

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

Company name: Kisoji Co.,Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 8160 URL <https://www.kisoji.co.jp/>  
 Representative: Representative Director and President Toyonaru Uchida  
 Inquiries: Accounting Manager Akihiro Toya TEL 052-872-1811  
 Scheduled date to file Quarterly Securities Report: November 13, 2023  
 Scheduled date to commence dividend payments: November 30, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

## (1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2023	23,865	19.1	(396)	–	(380)	–	(412)	–
Six months ended September 30, 2022	20,042	35.0	(1,697)	–	(1,677)	–	(1,635)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	(14.63)	–
Six months ended September 30, 2022	(58.65)	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	46,641	26,893	57.7
As of March 31, 2023	48,412	27,331	56.5

## 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 March 31, 2023	–	8.00	–	8.00	16.00
Year ending March 31, 2024	–	8.00			
Year ending March 31, 2024 (Forecast)			–	8.00	16.00

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 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	53,000	15.4	1,600	–	1,620	–	920	–	32.67

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2023	28,543,889 shares	As of March 31, 2023	28,543,889 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	383,112 shares	As of March 31, 2023	382,119 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	28,161,430 shares	Six months ended September 30, 2022	27,883,206 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,220	14,012
Accounts receivable - trade	1,743	1,735
Merchandise and finished goods	51	41
Raw materials and supplies	1,948	2,823
Other	637	627
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>21,598</b>	<b>19,238</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	8,019	8,630
Land	6,175	6,175
Other, net	2,142	2,264
<b>Total property, plant and equipment</b>	<b>16,337</b>	<b>17,070</b>
<b>Intangible assets</b>		
Goodwill	1,831	1,740
Other	1,063	1,015
<b>Total intangible assets</b>	<b>2,894</b>	<b>2,756</b>
<b>Investments and other assets</b>		
Guarantee deposits	4,201	4,152
Other	3,409	3,453
Allowance for doubtful accounts	(28)	(30)
<b>Total investments and other assets</b>	<b>7,582</b>	<b>7,575</b>
<b>Total non-current assets</b>	<b>26,813</b>	<b>27,402</b>
<b>Total assets</b>	<b>48,412</b>	<b>46,641</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,228	1,454
Short-term borrowings	4,500	4,560
Current portion of long-term borrowings	5,360	5,253
Income taxes payable	70	206
Asset retirement obligations	22	2
Provision for bonuses	531	721
Other	4,465	3,845
Total current liabilities	16,178	16,045
Non-current liabilities		
Long-term borrowings	1,631	787
Retirement benefit liability	947	962
Asset retirement obligations	1,314	1,307
Other	1,008	644
Total non-current liabilities	4,901	3,701
Total liabilities	21,080	19,747
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,648	12,648
Capital surplus	12,467	12,467
Retained earnings	2,996	2,359
Treasury shares	(932)	(934)
Total shareholders' equity	27,180	26,540
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138	344
Remeasurements of defined benefit plans	12	8
Total accumulated other comprehensive income	151	353
Total net assets	27,331	26,893
Total liabilities and net assets	48,412	46,641

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	20,042	23,865
Cost of sales	6,557	7,726
Gross profit	13,485	16,138
Selling, general and administrative expenses	15,182	16,535
Operating loss	(1,697)	(396)
Non-operating income		
Interest income	12	12
Dividend income	20	17
Subsidy income	27	–
Other	26	18
Total non-operating income	86	48
Non-operating expenses		
Interest expenses	21	22
Loss on cancellation of rental contracts	29	3
Other	15	6
Total non-operating expenses	66	32
Ordinary loss	(1,677)	(380)
Extraordinary income		
Gain on sale of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on retirement of non-current assets	93	110
Total extraordinary losses	93	110
Loss before income taxes	(1,769)	(490)
Income taxes - current	76	59
Income taxes - deferred	(210)	(138)
Total income taxes	(134)	(78)
Loss	(1,635)	(412)
Loss attributable to owners of parent	(1,635)	(412)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Loss	(1,635)	(412)
Other comprehensive income		
Valuation difference on available-for-sale securities	36	205
Remeasurements of defined benefit plans, net of tax	(1)	(3)
Total other comprehensive income	35	201
Comprehensive income	(1,600)	(210)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,600)	(210)
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(1,769)	(490)
Depreciation	693	754
Amortization of goodwill	87	91
Increase (decrease) in provision for bonuses	73	190
Increase (decrease) in retirement benefit liability	(2)	11
Increase (decrease) in allowance for doubtful accounts	(0)	1
Interest and dividend income	(32)	(29)
Subsidy income	(27)	–
Interest expenses	21	22
Loss on cancellation of rental contracts	29	3
Loss (gain) on sale of non-current assets	(1)	(0)
Loss on retirement of non-current assets	93	110
Decrease (increase) in trade receivables	139	7
Decrease (increase) in inventories	(365)	(865)
Decrease (increase) in other current assets	(56)	(101)
Increase (decrease) in trade payables	(41)	225
Increase (decrease) in other current liabilities	(424)	(163)
Increase (decrease) in long-term accounts payable - other	(26)	(12)
Other, net	(5)	(34)
Subtotal	(1,613)	(279)
Interest and dividends received	33	31
Interest paid	(21)	(22)
Subsidies received	1,248	11
Payments for cancellation of leasehold contracts	(34)	(2)
Income taxes paid	(377)	(67)
Income taxes refund	–	124
Net cash provided by (used in) operating activities	(764)	(203)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,493)	(1,795)
Purchase of intangible assets	(13)	(38)
Proceeds from redemption of securities	–	100
Payments of guarantee deposits	(88)	(27)
Proceeds from refund of guarantee deposits	209	79
Payments for asset retirement obligations	(77)	(0)
Other, net	(45)	(71)
Net cash provided by (used in) investing activities	(1,510)	(1,754)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	4,000	4,560
Repayments of short-term borrowings	(4,000)	(4,500)
Proceeds from long-term borrowings	–	4,800
Repayments of long-term borrowings	(245)	(5,750)
Repayments of lease liabilities	(154)	(131)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,176	–
Payments for retirement by purchase of share acquisition rights	(18)	–
Dividends paid	(216)	(225)
Other, net	(0)	(2)
Net cash provided by (used in) financing activities	1,540	(1,249)
Net increase (decrease) in cash and cash equivalents	(734)	(3,208)
Cash and cash equivalents at beginning of period	17,617	17,220
Cash and cash equivalents at end of period	16,882	14,012