Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended August 31, 2024 [Japanese GAAP]

October 15, 2024

Company name: KUSHIKATSU TANAKA HOLDINGS CO.
Listing: Tokyo
Securities code: 3547
URL: http://kushi-tanaka.co.jp
Representative: Toshio Sakamoto President and Representative Director
Inquiries: Kenji Kamiyama Administrative Manager
Telephone: +81-3-5449-6410
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended August 31, 2024 (December 1, 2023 to August 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2024	12,339	19.4	694	23.8	723	17.0	424	28.6
August 31, 2023	10,337	31.2	561	-	618	(55.1)	330	(61.9)

(Note) Comprehensive income: Nine months ended August 31, 2024: ¥ 426 million [29.0%]
Nine months ended August 31, 2023: ¥ 330 million [(61.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
August 31, 2024	46.20	-
August 31, 2023	35.94	35.94

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
August 31, 2024	7,598	2,523	33.1
November 30, 2023	7,009	2,215	31.5

(Reference) Equity: As of August 31, 2024: ¥ 2,512 million
As of November 30, 2023: ¥ 2,206 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 November 30, 2023	-	0.00	-	13.00	13.00
Fiscal year ending November 30, 2024	-	0.00	-		
Fiscal year ending November 30, 2024 (Forecast)				-	-

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending November 30, 2024 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2024(December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	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
Full year	16,500	17.2	870	13.9	950	14.0	530	48.1	57.67

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

August 31, 2024: 9,428,280 shares

November 30, 2023: 9,428,280 shares

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

August 31, 2024: 238,208 shares

November 30, 2023: 238,206 shares

3) Average number of shares outstanding during the period:

Nine months ended August 31, 2024: 9,190,073 shares

Nine months ended August 31, 2023: 9,189,339 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	2,089,127	1,976,174
Accounts receivable - trade	830,980	973,378
Merchandise and finished goods	2,348	-
Raw materials and supplies	81,195	130,792
Accounts receivable - other	336,254	103,168
Income taxes refund receivable	18,338	-
Other	249,706	494,471
Allowance for doubtful accounts	(1,027)	(3,106)
Total current assets	3,606,924	3,674,879
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,827,986	2,284,028
Other, net	326,411	532,179
Total property, plant and equipment	2,154,397	2,816,207
Intangible assets		
Software	14,704	12,663
Total intangible assets	14,704	12,663
Investments and other assets		
Guarantee deposits	746,951	837,461
Other	652,355	480,796
Allowance for doubtful accounts	(165,800)	(223,700)
Total investments and other assets	1,233,506	1,094,558
Total non-current assets	3,402,608	3,923,429
Total assets	7,009,532	7,598,308

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,006,723	782,756
Short-term borrowings	373,344	253,347
Current portion of long-term borrowings	802,698	880,532
Accounts payable - other	262,284	338,864
Accrued expenses	510,607	454,098
Income taxes payable	136,779	126,809
Provision for bonuses	94,304	-
Other	250,553	313,074
Total current liabilities	3,437,295	3,149,481
Non-current liabilities		
Long-term borrowings	777,374	1,294,982
Asset retirement obligations	252,038	276,692
Other	327,209	354,129
Total non-current liabilities	1,356,621	1,925,803
Total liabilities	4,793,917	5,075,285
Net assets		
Shareholders' equity		
Share capital	306,594	306,594
Capital surplus	844,972	844,972
Retained earnings	1,438,924	1,744,066
Treasury shares	(383,606)	(383,610)
Total shareholders' equity	2,206,884	2,512,023
Non-controlling interests	8,730	11,000
Total net assets	2,215,615	2,523,023
Total liabilities and net assets	7,009,532	7,598,308

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended August 31, 2023	For the nine months ended August 31, 2024
Net sales	10,337,050	12,339,919
Cost of sales	3,891,411	4,847,033
Gross profit	6,445,638	7,492,885
Selling, general and administrative expenses	5,884,316	6,798,248
Operating profit	561,321	694,636
Non-operating income		
Interest and dividend income	6,399	11,997
Sponsorship money income	78,030	86,164
Other	50,502	19,673
Total non-operating income	134,933	117,835
Non-operating expenses		
Interest expenses	10,345	11,286
Provision of allowance for doubtful accounts for subsidiaries and associates	56,000	57,900
Share of loss of entities accounted for using equity method	4,095	4,926
Foreign exchange losses	-	9,736
Other	7,545	5,272
Total non-operating expenses	77,986	89,121
Ordinary profit	618,267	723,351
Extraordinary income		
Gain on sale of non-current assets	-	4,858
Gain on sale of businesses	33,057	10,000
Gain on reversal of asset retirement obligations	11,766	3,392
Total extraordinary income	44,824	18,251
Extraordinary losses		
Loss on store closings	9,383	2,748
Loss on retirement of non-current assets	3,299	3,043
Loss on sale of non-current assets	-	5,626
Impairment losses	26,872	-
Extra retirement payments	12,697	-
Total extraordinary losses	52,253	11,418
Profit before income taxes	610,838	730,183
Income taxes - current	190,331	273,011
Income taxes - deferred	89,572	30,290
Total income taxes	279,903	303,301
Profit	330,934	426,882
Profit attributable to non-controlling interests	687	2,269
Profit attributable to owners of parent	330,246	424,612

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

(Thousands of yen)

	For the nine months ended August 31, 2023	For the nine months ended August 31, 2024
Profit	330,934	426,882
Comprehensive income	330,934	426,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	330,246	424,612
Comprehensive income attributable to non-controlling interests	687	2,269