
Investments and other assets		
Investment securities	500	500
Guarantee deposits	1,642,298	1,826,276
Deferred tax assets	1,206,666	1,123,040
Other	232,436	291,479
Allowance for doubtful accounts	-	(10,315)
Total investments and other assets	3,081,901	3,230,981
Total non-current assets	8,172,215	8,662,328
Total assets	18,466,814	19,318,991

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
Liabilities		
Current liabilities		
Current portion of long-term borrowings	976,960	3,800,314
Accounts payable - trade	1,021,689	1,499,053
Accounts payable - other	1,192,320	1,481,741
Income taxes payable	430,194	104,730
Accrued consumption taxes	609,429	391,375
Unearned revenue	775,980	563,585
Provision for bonuses	332,016	481,065
Provision for bonuses for directors (and other officers)	-	74,090
Provision for shareholder benefit program	33,633	43,970
Other	371,429	500,733
Total current liabilities	5,743,653	8,940,660
Non-current liabilities		
Long-term borrowings	5,209,169	1,958,857
Provision for share awards for directors (and other officers)	10,999	24,016
Retirement benefit liability	48,734	81,766
Asset retirement obligations	1,112,059	1,170,883
Guarantee deposits received	1,000	252,671
Other	3,907	-
Total non-current liabilities	6,385,869	3,488,195
Total liabilities	12,129,523	12,428,855
Net assets		
Shareholders' equity		
Share capital	1,491,829	1,491,829
Capital surplus	1,481,829	1,481,829
Retained earnings	3,441,405	3,964,697
Treasury shares	(86,841)	(86,841)
Total shareholders' equity	6,328,222	6,851,514
Accumulated other comprehensive income		
Foreign currency translation adjustment	-	33,494
Remeasurements of defined benefit plans	9,068	5,126
Total accumulated other comprehensive income	9,068	38,621
Total net assets	6,337,291	6,890,135
Total liabilities and net assets	18,466,814	19,318,991

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023
Net sales	20,288,290	33,449,087
Cost of sales	5,980,079	10,006,034
Gross profit	14,308,210	23,443,052
Selling, general and administrative expenses	16,741,565	22,025,567
Operating profit (loss)	(2,433,354)	1,417,484
Non-operating income		
Interest income	30	54
Surrender value of insurance policies	4,659	9,193
Insurance claim income	1,689	9,659
Gain on sale of goods	1,652	3,838
Foreign exchange gains	-	8,171
Other	4,424,387	3,917
Total non-operating income	4,432,419	34,834
Non-operating expenses		
Interest expenses	24,736	16,132
Fees paid	4,501	5,862
Other	1,655	1,276
Total non-operating expenses	30,894	23,272
Ordinary profit	1,968,171	1,429,047
Extraordinary income		
Gain on sale of non-current assets	-	7,289
Compensation for forced relocation	-	32,633
Total extraordinary income	-	39,922
Extraordinary losses		
Loss on retirement of non-current assets	-	778
Impairment losses	126,549	420,343
Total extraordinary losses	126,549	421,122
Profit before income taxes	1,841,621	1,047,847
Income taxes - current	504,232	375,588
Income taxes - deferred	203,134	55,989
Total income taxes	707,366	431,578
Profit	1,134,254	616,269
Profit attributable to owners of parent	1,134,254	616,269

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023
Profit	1,134,254	616,269
Other comprehensive income		
Foreign currency translation adjustment	-	33,494
Remeasurements of defined benefit plans	(11,239)	(3,941)
Total other comprehensive income	(11,239)	29,552
Comprehensive income	1,123,015	645,822
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,123,015	645,822
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity
Fiscal year ended July 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,829	1,481,829	2,317,127	(89,947)	5,200,838
Cumulative effects of changes in accounting policies			(9,975)		(9,975)
Restated balance	1,491,829	1,481,829	2,307,151	(89,947)	5,190,863
Changes during period					
Profit attributable to owners of parent			1,134,254		1,134,254
Disposal of treasury shares				3,106	3,106
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,134,254	3,106	1,137,360
Balance at end of period	1,491,829	1,481,829	3,441,405	(86,841)	6,328,222

	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	20,307	20,307	5,221,145
Cumulative effects of changes in accounting policies			(9,975)
Restated balance	20,307	20,307	5,211,169
Changes during period			
Profit attributable to owners of parent			1,134,254
Disposal of treasury shares			3,106
Net changes in items other than shareholders' equity	(11,239)	(11,239)	(11,239)
Total changes during period	(11,239)	(11,239)	1,126,121
Balance at end of period	9,068	9,068	6,337,291

Fiscal year ended July 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,829	1,481,829	3,441,405	(86,841)	6,328,222
Changes during period					
Dividends of surplus			(92,977)		(92,977)
Profit attributable to owners of parent			616,269		616,269
Net changes in items other than shareholders' equity					
Total changes during period			523,291		523,291
Balance at end of period	1,491,829	1,481,829	3,964,697	(86,841)	6,851,514

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	-	9,068	9,068	6,337,291
Changes during period				
Dividends of surplus				(92,977)
Profit attributable to owners of parent				616,269
Net changes in items other than shareholders' equity	33,494	(3,941)	29,552	29,552
Total changes during period	33,494	(3,941)	29,552	552,844
Balance at end of period	33,494	5,126	38,621	6,890,135

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,841,621	1,047,847
Depreciation	852,696	791,380
Amortization of goodwill	-	15,862
Impairment losses	126,549	420,343
Increase (decrease) in allowance for doubtful accounts	-	(2,903)
Increase (decrease) in provision for bonuses	41,824	149,048
Increase (decrease) in provision for bonuses for directors (and other officers)	-	74,090
Increase (decrease) in provision for shareholder benefit program	(9,711)	10,337
Increase (decrease) in retirement benefit liability	8,367	(1,604)
Increase (decrease) in provision for share awards for directors (and other officers)	336	13,017
Interest and dividend income	(30)	(54)
Interest expenses	24,736	16,132
Foreign exchange losses (gains)	-	(8,126)
Loss (gain) on sale of non-current assets	-	(7,289)
Loss on retirement of non-current assets	-	778
Compensation for forced relocation	-	(32,633)
Subsidy income	(4,411,795)	-
Decrease (increase) in trade receivables	(358,672)	(334,579)
Decrease (increase) in inventories	(47,039)	(15,562)
Decrease (increase) in accounts receivable - other	(242,056)	(105,211)
Increase (decrease) in trade payables	673,394	471,961
Increase (decrease) in accounts payable - other	573,567	207,385
Increase (decrease) in unearned revenue	(143,032)	(212,395)
Other	562,857	(205,290)
Subtotal	(506,386)	2,292,535
Interest and dividends received	30	271
Interest paid	(24,320)	(16,107)
Income taxes paid	(259,338)	(767,830)
Income taxes refund	30,942	5,276
Subsidies received	6,672,020	173,880
Proceeds from compensation for forced relocation	-	32,633
Cash flows from operating activities	5,912,948	1,720,657
Cash flows from investing activities		
Purchase of property, plant and equipment	(323,710)	(803,170)
Proceeds from sale of property, plant and equipment	-	22,390
Purchase of intangible assets	(10,370)	(71,710)
Purchase of shares of subsidiaries	-	(155,533)
Purchase of long-term prepaid expenses	(34,108)	(42,189)
Payments of guarantee deposits	(88,620)	(150,674)
Proceeds from refund of guarantee deposits	11,043	19,997
Other	(27,581)	(23,603)
Cash flows from investing activities	(473,347)	(1,204,493)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	600,000
Repayments of long-term borrowings	(1,316,680)	(1,026,958)
Repayments of lease liabilities	(215,255)	(63,983)
Dividends paid	(49)	(92,557)
Other	(4,499)	(4,498)
Cash flows from financing activities	(1,536,484)	(587,997)
Effect of exchange rate change on cash and cash equivalents	-	41,564
Net increase (decrease) in cash and cash equivalents	3,903,116	(30,269)
Cash and cash equivalents at beginning of period	4,806,821	8,719,937
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	10,000	-
Cash and cash equivalents at end of period	8,719,937	8,689,668