Translation

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

October 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

Representative Senior Managing Director,

Tadashi Arakawa

TEL 03-6907-3113

Inquiries:

General Manager of Corporate Planning

Division

Preparation of supplementary material on financial results:

Scheduled date of ordinary general meeting of shareholders: Scheduled date to commence dividend payments:

Scheduled date to file Securities Report:

November 22, 2023 November 24, 2023

November 21, 2023

Yes

Holding of 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 year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

(1) Non-consolidated operating results

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	%
Year ended August 31, 2023	267,893	(4.1)	4,819	(40.6)	5,146	(39.6)	2,869	(50.2)
Year ended August 31, 2022	279,374	_	8,107	-	8,525	_	5,761	_

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen	%	%	%
Year ended August 31, 2023	37.17	37.04	4.6	4.5	1.8
Year ended August 31, 2022	74.71	74.50	9.5	7.4	2.9

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended August 31, 2023

¥- million

Year ended August 31, 2022

¥- million

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 year ended August 31, 2022. Each figure for the year ended August 31, 2022 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2023	109,244	63,799	58.3	824.57
As of August 31, 2022	117,154	61,941	52.8	801.81

Reference: Equity

As of August 31, 2023

¥63,662 million

As of August 31, 2022

¥61,833 million

(3) Non-consolidated cash flows

	Cash flows from	Cash flows from	Cash flows from	Cash and cash equivalents
	operating activities	investing activities	financing activities	at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended August 31, 2023	1,329	324	(4,995)	14,093
Year ended August 31, 2022	7,772	(2,389)	(6,003)	17,435

2. Cash dividends

		Annı	al dividends per	Total cash dividends	Dividend	Ratio of dividends to		
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total	(Total)	payout ratio	net assets
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended August 31, 2022	-	0.00	-	14.00	14.00	1,079	18.7	1.8
Year ended August 31, 2023	-	0.00	-	14.00	14.00	1,080	37.7	1.7
Year ending August 31, 2024 (Forecast)	=	0.00	-	14.00	14.00		36.0	

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

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
Six months ending February 29, 2024	134,400	(1.9)	2,320	(7.2)	2,480	(7.1)	1,650	3.0	21.37
Full year	267,000	(0.3)	4,600	(4.6)	4,800	(6.7)	3,000	4.6	38.86

4. Notes

(1) 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:

Changes in accounting policies due to other reasons:

No
Changes in accounting estimates:

No
Restatement of prior period financial statements:

No

(2) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2023	77,912,716 shares	As of August 31, 2022	77,912,716 shares						
Number of treasury shares at the end of the period									
As of August 31, 2023	706,443 shares	As of August 31, 2022	795,213 shares						
Average number of shares during the period									
Year ended August 31, 2023	77,183,958 shares	Year ended August 31, 2022	77,117,562 shares						

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

(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.

^{*} Proper use of forecasts of financial results, and other special matters

	As of August 31, 2022	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	18,935	14,093
Accounts receivable - trade	12,937	11,016
Merchandise	38,257	38,471
Supplies	114	149
Advance payments to suppliers	294	342
Prepaid expenses	1,943	1,970
Accounts receivable - other	2,003	2,512
Deposits paid	210	187
Other	782	1,209
Allowance for doubtful accounts	(127)	(132)
Total current assets	75,351	69,819
Non-current assets		
Property, plant and equipment		
Buildings	41,724	41,444
Accumulated depreciation	(33,671)	(34,218)
Buildings, net	8,053	7,226
Structures	3,586	3,548
Accumulated depreciation	(3,452)	(3,425)
Structures, net	134	122
Machinery and equipment	367	370
Accumulated depreciation	(360)	(361)
Machinery and equipment, net	7	8
Vehicles	0	8
		_
Accumulated depreciation	(0)	-
Vehicles, net	0	
Tools, furniture and fixtures	5,062	5,455
Accumulated depreciation	(4,208)	(4,520)
Tools, furniture and fixtures, net	854	934
Land	8,420	8,420
Leased assets	1,270	1,189
Accumulated depreciation	(621)	(618)
Leased assets, net	648	570
Other	12	11
Total property, plant and equipment	18,131	17,294
Intangible assets		
Leasehold interests in land	483	480
Telephone subscription right	149	149
Software	463	508
Total intangible assets	1,095	1,138
Investments and other assets		
Prepaid pension costs	2,646	2,860
Long-term prepaid expenses	1,922	1,839
Deferred tax assets	7,350	5,885
Long-term guarantee deposits	10,594	10,347
Other	116	112
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	22,575	20,990
Total non-current assets	41,802	39,424
Total assets	117,154	109,244
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	As of August 31, 2022	As of August 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	16,822	12,918
Current portion of long-term borrowings	4,120	3,757
Current portion of bonds payable	200	200
Lease liabilities	96	100
Accounts payable - other	5,321	5,231
Income taxes payable	704	393
Contract liabilities	6,861	6,135
Deposits received	836	335
Provision for bonuses	1,229	1,232
Provision for loss on store closings	170	48
Asset retirement obligations	86	55
Other	2,624	2,729
Total current liabilities	39,072	33,137
Non-current liabilities		
Bonds payable	400	200
Long-term borrowings	6,587	3,330
Lease liabilities	274	173
Provision for goods warranties	171	75
Provision for loss on store closings	275	288
Asset retirement obligations	4,185	4,081
Contract liabilities	3,213	3,196
Other	1,032	960
Total non-current liabilities	16,140	12,307
Total liabilities	55,212	45,444
Net assets		
Shareholders' equity		
Share capital	25,975	25,975
Capital surplus		
Legal capital surplus	6,493	6,493
Other capital surplus	9,419	9,395
Total capital surplus	15,913	15,889
Retained earnings		
Other retained earnings		
Retained earnings brought forward	20,516	22,305
Total retained earnings	20,516	22,305
Treasury shares	(572)	(508)
Total shareholders' equity	61,833	63,662
Share acquisition rights	108	137
Total net assets	61,941	63,799
Total liabilities and net assets	117,154	109,244
Total Hadilities and not assets	117,137	107,244

		(Willions of yell)
	Year ended August 31, 2022	Year ended August 31, 2023
Net sales	279,374	267,893
Cost of sales		
Beginning merchandise inventory	37,027	38,257
Cost of purchased goods	205,402	196,884
Total	242,430	235,141
Goods transfer to other account	172	32
Ending merchandise inventory	38,257	38,471
Cost of goods sold	203,999	196,637
Gross profit	75,374	71,255
Selling, general and administrative expenses	67,266	66,436
Operating profit	8,107	4,819
Non-operating income	0,107	,,022
Interest income	31	25
Dividend income	0	0
Commission income	98	88
Insurance claim income	203	189
Reversal of provision for loss on store closings	=	53
Subsidy income	164	32
Other	68	32
Total non-operating income	565	422
Non-operating expenses		
Interest expenses	60	46
Interest expenses on bonds	0	0
Commission expenses	18	18
Rental costs	18	19
Penalty for contract	42	9
Other	7	2
Total non-operating expenses	147	95
Ordinary profit	8,525	5,146
Extraordinary income	0,323	3,110
Gain on sale of non-current assets	226	0
Insurance claim income	32	335
Total extraordinary income	259	336
Extraordinary losses		330
Loss on sale of non-current assets	149	
Loss on retirement of non-current assets	53	69
Impairment losses	212	518
Loss on cancellation of leases	0	
Provision for loss on store closings	19	
Loss on disaster	547	
Total extraordinary losses	983	587
Profit before income taxes	7,800	4,894
Income taxes - current	953	560
Income taxes - deferred	1,086	1,465
Total income taxes	2,039	2,025
Profit	5,761	2,869

Non-consolidated statements of changes in equity Year ended August 31, 2022

(Millions of yen)

	Shareholders' equity							
			Capital surplus		Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	25,975	6,493	9,419	15,913	17,623	17,623		
Cumulative effects of changes in accounting policies					(1,789)	(1,789)		
Restated balance	25,975	6,493	9,419	15,913	15,834	15,834		
Changes during period								
Dividends of surplus					(1,079)	(1,079)		
Profit					5,761	5,761		
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	=	=	=	-	4,681	4,681		
Balance at end of period	25,975	6,493	9,419	15,913	20,516	20,516		

	Sharehold	ers' equity	Cli-i-i	
	Treasury shares	Total shareholders' equity	Share acquisition rights	Total net assets
Balance at beginning of period	(572)	58,940	52	58,993
Cumulative effects of changes in accounting policies		(1,789)		(1,789)
Restated balance	(572)	57,151	52	57,204
Changes during period				
Dividends of surplus		(1,079)		(1,079)
Profit		5,761		5,761
Purchase of treasury shares	(0)	(0)		(0)
Disposal of treasury shares				-
Net changes in items other than shareholders' equity			56	56
Total changes during period	(0)	4,681	56	4,737
Balance at end of period	(572)	61,833	108	61,941

Year ended August 31, 2023

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	25,975	6,493	9,419	15,913	20,516	20,516		
Cumulative effects of changes in accounting policies								
Restated balance	25,975	6,493	9,419	15,913	20,516	20,516		
Changes during period								
Dividends of surplus					(1,079)	(1,079)		
Profit					2,869	2,869		
Purchase of treasury shares								
Disposal of treasury shares			(24)	(24)				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	(24)	(24)	1,789	1,789		
Balance at end of period	25,975	6,493	9,395	15,889	22,305	22,305		

	Sharehold	ers' equity	Cl		
	Treasury shares	Total shareholders' equity	Share acquisition rights	Total net assets	
Balance at beginning of period	(572)	61,833	108	61,941	
Cumulative effects of changes in accounting policies				-	
Restated balance	(572)	61,833	108	61,941	
Changes during period					
Dividends of surplus		(1,079)		(1,079)	
Profit		2,869		2,869	
Purchase of treasury shares	(0)	(0)		(0)	
Disposal of treasury shares	63	39		39	
Net changes in items other than shareholders' equity			28	28	
Total changes during period	63	1,828	28	1,857	
Balance at end of period	(508)	63,662	137	63,799	

	Year ended August 31, 2022	Year ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,800	4,894
Depreciation	1,433	1,491
Impairment losses	212	518
Increase (decrease) in provision for bonuses	41	3
Increase (decrease) in provision for goods warranties	(147)	(96)
Increase (decrease) in provision for loss on store closings	(99)	(84)
Decrease (increase) in prepaid pension costs	(229)	(214)
Increase (decrease) in allowance for doubtful accounts	(74)	5
Interest and dividend income	(31)	(25)
Interest expenses on borrowings and bonds	60	46
Gain on sale of non-current assets	(226)	(0)
Loss on retirement of non-current assets	53	69
Decrease (increase) in trade receivables	(473)	1,921
Decrease (increase) in inventories	(1,322)	(249)
Increase (decrease) in trade payables	1,137	(3,903)
Other, net	824	(2,148)
Subtotal	8,961	2,228
Interest and dividends received	0	0
Interest paid	(58)	(44)
Income taxes paid	(1,130)	(855)
Net cash provided by (used in) operating activities	7,772	1,329
Cash flows from investing activities	,,,,_	1,027
Payments into time deposits	(1,500)	(1,300)
Proceeds from withdrawal of time deposits	(1,500)	2,800
Purchase of property, plant and equipment	(1,779)	(1,186)
Payments for retirement of property, plant and	(1,,,,)	(1,100)
equipment	(98)	(129)
Proceeds from sale of property, plant and equipment	409	0
Purchase of intangible assets	(77)	(200)
Decrease (increase) in investments and other assets	676	412
Other, net	(20)	(72)
Net cash provided by (used in) investing activities	(2,389)	324
Cash flows from financing activities	(=,= =,)	
Proceeds from long-term borrowings	_	500
Repayments of long-term borrowings	(4,625)	(4,120)
Redemption of bonds	(200)	(200)
Repayments of lease liabilities	(99)	(96)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,078)	(1,079)
Other, net	(1,070)	0
Net cash provided by (used in) financing activities	(6,003)	(4,995)
Net increase (decrease) in cash and cash equivalents	(620)	(3,341)
Cash and cash equivalents at beginning of period	18,055	17,435
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Cash and cash equivalents at end of period	17,435	14,093