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Consolidated Financial Results for the Six Months Ended June 30, 2021 [Japanese GAAP]

August 11, 2021

Company name: Kinjiro Co.,Ltd.
Stock exchange listing: Tokyo
Code number: 4013
URL: https://www.kinjiro-e.com
Representative: Minoru Kamura President
Contact: Shinichi Tanaka Executive Officer
Phone: 052-249-9200

Scheduled date of filing quarterly securities report: August 11, 2021
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended June 30, 2021 (January 01, 2021 to June 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2021	1,710	(3.1)	179	(48.0)	180	(47.9)	118	(47.8)
June 30, 2020	1,765	-	345	-	346	-	227	-

(Note) Comprehensive income: Six months ended June 30, 2021: ¥ 120 million [(46.9)%]
Six months ended June 30, 2020: ¥ 227 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2021	11.41	-
June 30, 2020	30.29	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2021	10,641	9,703	91.2
December 31, 2020	10,984	9,896	90.1

(Reference) Equity: As of June 30, 2021: ¥ 9,703 million
As of December 31, 2020: ¥ 9,896 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	-	0.00	-	20.00	20.00
Fiscal year ending December 31, 2021	-	0.00			
Fiscal year ending December 31, 2021 (Forecast)			-	17.00	17.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending December 31, 2021 :

Commemorative dividend 10.00 yen

Special dividend 10.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021(January 01, 2021 to December 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,800	10.7	606	7.8	600	17.3	420	27.5	40.31

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2021 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

(4) Total number of issued shares (common shares)

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

June 30, 2021: 10,420,000 shares

December 31, 2020: 10,420,000 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 47,700 shares

December 31, 2020: - shares

3) Average number of shares during the period:

Six months ended June 30, 2021: 10,416,286 shares

Six months ended June 30, 2020: 7,514,230 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2020	As of June 30,2021
Assets		
Current assets		
Cash and deposits	9,234,228	8,162,385
Notes and accounts receivable - trade	587,143	604,652
Inventories	67,688	47,805
Other	56,484	462,945
Allowance for doubtful accounts	-	(3)
Total current assets	9,945,545	9,277,784
Non-current assets		
Property, plant and equipment	372,739	622,859
Intangible assets		
Software	118,970	63,474
Software in progress	261,938	376,011
Other	1,856	10,744
Total intangible assets	382,766	450,230
Investments and other assets		
Other	284,482	291,563
Allowance for doubtful accounts	(1,220)	(1,220)
Total investments and other assets	283,262	290,343
Total non-current assets	1,038,768	1,363,433
Total assets	10,984,313	10,641,217
Liabilities		
Current liabilities		
Notes and accounts payable - trade	71,397	61,035
Current portion of long-term borrowings	44,592	44,592
Income taxes payable	181,915	94,030
Unearned revenue	224,721	246,075
Other	282,337	239,596
Total current liabilities	804,964	685,329
Non-current liabilities		
Long-term borrowings	94,451	72,155
Provision for retirement benefits for directors (and other officers)	50,976	40,630
Retirement benefit liability	120,408	122,302
Asset retirement obligations	17,036	17,155
Total non-current liabilities	282,872	252,242
Total liabilities	1,087,836	937,572
Net assets		
Shareholders' equity		
Share capital	4,099,300	4,099,300
Capital surplus	4,056,450	4,056,450
Retained earnings	1,738,240	1,648,710
Treasury shares	-	(105,030)
Total shareholders' equity	9,893,990	9,699,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	(16)
Foreign currency translation adjustment	2,521	4,231
Total accumulated other comprehensive income	2,486	4,215
Total net assets	9,896,477	9,703,645
Total liabilities and net assets	10,984,313	10,641,217

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Net sales	1,765,948	1,710,449
Cost of sales	577,882	655,663
Gross profit	1,188,066	1,054,786
Selling, general and administrative expenses	842,788	875,404
Operating profit	345,277	179,382
Non-operating income		
Interest income	45	48
Foreign exchange gains	-	1,223
Surrender value of insurance policies	1,432	603
Other	69	33
Total non-operating income	1,547	1,909
Non-operating expenses		
Interest expenses	159	143
Foreign exchange losses	468	-
Commission expenses	-	840
Other	60	59
Total non-operating expenses	688	1,043
Ordinary profit	346,136	180,248
Profit before income taxes	346,136	180,248
Income taxes	118,512	61,378
Profit	227,623	118,870
Profit attributable to owners of parent	227,623	118,870

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Profit	227,623	118,870
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	18
Foreign currency translation adjustment	(328)	1,710
Total other comprehensive income	(366)	1,729
Comprehensive income	227,256	120,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	227,256	120,599

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Cash flows from operating activities		
Profit before income taxes	346,136	180,248
Depreciation	101,865	90,075
Increase (decrease) in allowance for doubtful accounts	(9)	3
Interest and dividend income	(45)	(48)
Interest expenses	159	143
Decrease (increase) in trade receivables	(33,353)	(18,541)
Decrease (increase) in inventories	18,839	19,792
Increase (decrease) in trade payables	1,366	(9,663)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1,704	(10,346)
Increase (decrease) in retirement benefit liability	10,656	1,894
Increase (decrease) in unearned revenue	16,147	21,353
Increase (decrease) in accounts payable - other, and accrued expenses	18,760	(6,227)
Increase (decrease) in accrued consumption taxes	(3,135)	(65,533)
Other, net	(9,349)	(20,291)
Subtotal	469,741	182,857
Interest and dividends received	45	48
Interest paid	(158)	(142)
Income taxes paid	(68,497)	(116,502)
Net cash provided by (used in) operating activities	401,131	66,260
Cash flows from investing activities		
Purchase of property, plant and equipment	(92,883)	(272,612)
Purchase of intangible assets	(63,498)	(124,370)
Decrease (increase) in time deposits	(16,804)	(10,800)
Payments of leasehold and guarantee deposits	(16,219)	(4,832)
Other, net	684	(3,722)
Net cash provided by (used in) investing activities	(188,721)	(416,338)
Cash flows from financing activities		
Proceeds from long-term borrowings	48,000	-
Repayments of long-term borrowings	(50,648)	(22,296)
Proceeds from issuance of shares	66,800	-
Purchase of treasury shares	-	(105,030)
Decrease (increase) in deposits for purchase of treasury shares	-	(394,045)
Dividends paid	(21,435)	(208,400)
Net cash provided by (used in) financing activities	42,717	(729,771)
Effect of exchange rate change on cash and cash equivalents	756	(2,793)
Net increase (decrease) in cash and cash equivalents	255,883	(1,082,643)
Cash and cash equivalents at beginning of period	626,463	9,153,419
Cash and cash equivalents at end of period	882,346	8,070,775