

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



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

February 9, 2024

Company name: Kinjiro Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Code number: 4013  
 URL: <https://www.kinjiro-e.com>  
 Representative: Kozo Kamura President  
 Contact: Takeshi Machata Executive Officer  
 Phone: +81-52-485-9300  
 Scheduled date of Annual General Meeting of Shareholders: March 22, 2024  
 Scheduled date of commencing dividend payments: March 25, 2024  
 Scheduled date of filing annual securities report: March 25, 2024  
 Availability of supplementary briefing material on annual financial results: Yes  
 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 December 31, 2023 (January 1, 2023 to December 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 December 31, 2023	3,923	10.5	572	28.8	563	28.9	370	21.5
December 31, 2022	3,551	6.8	444	69.8	437	79.0	304	87.0

(Note) Comprehensive income: Fiscal year ended December 31, 2023: ¥ 357 million [ 15.8%]  
 Fiscal year ended December 31, 2022: ¥ 308 million [ 86.0%]

	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
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	38.00	-	4.2	4.4	14.6
December 31, 2022	30.80	-	3.5	3.9	12.5

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

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	12,787	8,995	70.4	921.91
December 31, 2022	12,653	8,755	69.2	900.92

(Reference) Equity: As of December 31, 2023: ¥ 8,995 million  
 As of December 31, 2022: ¥ 8,755 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2023	1,466	(1,009)	(441)	4,469
December 31, 2022	410	(5,726)	2,250	4,454

## 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	%	%
December 31, 2022	-	0.00	-	17.00	17.00	168	55.2	1.9
December 31, 2023	-	0.00	-	17.00	17.00	168	44.7	1.9
Fiscal year ending December 31, 2024 (Forecast)	-	0.00	-	17.00	17.00		-	

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

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 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 June 30, 2024	2,029	3.0	188	(37.0)	188	(36.4)	120	(36.6)	12.53
Full year	4,300	9.6	573	0.3	571	1.4	374	1.3	38.40

\* 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):

December 31, 2023:	10,420,000 shares
December 31, 2022:	10,420,000 shares

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

December 31, 2023:	662,205 shares
December 31, 2022:	701,953 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2023:	9,738,130 shares
Fiscal Year ended December 31, 2022:	9,892,479 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 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	%
December 31, 2023	3,923	10.5	599	31.6	596	30.6	401	23.7
December 31, 2022	3,551	6.8	455	89.4	457	100.7	324	121.5

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	41.20	-
December 31, 2022	32.79	-

(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
December 31, 2023	12,830	9,024	70.3	924.82
December 31, 2022	12,676	8,753	69.1	900.79

(Reference) Equity: As of December 31, 2023: ¥ 9,024 million  
As of December 31, 2022: ¥ 8,753 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,574,674	4,469,211
Notes and accounts receivable - trade	694,352	701,472
Inventories	74,023	66,829
Other	328,699	97,118
Allowance for doubtful accounts	(2,453)	(967)
Total current assets	5,669,296	5,333,663
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,402,362	3,395,446
Accumulated depreciation	(162,463)	(278,079)
Buildings and structures, net	3,239,899	3,117,366
Machinery, equipment and vehicles	21,443	19,799
Accumulated depreciation	(17,952)	(17,470)
Machinery, equipment and vehicles, net	3,491	2,328
Tools, furniture and fixtures	640,382	965,390
Accumulated depreciation	(445,754)	(526,734)
Tools, furniture and fixtures, net	194,628	438,656
Land	2,377,534	2,384,084
Total property, plant and equipment	5,815,552	5,942,436
Intangible assets		
Software	411,682	990,928
Software in progress	315,556	79,192
Other	10,069	9,619
Total intangible assets	737,307	1,079,739
Investments and other assets		
Investment securities	67,766	47,892
Deferred tax assets	78,958	90,240
Leasehold and guarantee deposits	169,564	175,367
Other	115,883	119,112
Allowance for doubtful accounts	(1,220)	(1,220)
Total investments and other assets	430,952	431,392
Total non-current assets	6,983,813	7,453,568
Total assets	12,653,110	12,787,232

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	72,677	48,756
Current portion of long-term borrowings	269,592	269,592
Accounts payable - other	116,184	137,263
Income taxes payable	155,152	151,200
Provision for bonuses	-	4,823
Asset retirement obligations	49,000	-
Unearned revenue	228,429	240,209
Other	185,586	402,965
Total current liabilities	1,076,622	1,254,810
Non-current liabilities		
Long-term borrowings	2,530,251	2,215,389
Retirement benefit liability	130,411	138,193
Asset retirement obligations	13,056	47,809
Other	147,583	135,197
Total non-current liabilities	2,821,301	2,536,589
Total liabilities	3,897,923	3,791,400
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,099,300	4,099,300
Capital surplus	4,056,450	4,056,450
Retained earnings	1,819,608	2,018,322
Treasury shares	(1,230,064)	(1,175,900)
Total shareholders' equity	8,745,294	8,998,172
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,345)	(20,135)
Foreign currency translation adjustment	16,237	17,795
Total accumulated other comprehensive income	9,892	(2,340)
Total net assets	8,755,186	8,995,832
<b>Total liabilities and net assets</b>	<b>12,653,110</b>	<b>12,787,232</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	3,551,547	3,923,340
Cost of sales	1,136,456	1,431,552
Gross profit	2,415,090	2,491,787
Selling, general and administrative expenses	1,970,719	1,919,622
Operating profit	444,370	572,165
Non-operating income		
Interest income	94	86
Dividend income	-	1,303
Guarantee commission income	2,233	8,123
Surrender value of insurance policies	1,906	3,016
Other	194	1,025
Total non-operating income	4,429	13,555
Non-operating expenses		
Interest expenses	318	12,527
Foreign exchange losses	9,062	6,192
Commission expenses	-	2,250
Nondeductible consumption tax	2,223	-
Other	83	1,106
Total non-operating expenses	11,687	22,076
Ordinary profit	437,112	563,644
Profit before income taxes	437,112	563,644
Income taxes - current	153,651	198,776
Income taxes - deferred	(21,194)	(5,198)
Total income taxes	132,456	193,577
Profit	304,655	370,067
Profit attributable to owners of parent	304,655	370,067

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	304,655	370,067
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,345)	(13,790)
Foreign currency translation adjustment	10,572	1,557
Total other comprehensive income	4,227	(12,232)
Comprehensive income	308,882	357,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	308,882	357,834

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,099,300	4,056,450	1,692,758	(999,946)	8,848,561
Changes during period					
Dividends of surplus			(168,342)		(168,342)
Profit attributable to owners of parent			304,655		304,655
Purchase of treasury shares				(248,227)	(248,227)
Disposal of treasury shares				1,788	1,788
Restricted stock payment			(9,462)	16,321	6,858
Net changes in items other than shareholders' equity					
Total changes during period	-	-	126,849	(230,117)	(103,267)
Balance at end of period	4,099,300	4,056,450	1,819,608	(1,230,064)	8,745,294

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	-	5,664	5,664	8,854,226
Changes during period				
Dividends of surplus				(168,342)
Profit attributable to owners of parent				304,655
Purchase of treasury shares				(248,227)
Disposal of treasury shares				1,788
Restricted stock payment				6,858
Net changes in items other than shareholders' equity	(6,345)	10,572	4,227	4,227
Total changes during period	(6,345)	10,572	4,227	(99,040)
Balance at end of period	(6,345)	16,237	9,892	8,755,186



For the fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,099,300	4,056,450	1,819,608	(1,230,064)	8,745,294
Changes during period					
Dividends of surplus			(168,486)		(168,486)
Profit attributable to owners of parent			370,067		370,067
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares				44,203	44,203
Restricted stock payment			(2,866)	9,993	7,127
Net changes in items other than shareholders' equity					
Total changes during period	-	-	198,714	54,164	252,878
Balance at end of period	4,099,300	4,056,450	2,018,322	(1,175,900)	8,998,172

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(6,345)	16,237	9,892	8,755,186
Changes during period				
Dividends of surplus				(168,486)
Profit attributable to owners of parent				370,067
Purchase of treasury shares				(32)
Disposal of treasury shares				44,203
Restricted stock payment				7,127
Net changes in items other than shareholders' equity	(13,790)	1,557	(12,232)	(12,232)
Total changes during period	(13,790)	1,557	(12,232)	240,645
Balance at end of period	(20,135)	17,795	(2,340)	8,995,832

## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	437,112	563,644
Depreciation	349,628	636,280
Increase (decrease) in allowance for doubtful accounts	2,449	(1,485)
Interest and dividend income	(94)	(1,390)
Interest expenses	318	12,527
Decrease (increase) in trade receivables	(112,429)	(7,404)
Decrease (increase) in inventories	(26,780)	7,024
Increase (decrease) in trade payables	9,814	(24,156)
Increase (decrease) in provision for bonuses	-	5,077
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(44,186)	-
Increase (decrease) in retirement benefit liability	9,732	7,782
Increase (decrease) in unearned revenue	6,638	2,844
Increase (decrease) in accounts payable - other, and accrued expenses	94,870	(33,689)
Decrease (increase) in consumption taxes refund receivable	(213,661)	245,024
Increase (decrease) in accrued consumption taxes	(19,626)	225,883
Other, net	(35,292)	41,676
Subtotal	458,492	1,679,639
Interest and dividends received	94	1,390
Interest paid	(1,412)	(14,872)
Income taxes paid	(71,170)	(200,585)
Income taxes refund	24,373	1,122
Net cash provided by (used in) operating activities	410,377	1,466,694
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,258,277)	(382,478)
Purchase of intangible assets	(460,302)	(687,906)
Purchase of investment securities	(76,910)	-
Decrease (increase) in time deposits	(21,300)	120,109
Payments of leasehold and guarantee deposits	(3,118)	(118,690)
Proceeds from refund of leasehold and guarantee deposits	17,545	112,972
Payments for asset retirement obligations	(10,300)	(49,000)
Guarantee deposits received	65,004	-
Other, net	21,188	(4,177)
Net cash provided by (used in) investing activities	(5,726,471)	(1,009,170)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(40,000)	-
Proceeds from long-term borrowings	2,750,000	-
Repayments of long-term borrowings	(44,608)	(314,862)
Proceeds from sale of treasury shares	1,657	41,792
Purchase of treasury shares	(248,227)	(32)
Dividends paid	(168,342)	(168,486)
Net cash provided by (used in) financing activities	2,250,479	(441,588)
Effect of exchange rate change on cash and cash equivalents	(8,471)	(1,288)
Net increase (decrease) in cash and cash equivalents	(3,074,085)	14,647
Cash and cash equivalents at beginning of period	7,528,650	4,454,564
Cash and cash equivalents at end of period	4,454,564	4,469,211