

Translation

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**Summary of Non-Consolidated Financial Results
for the Year Ended December 31, 2023
(Based on Japanese GAAP)**

February 13, 2024

Company name: Toyokumo, Inc.
 Stock exchange listing: Tokyo
 Stock code: 4058 URL <https://toyokumo.co.jp/>
 Representative: President CEO Yuji Yamamoto
 Inquiries: Director General Manager CFO Kazuhiko Ishii TEL 050(3816)6668
 Scheduled date of ordinary general meeting of shareholders: March 27, 2024
 Scheduled date to file Securities Report: March 27, 2024
 Scheduled date to commence dividend payments: March 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2023	2,434	25.7	875	36.9	875	37.0	631	47.9
Year ended December 31, 2022	1,937	—	639	52.8	638	51.5	427	48.9

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2023	59.61	58.09	32.6	29.4	35.9
Year ended December 31, 2022	42.19	39.01	27.6	26.5	33.0

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	3,345	2,240	67.0	206.18
As of December 31, 2022	2,610	1,634	62.6	163.09

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2023	770	(87)	(40)	2,938
Year ended December 31, 2022	650	(4)	(250)	2,296

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2022	—	0.00	—	7.00	7.00	70	16.6	4.6
Year ended December 31, 2023	—	0.00	—	10.00	10.00	108	16.8	5.4
Year ending December 31, 2024 (Forecast)	—	0.00	—	14.00	14.00		22.1	

3. Forecast of non-consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,940	20.8	1,000	14.3	1,000	14.3	690	9.3	63.48

4. Notes

(1) 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

(2) 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	10,996,000 shares	As of December 31, 2022	10,162,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	127,028 shares	As of December 31, 2022	137,110 shares
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Average number of shares during the period

Year ended December 31, 2023	10,592,217 shares	Year ended December 31, 2022	10,122,120 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,296,011	2,938,614
Accounts receivable - trade	44,675	57,358
Prepaid expenses	78,918	81,671
Other	—	1,471
Allowance for doubtful accounts	(1,889)	(503)
Total current assets	2,417,715	3,078,613
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	51,583	51,583
Accumulated depreciation	(4,305)	(7,534)
Facilities attached to buildings, net	47,278	44,048
Tools, furniture and fixtures	37,088	36,897
Accumulated depreciation	(16,985)	(20,996)
Tools, furniture and fixtures, net	20,103	15,901
Total property, plant and equipment	67,381	59,950
Intangible assets		
Trademark right	162	138
Total intangible assets	162	138
Investments and other assets		
Shares of subsidiaries and associates	—	85,000
Leasehold deposits	102,642	96,422
Deferred tax assets	22,394	25,847
Total investments and other assets	125,036	207,269
Total non-current assets	192,580	267,359
Total assets	2,610,296	3,345,972

(Thousands of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	23,762	27,430
Accounts payable - other, and accrued expenses	164,452	118,354
Income taxes payable	147,175	153,591
Accrued consumption taxes	52,927	55,955
Deposits received	25,228	28,271
Contract liabilities	561,230	721,147
Other	579	279
Total current liabilities	975,355	1,105,030
Total liabilities	975,355	1,105,030
Net assets		
Shareholders' equity		
Share capital	380,025	394,620
Capital surplus		
Legal capital surplus	350,025	364,620
Other capital surplus	—	866
Total capital surplus	350,025	365,486
Retained earnings		
Other retained earnings		
Retained earnings brought forward	1,104,561	1,665,835
Total retained earnings	1,104,561	1,665,835
Treasury shares	(199,670)	(185,000)
Total shareholders' equity	1,634,940	2,240,942
Total net assets	1,634,940	2,240,942
Total liabilities and net assets	2,610,296	3,345,972

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	1,937,067	2,434,152
Cost of sales	59,580	58,778
Gross profit	1,877,487	2,375,374
Selling, general and administrative expenses	1,238,156	1,500,333
Operating profit	639,331	875,040
Non-operating income		
Interest income	16	19
Commission income	—	200
Total non-operating income	16	219
Non-operating expenses		
Commission for purchase of treasury shares	598	—
Share issuance costs	—	188
Total non-operating expenses	598	188
Ordinary profit	638,749	875,072
Profit before income taxes	638,749	875,072
Income taxes - current	213,041	247,077
Income taxes - deferred	(1,329)	(3,453)
Total income taxes	211,711	243,623
Profit	427,037	631,448

Non-consolidated statements of changes in equity

Fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	380,025	350,025	350,025	728,333	728,333	(130)	1,458,252	1,458,252
Changes during period								
Dividends of surplus	–	–	–	(50,809)	(50,809)	–	(50,809)	(50,809)
Profit	–	–	–	427,037	427,037	–	427,037	427,037
Purchase of treasury shares	–	–	–	–	–	(199,540)	(199,540)	(199,540)
Total changes during period	–	–	–	376,228	376,228	(199,540)	176,687	176,687
Balance at end of period	380,025	350,025	350,025	1,104,561	1,104,561	(199,670)	1,634,940	1,634,940

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity							Total net assets	
	Share capital	Capital surplus			Retained earnings		Treasury shares		Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
					Retained earnings brought forward				
Balance at beginning of period	380,025	350,025	–	350,025	1,104,561	1,104,561	(199,670)	1,634,940	1,634,940
Changes during period									
Issuance of new shares - exercise of share acquisition rights	14,595	14,595	–	14,595	–	–	–	29,190	29,190
Dividends of surplus	–	–	–	–	(70,174)	(70,174)	–	(70,174)	(70,174)
Profit	–	–	–	–	631,448	631,448	–	631,448	631,448
Purchase of treasury shares	–	–	–	–	–	–	(58)	(58)	(58)
Disposal of treasury shares	–	–	866	866	–	–	14,728	15,595	15,595
Total changes during period	14,595	14,595	866	15,461	561,274	561,274	14,670	606,001	606,001
Balance at end of period	394,620	364,620	866	365,486	1,665,835	1,665,835	(185,000)	2,240,942	2,240,942

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	638,749	875,072
Depreciation	11,196	9,865
Depreciation and amortization on other	6,219	6,219
Increase (decrease) in allowance for doubtful accounts	668	(1,386)
Share-based payment expenses	–	11,696
Interest income	(16)	(19)
Expenses for treasury stocks	598	–
Decrease (increase) in trade receivables	(15,400)	(12,683)
Increase (decrease) in trade payables	1,904	3,667
Increase (decrease) in contract liabilities	114,532	159,916
Increase (decrease) in accounts payable - other, and accrued expenses	45,903	(46,098)
Increase (decrease) in accrued consumption taxes	16,025	3,027
Decrease (increase) in other assets	(7,425)	(325)
Increase (decrease) in other liabilities	18,508	3,384
Subtotal	831,464	1,012,338
Interest received	16	19
Income taxes paid	(181,342)	(241,451)
Net cash provided by (used in) operating activities	650,139	770,906
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,662)	(2,410)
Purchase of shares of subsidiaries and associates	–	(85,000)
Net cash provided by (used in) investing activities	(4,662)	(87,410)
Cash flows from financing activities		
Dividends paid	(50,680)	(70,023)
Purchase of treasury shares	(200,138)	(58)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	29,190
Net cash provided by (used in) financing activities	(250,819)	(40,892)
Net increase (decrease) in cash and cash equivalents	394,657	642,603
Cash and cash equivalents at beginning of period	1,901,353	2,296,011
Cash and cash equivalents at end of period	2,296,011	2,938,614