

Translation

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

February 13, 2024

Company name: GREENS CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6547 URL <https://www.kk-greens.jp/>
 Representative: President & Representative Director Muraki Takeya
 Director and General Manager
 Inquiries: Administration Div. Hiroya Ito TEL 059(351)5593
 Scheduled date to file Quarterly Securities Report: February 13, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2023 (from July 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 | % |
| Six months ended December 31, 2023 | 20,717 | 14.0 | 3,499 | 57.4 | 3,400 | 53.6 | 3,367 | 75.7 |
| Six months ended December 31, 2022 | 18,174 | 56.7 | 2,223 | – | 2,214 | – | 1,916 | – |

| | Earnings per share | Diluted earnings per share |
|------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Six months ended December 31, 2023 | 238.16 | – |
| Six months ended December 31, 2022 | 148.85 | 138.20 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2023 | 26,486 | 8,369 | 31.6 |
| As of June 30, 2023 | 23,786 | 5,367 | 22.6 |

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 June 30, 2023 | – | 0.00 | – | 9.00 | 9.00 |
| Year ending June 30, 2024 | – | 0.00 | | | |
| Year ending June 30, 2024 (Forecast) | | | – | 20.00 | 20.00 |

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 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 | 39,300 | 7.9 | 4,700 | 27.1 | 4,400 | 26.0 | 4,400 | 5.0 | 302.56 |

4. Notes

- (1) Changes in significant subsidiaries during the six 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 | 13,878,263 shares | As of June 30, 2023 | 12,886,200 shares |
|-------------------------|-------------------|---------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|--------------|---------------------|--------------|
| As of December 31, 2023 | 9,843 shares | As of June 30, 2023 | 9,742 shares |
|-------------------------|--------------|---------------------|--------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Six months ended December 31, 2023 | 13,631,249 shares | Six months ended December 31, 2022 | 12,876,458 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of June 30, 2023 | As of December 31, 2023 |
|-------------------------------------|---------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 6,727 | 8,701 |
| Accounts receivable - trade | 2,146 | 2,873 |
| Raw materials and supplies | 116 | 148 |
| Prepaid expenses | 961 | 1,011 |
| Other | 40 | 42 |
| Allowance for doubtful accounts | (0) | (1) |
| Total current assets | 9,992 | 12,776 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,432 | 4,324 |
| Tools, furniture and fixtures, net | 403 | 382 |
| Land | 1,828 | 1,828 |
| Leased assets, net | 139 | 114 |
| Construction in progress | 2 | 15 |
| Total property, plant and equipment | 6,806 | 6,665 |
| Intangible assets | 109 | 98 |
| Investments and other assets | | |
| Investment securities | 76 | 93 |
| Long-term loans receivable | 8 | 3 |
| Guarantee deposits | 5,638 | 5,651 |
| Other | 1,189 | 1,226 |
| Allowance for doubtful accounts | (33) | (29) |
| Total investments and other assets | 6,879 | 6,946 |
| Total non-current assets | 13,794 | 13,709 |
| Total assets | 23,786 | 26,486 |

(Millions of yen)

| | As of June 30, 2023 | As of December 31, 2023 |
|---|---------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,088 | 1,241 |
| Short-term borrowings | 2,600 | 2,600 |
| Current portion of long-term borrowings | 821 | 818 |
| Accounts payable - other | 1,338 | 1,147 |
| Accrued expenses | 708 | 791 |
| Income taxes payable | 64 | 31 |
| Accrued consumption taxes | 523 | 536 |
| Other | 321 | 429 |
| Total current liabilities | 7,467 | 7,597 |
| Non-current liabilities | | |
| Long-term borrowings | 10,227 | 9,815 |
| Asset retirement obligations | 549 | 558 |
| Other | 175 | 145 |
| Total non-current liabilities | 10,951 | 10,518 |
| Total liabilities | 18,419 | 18,116 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 100 | 100 |
| Capital surplus | 3,251 | 3,251 |
| Retained earnings | 2,021 | 5,012 |
| Treasury shares | (8) | (9) |
| Total shareholders' equity | 5,363 | 8,355 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3 | 14 |
| Total accumulated other comprehensive income | 3 | 14 |
| Total net assets | 5,367 | 8,369 |
| Total liabilities and net assets | 23,786 | 26,486 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Six months ended December 31, 2022 | Six months ended December 31, 2023 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 18,174 | 20,717 |
| Cost of sales | 13,065 | 13,228 |
| Gross profit | 5,108 | 7,488 |
| Selling, general and administrative expenses | 2,885 | 3,989 |
| Operating profit | 2,223 | 3,499 |
| Non-operating income | | |
| Penalty income | 18 | 24 |
| Subsidy income | 32 | 6 |
| Other | 17 | 12 |
| Total non-operating income | 68 | 44 |
| Non-operating expenses | | |
| Interest expenses | 46 | 141 |
| Compensation expenses | 29 | – |
| Other | 0 | 0 |
| Total non-operating expenses | 76 | 142 |
| Ordinary profit | 2,214 | 3,400 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 0 |
| Total extraordinary income | – | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 26 | 1 |
| Dismantling and removal cost | 239 | – |
| Total extraordinary losses | 266 | 1 |
| Profit before income taxes | 1,948 | 3,399 |
| Income taxes | 31 | 31 |
| Profit | 1,916 | 3,367 |
| Profit attributable to owners of parent | 1,916 | 3,367 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended December 31, 2022 | Six months ended December 31, 2023 |
|---|---------------------------------------|---------------------------------------|
| Profit | 1,916 | 3,367 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5 | 10 |
| Total other comprehensive income | 5 | 10 |
| Comprehensive income | 1,922 | 3,377 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,922 | 3,377 |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended December 31, 2022 | Six months ended December 31, 2023 |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,948 | 3,399 |
| Depreciation | 252 | 254 |
| Gain on sale of non-current assets | – | (0) |
| Loss on retirement of non-current assets | 26 | 1 |
| Interest and dividend income | (0) | (1) |
| Interest expenses | 46 | 141 |
| Borrowing fees | 0 | – |
| Decrease (increase) in trade receivables | (784) | (727) |
| Decrease (increase) in inventories | (27) | (32) |
| Increase (decrease) in trade payables | 197 | 153 |
| Increase (decrease) in accrued consumption taxes | (208) | 12 |
| Increase (decrease) in accounts payable - other | 443 | (116) |
| Increase (decrease) in accrued expenses | 183 | 81 |
| Increase (decrease) in advances received | 101 | 78 |
| Other, net | 79 | 2 |
| Subtotal | 2,258 | 3,246 |
| Interest and dividends received | 0 | 1 |
| Interest paid | (45) | (139) |
| Income taxes refund (paid) | (64) | (63) |
| Net cash provided by (used in) operating activities | 2,149 | 3,044 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (389) | (151) |
| Proceeds from sale of property, plant and equipment | – | 1 |
| Purchase of intangible assets | (2) | (14) |
| Purchase of investment securities | (1) | (1) |
| Payments of guarantee deposits | (14) | (31) |
| Proceeds from refund of guarantee deposits | 19 | 16 |
| Purchase of long-term prepaid expenses | – | (55) |
| Net cash provided by (used in) investing activities | (388) | (236) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (4,000) | – |
| Proceeds from long-term borrowings | 849 | – |
| Repayments of long-term borrowings | (365) | (415) |
| Dividends paid | (182) | (376) |
| Payments of borrowing fee | (0) | – |
| Purchase of treasury shares | – | (0) |
| Repayments of finance lease liabilities | (49) | (42) |
| Net cash provided by (used in) financing activities | (3,749) | (835) |
| Effect of exchange rate change on cash and cash equivalents | (0) | (0) |
| Net increase (decrease) in cash and cash equivalents | (1,989) | 1,973 |
| Cash and cash equivalents at beginning of period | 10,015 | 6,727 |
| Cash and cash equivalents at end of period | 8,026 | 8,701 |