

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

Company name: KOHSOKU CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 7504 URL <https://www.kohsoku.com>
 Representative: Representative Director, President Yuki Terashi
 Director, Managing Executive
 Inquiries: Officer, General manager, President's office Takashi Mitamura TEL 022-259-1611
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	81,444	7.6	3,590	3.7	3,827	4.8	2,585	4.9
Nine months ended December 31, 2022	75,673	7.5	3,463	6.1	3,652	6.5	2,466	5.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	133.83	–
Nine months ended December 31, 2022	127.69	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	63,597	36,205	56.9
As of March 31, 2023	55,900	34,267	61.3

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	–	23.00	–	23.00	46.00
Year ending March 31, 2024	–	24.00	–		
Year ending March 31, 2024 (Forecast)				24.00	48.00

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	103,000	4.2	4,150	3.5	4,400	3.8	3,080	3.4	159.48

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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 December 31, 2023	20,990,920 shares	As of March 31, 2023	20,973,920 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	1,661,743 shares	As of March 31, 2023	1,661,702 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	19,320,681 shares	Nine months ended December 31, 2022	19,312,259 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	8,708,501	8,580,127
Notes and accounts receivable - trade, and contract assets	15,899,857	21,167,718
Merchandise and finished goods	5,463,274	7,149,416
Work in process	93,977	108,548
Raw materials and supplies	170,335	191,673
Other	436,827	847,880
Allowance for doubtful accounts	(32,080)	(21,733)
Total current assets	30,740,693	38,023,630
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,147,894	5,429,696
Land	11,228,408	11,393,313
Other, net	1,673,766	1,588,688
Total property, plant and equipment	18,050,070	18,411,698
Intangible assets		
Other	743,734	650,192
Total intangible assets	743,734	650,192
Investments and other assets		
Investment securities	4,974,164	5,179,369
Long-term loans receivable	178,738	203,104
Investment property, net	278,183	275,058
Deferred tax assets	727,171	654,339
Other	219,987	258,315
Allowance for doubtful accounts	(12,367)	(58,297)
Total investments and other assets	6,365,878	6,511,889
Total non-current assets	25,159,683	25,573,780
Total assets	55,900,377	63,597,411

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,623,799	12,474,345
Electronically recorded obligations - operating	7,451,590	10,144,946
Income taxes payable	816,725	590,159
Provision for bonuses	1,186,461	611,074
Other	1,999,125	2,069,744
Total current liabilities	20,077,702	25,890,269
Non-current liabilities		
Long-term accounts payable - other	18,020	10,810
Lease liabilities	214,585	163,527
Deferred tax liabilities	446,195	471,110
Retirement benefit liability	815,410	791,831
Other	61,322	64,810
Total non-current liabilities	1,555,534	1,502,088
Total liabilities	21,633,236	27,392,358
Net assets		
Shareholders' equity		
Share capital	1,690,450	1,724,518
Capital surplus	1,858,290	1,858,290
Retained earnings	31,858,339	33,535,968
Treasury shares	(1,355,567)	(1,355,654)
Total shareholders' equity	34,051,511	35,763,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	319,506	536,337
Remeasurements of defined benefit plans	(103,877)	(94,406)
Total accumulated other comprehensive income	215,629	441,930
Total net assets	34,267,140	36,205,052
Total liabilities and net assets	55,900,377	63,597,411

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	75,673,409	81,444,548
Cost of sales	60,564,085	65,594,670
Gross profit	15,109,323	15,849,877
Selling, general and administrative expenses		
Freight and packing costs	1,861,882	2,028,611
Salaries and allowances	4,487,432	4,499,637
Provision for bonuses	658,922	558,802
Retirement benefit expenses	114,178	132,873
Other	4,522,929	5,039,078
Total selling, general and administrative expenses	11,645,344	12,259,004
Operating profit	3,463,978	3,590,873
Non-operating income		
Interest income	35,551	47,495
Dividend income	30,076	35,220
Purchase discounts	89,613	95,916
Rental income	37,778	32,506
Other	24,853	44,979
Total non-operating income	217,874	256,118
Non-operating expenses		
Rental costs	10,908	12,327
Other	18,209	7,218
Total non-operating expenses	29,118	19,546
Ordinary profit	3,652,734	3,827,445
Extraordinary income		
Insurance claim income	12,791	24,482
Total extraordinary income	12,791	24,482
Extraordinary losses		
Loss on disaster	14,014	22,722
Total extraordinary losses	14,014	22,722
Profit before income taxes	3,651,511	3,829,206
Income taxes	1,185,461	1,243,496
Profit	2,466,050	2,585,710
Profit attributable to owners of parent	2,466,050	2,585,710

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	2,466,050	2,585,710
Other comprehensive income		
Valuation difference on available-for-sale securities	2,549	216,830
Remeasurements of defined benefit plans, net of tax	7,708	9,471
Total other comprehensive income	10,258	226,301
Comprehensive income	2,476,308	2,812,012
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,476,308	2,812,012