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Consolidated Financial Results for the Year Ended August 31, 2023 [Japanese GAAP]

October 13, 2023

Company name: HKS CO., LTD.

Stock exchange listing: Tokyo

Code number: 7219

URL: <https://www.hks-global.com/>

Representative: Daisuke Mizuguchi

Representative Director and President

Contact: Ryuki Akaike

Managing Director

Phone: +81-544-29-1111

Scheduled date of Annual General Meeting of Shareholders: November 28, 2023

Scheduled date of commencing dividend payments: November 29, 2023

Scheduled date of filing annual securities report: November 28, 2023

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended August 31, 2023 (September 1, 2022 to August 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

| | 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 August 31, 2023 | 9,241 | 7.1 | 637 | 19.7 | 725 | 0.7 | 451 | (9.1) |
| August 31, 2022 | 8,629 | 8.3 | 532 | 43.0 | 720 | 58.1 | 496 | 40.9 |

(Note) Comprehensive income: Fiscal year ended August 31, 2023: ¥ 541 million [(13.7)%]
Fiscal year ended August 31, 2022: ¥ 627 million [56.5%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended | Yen | Yen | % | % | % |
| August 31, 2023 | 318.78 | - | 4.6 | 5.5 | 6.9 |
| August 31, 2022 | 350.65 | - | 5.4 | 5.6 | 6.2 |

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended August 31, 2023: ¥ - million
Fiscal year ended August 31, 2022: ¥ - million

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| August 31, 2023 | 13,345 | 9,990 | 74.6 | 7,040.05 |
| August 31, 2022 | 13,091 | 9,520 | 72.6 | 6,717.44 |

(Reference) Equity: As of August 31, 2023: ¥ 9,960 million
As of August 31, 2022: ¥ 9,505 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 the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| August 31, 2023 | 694 | (822) | (329) | 1,394 |
| August 31, 2022 | 658 | (946) | (166) | 1,848 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|---|------------------|-----------------|-----------------|----------|-------|-----------------|--------------------------------|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| August 31, 2022 | - | 0.00 | - | 50.00 | 50.00 | 70 | 14.3 | 0.7 |
| August 31, 2023 | - | 0.00 | - | 80.00 | 80.00 | 113 | 25.1 | 1.2 |
| Fiscal year ending August 31, 2024 (Forecast) | - | 0.00 | - | 65.00 | 65.00 | | 25.5 | |

(Note) Breakdown of the year-end dividend for the fiscal year ended August 31, 2023 :

| | |
|------------------------|-----------|
| Ordinary dividend | 50.00 yen |
| Commemorative dividend | 30.00 yen |

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2024 (September 1, 2023 to August 31, 2024)

(% indicates changes from the previous corresponding period.)

| | 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 |
| Six months ending February 29, 2024 | 4,470 | 0.2 | 125 | (46.2) | 135 | (38.5) | 88 | (40.1) | 62.19 |
| Full year | 9,400 | 1.7 | 530 | (16.9) | 540 | (25.6) | 360 | (20.2) | 254.43 |

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

| | | | |
|------------|---|----------------|---|
| New | - | (Company name: |) |
| Exclusion: | - | (Company name: |) |

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

| | |
|------------------|------------------|
| August 31, 2023: | 1,600,000 shares |
| August 31, 2022: | 1,600,000 shares |

2) Number of treasury shares at the end of the period:

| | |
|------------------|----------------|
| August 31, 2023: | 185,100 shares |
| August 31, 2022: | 185,005 shares |

3) Average number of shares outstanding during the period:

| | |
|------------------------------------|------------------|
| Fiscal Year ended August 31, 2023: | 1,414,929 shares |
| Fiscal Year ended August 31, 2022: | 1,415,042 shares |

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended August 31, 2023 (September 1, 2022 to August 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| August 31, 2023 | 7,432 | 9.1 | 466 | 28.7 | 663 | 12.7 | 431 | 1.8 |
| August 31, 2022 | 6,813 | 6.8 | 362 | 53.2 | 589 | 78.8 | 423 | 61.3 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| August 31, 2023 | 304.89 | - |
| August 31, 2022 | 299.37 | - |

(2) Non-consolidated Financial Position

| As of | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|-----------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| August 31, 2023 | 12,051 | 9,043 | 75.0 | 6,391.67 |
| August 31, 2022 | 11,802 | 8,659 | 73.4 | 6,120.14 |

(Reference) Equity: As of August 31, 2023: ¥ 9,043 million
As of August 31, 2022: ¥ 8,659 million