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Consolidated Financial Results for the Year Ended December 31, 2022 [Japanese GAAP]

February 09, 2023

Company name: Kinjiro Co.,Ltd.
Stock exchange listing: Tokyo
Code number: 4013
URL: https://www.kinjiro-e.com
Representative: Kozo Kamura President
Contact: Shinichi Tanaka Executive Officer
Phone: 052-485-9300

Scheduled date of Annual General Meeting of Shareholders: March 24, 2023
Scheduled date of commencing dividend payments: March 27, 2023
Scheduled date of filing annual securities report: March 27, 2023
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 01, 2022 to December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	3,551	6.8	444	69.8	437	79.0	304	87.0
December 31, 2021	3,324	(3.2)	261	(53.5)	244	(52.2)	162	(50.5)

(Note) Comprehensive income: Fiscal year ended December 31, 2022: ¥ 308 million [86.0%]
Fiscal year ended December 31, 2021: ¥ 166 million [(49.5)%]

	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
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2022	30.80	-	3.5	3.9	12.5
December 31, 2021	15.94	-	1.7	2.4	7.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2022: ¥ - million
Fiscal year ended December 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2022	12,653	8,755	69.2	900.92
December 31, 2021	9,778	8,854	90.5	894.14

(Reference) Equity: As of December 31, 2022: ¥ 8,755 million
As of December 31, 2021: ¥ 8,854 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2022	410	(5,726)	2,250	4,454
December 31, 2021	179	(587)	(1,212)	7,528

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	Million yen	%	%
December 31, 2021	-	0.00	-	17.00	17.00	168	106.7	1.8
December 31, 2022	-	0.00	-	17.00	17.00	168	55.2	1.9
Fiscal year ending December 31, 2023 (Forecast)	-	0.00	-	17.00	17.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2022 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 01, 2023 to December 31, 2023)

(% 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
Six months ended June 30, 2023	1,938	17.9	238	30.1	235	29.5	156	27.0	16.13
Full year	4,000	12.7	554	24.7	545	24.7	367	20.6	37.80

* 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: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

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, 2022: 10,420,000 shares

December 31, 2021: 10,420,000 shares

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

December 31, 2022: 701,953 shares

December 31, 2021: 517,500 shares

3) Average number of shares during the period:

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

Fiscal Year ended December 31, 2021: 10,221,892 shares

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2021	As of December 31,2022
Assets		
Current assets		
Cash and deposits	7,627,459	4,574,674
Notes and accounts receivable - trade	588,330	694,352
Inventories	48,517	74,023
Other	108,216	328,699
Allowance for doubtful accounts	(3)	(2,453)
Total current assets	8,372,520	5,669,296
Non-current assets		
Property, plant and equipment		
Buildings and structures	231,538	3,402,362
Accumulated depreciation	(115,895)	(162,463)
Buildings and structures, net	115,642	3,239,899
Machinery, equipment and vehicles	21,443	21,443
Accumulated depreciation	(16,078)	(17,952)
Machinery, equipment and vehicles, net	5,364	3,491
Tools, furniture and fixtures	632,830	640,382
Accumulated depreciation	(361,012)	(445,754)
Tools, furniture and fixtures, net	271,817	194,628
Land	250,055	2,377,534
Total property, plant and equipment	642,880	5,815,552
Intangible assets		
Software	403,039	411,682
Software in progress	71,845	315,556
Other	10,519	10,069
Total intangible assets	485,404	737,307
Investments and other assets		
Investment securities	-	67,766
Deferred tax assets	54,964	78,958
Leasehold and guarantee deposits	184,423	169,564
Other	39,490	115,883
Allowance for doubtful accounts	(1,220)	(1,220)
Total investments and other assets	277,658	430,952
Total non-current assets	1,405,943	6,983,813
Total assets	9,778,464	12,653,110

(Thousand yen)

	As of December 31,2021	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	65,442	72,677
Short-term borrowings	40,000	-
Current portion of long-term borrowings	44,608	269,592
Accounts payable - other	127,749	116,184
Income taxes payable	36,397	155,152
Asset retirement obligations	-	49,000
Unearned revenue	212,855	228,429
Other	165,201	185,586
Total current liabilities	692,254	1,076,622
Non-current liabilities		
Long-term borrowings	49,843	2,530,251
Provision for retirement benefits for directors (and other officers)	44,186	-
Retirement benefit liability	120,679	130,411
Asset retirement obligations	17,274	13,056
Other	-	147,583
Total non-current liabilities	231,983	2,821,301
Total liabilities	924,238	3,897,923
Net assets		
Shareholders' equity		
Share capital	4,099,300	4,099,300
Capital surplus	4,056,450	4,056,450
Retained earnings	1,692,758	1,819,608
Treasury shares	(999,946)	(1,230,064)
Total shareholders' equity	8,848,561	8,745,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	(6,345)
Foreign currency translation adjustment	5,664	16,237
Total accumulated other comprehensive income	5,664	9,892
Total net assets	8,854,226	8,755,186
Total liabilities and net assets	9,778,464	12,653,110

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
Net sales	3,324,414	3,551,547
Cost of sales	1,294,885	1,136,456
Gross profit	2,029,529	2,415,090
Selling, general and administrative expenses	1,767,799	1,970,719
Operating profit	261,729	444,370
Non-operating income		
Interest income	125	94
Guarantee commission received	-	2,233
Subsidy income	595	-
Surrender value of insurance policies	2,045	1,906
Other	142	194
Total non-operating income	2,909	4,429
Non-operating expenses		
Interest expenses	265	318
Foreign exchange losses	4,876	9,062
Commission expenses	14,522	-
Nondeductible consumption tax	-	2,223
Other	786	83
Total non-operating expenses	20,450	11,687
Ordinary profit	244,187	437,112
Profit before income taxes	244,187	437,112
Income taxes - current	71,188	153,651
Income taxes - deferred	10,080	(21,194)
Total income taxes	81,269	132,456
Profit	162,918	304,655
Profit attributable to owners of parent	162,918	304,655

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
Profit	162,918	304,655
Other comprehensive income		
Valuation difference on available-for-sale securities	34	(6,345)
Foreign currency translation adjustment	3,143	10,572
Total other comprehensive income	3,178	4,227
Comprehensive income	166,096	308,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	166,096	308,882

Consolidated Statements of Changes in Net Assets

For the fiscal year ended December 31,2021

(Thousand 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	1,738,240	-	9,893,990
Changes during period					
Dividends of surplus			(208,400)		(208,400)
Profit attributable to owners of parent			162,918		162,918
Purchase of treasury shares				(999,946)	(999,946)
Disposal of treasury shares					-
Restricted stock payment					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(45,481)	(999,946)	(1,045,428)
Balance at end of period	4,099,300	4,056,450	1,692,758	(999,946)	8,848,561

	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	(34)	2,521	2,486	9,896,477
Changes during period				
Dividends of surplus				(208,400)
Profit attributable to owners of parent				162,918
Purchase of treasury shares				(999,946)
Disposal of treasury shares				-
Restricted stock payment				-
Net changes in items other than shareholders' equity	34	3,143	3,178	3,178
Total changes during period	34	3,143	3,178	(1,042,250)
Balance at end of period	-	5,664	5,664	8,854,226

For the fiscal year ended December 31,2022

(Thousand 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

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
Cash flows from operating activities		
Profit before income taxes	244,187	437,112
Depreciation	186,660	349,628
Increase (decrease) in allowance for doubtful accounts	3	2,449
Interest and dividend income	(125)	(94)
Interest expenses	265	318
Loss (gain) on sale of short-term and long-term investment securities	(43)	-
Decrease (increase) in trade receivables	(3,893)	(112,429)
Decrease (increase) in inventories	18,757	(26,780)
Increase (decrease) in trade payables	(5,172)	9,814
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(6,789)	(44,186)
Increase (decrease) in retirement benefit liability	271	9,732
Increase (decrease) in unearned revenue	(11,866)	6,638
Increase (decrease) in accounts payable - other, and accrued expenses	39,200	94,870
Decrease (increase) in consumption taxes refund receivable	-	(213,661)
Increase (decrease) in accrued consumption taxes	(64,448)	(19,626)
Other, net	(11,307)	(35,292)
Subtotal	385,699	458,492
Interest and dividends received	123	94
Interest paid	(270)	(1,412)
Income taxes paid	(206,420)	(71,170)
Income taxes refund	-	24,373
Net cash provided by (used in) operating activities	179,132	410,377
Cash flows from investing activities		
Purchase of property, plant and equipment	(351,557)	(5,258,277)
Purchase of intangible assets	(210,608)	(460,302)
Purchase of investment securities	-	(76,910)
Proceeds from sale of investment securities	1,760	-
Decrease (increase) in time deposits	(18,000)	(21,300)
Payments of leasehold and guarantee deposits	-	(3,118)
Proceeds from refund of leasehold and guarantee deposits	-	17,545
Payments for asset retirement obligations	-	(10,300)
Proceeds from leasehold and guarantee deposits received	-	65,004
Other, net	(9,081)	21,188
Net cash provided by (used in) investing activities	(587,486)	(5,726,471)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	40,000	(40,000)
Proceeds from long-term borrowings	-	2,750,000
Repayments of long-term borrowings	(44,592)	(44,608)
Purchase of treasury shares	(999,946)	(248,227)
Dividends paid	(208,400)	(168,342)
Proceeds from sale of treasury shares	-	1,657
Net cash provided by (used in) financing activities	(1,212,938)	2,250,479
Effect of exchange rate change on cash and cash equivalents	(3,476)	(8,471)
Net increase (decrease) in cash and cash equivalents	(1,624,769)	(3,074,085)
Cash and cash equivalents at beginning of period	9,153,419	7,528,650
Cash and cash equivalents at end of period	7,528,650	4,454,564