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Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: Kinjiro Co.,Ltd.
Listing: Tokyo
Securities code: 4013
URL: https://www.kinjiro-e.com
Representative: Kozo Kamura President
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Scheduled date to file semi-annual securities report: August 9, 2024
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 Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	2,068	5.0	281	(5.7)	286	(3.6)	190	0.7
June 30, 2023	1,970	19.8	298	62.9	296	63.5	189	53.6

(Note) Comprehensive income: Six months ended June 30, 2024: ¥ 197 million [9.7%]
Six months ended June 30, 2023: ¥ 180 million [41.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	9.77	-
June 30, 2023	9.75	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	12,518	9,071	72.5
December 31, 2023	12,787	8,995	70.4

(Reference) Equity: As of June 30, 2024: ¥ 9,071 million
As of December 31, 2023: ¥ 8,995 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, 2023	-	0.00	-	17.00	17.00
Fiscal year ending December 31, 2024	-	0.00			
Fiscal year ending December 31, 2024 (Forecast)			-	8.50	8.50

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending December 31, 2024 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 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	4,300	9.6	573	0.3	571	1.4	374	1.3	19.20

(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 semi-annual consolidated financial statements: Yes

(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):

June 30, 2024: 20,840,000 shares

December 31, 2023: 20,840,000 shares

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

June 30, 2024: 1,247,020 shares

December 31, 2023: 1,324,410 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2024: 19,541,840 shares

Six months ended June 30, 2023: 19,454,710 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	4,469,211	4,182,199
Notes and accounts receivable - trade	701,472	743,997
Inventories	66,829	58,261
Other	97,118	106,642
Allowance for doubtful accounts	(967)	(589)
Total current assets	5,333,663	5,090,511
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,117,366	3,030,040
Land	2,384,084	2,384,084
Other, net	440,985	376,158
Total property, plant and equipment	5,942,436	5,790,283
Intangible assets		
Software	990,928	1,056,577
Software in progress	79,192	117,873
Other	9,619	9,394
Total intangible assets	1,079,739	1,183,845
Investments and other assets		
Investment securities	47,892	58,644
Other	384,720	396,196
Allowance for doubtful accounts	(1,220)	(1,239)
Total investments and other assets	431,392	453,601
Total non-current assets	7,453,568	7,427,730
Total assets	12,787,232	12,518,241
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,756	39,244
Current portion of long-term borrowings	269,592	269,592
Income taxes payable	151,200	128,138
Provision for bonuses	4,823	5,370
Unearned revenue	240,209	289,857
Other	540,228	338,505
Total current liabilities	1,254,810	1,070,708
Non-current liabilities		
Long-term borrowings	2,215,389	2,052,803
Retirement benefit liability	138,193	147,261
Asset retirement obligations	47,809	47,515
Other	135,197	128,880
Total non-current liabilities	2,536,589	2,376,460
Total liabilities	3,791,400	3,447,168
Net assets		
Shareholders' equity		
Share capital	4,099,300	4,099,300
Capital surplus	4,056,450	4,056,450
Retained earnings	2,018,322	2,031,844
Treasury shares	(1,175,900)	(1,120,969)
Total shareholders' equity	8,998,172	9,066,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(20,135)	(12,677)
Foreign currency translation adjustment	17,795	17,125
Total accumulated other comprehensive income	(2,340)	4,447
Total net assets	8,995,832	9,071,072
Total liabilities and net assets	12,787,232	12,518,241

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	1,970,705	2,068,676
Cost of sales	676,504	846,455
Gross profit	1,294,201	1,222,221
Selling, general and administrative expenses	995,355	940,451
Operating profit	298,845	281,770
Non-operating income		
Interest income	39	26
Guarantee commission income	4,061	4,361
Compensation income	-	8,241
Other	2,317	1,062
Total non-operating income	6,418	13,692
Non-operating expenses		
Interest expenses	6,364	5,699
Foreign exchange losses	490	2,419
Commission expenses	1,125	1,125
Other	364	12
Total non-operating expenses	8,344	9,256
Ordinary profit	296,919	286,205
Profit before income taxes	296,919	286,205
Income taxes	107,248	95,209
Profit	189,671	190,995
Profit attributable to owners of parent	189,671	190,995

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	189,671	190,995
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,764)	7,458
Foreign currency translation adjustment	(3,662)	(670)
Total other comprehensive income	(9,427)	6,788
Comprehensive income	180,244	197,784
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	180,244	197,784

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	296,919	286,205
Depreciation	278,583	405,025
Increase (decrease) in allowance for doubtful accounts	(322)	(358)
Interest and dividend income	(1,343)	(678)
Interest expenses	6,364	5,699
Decrease (increase) in trade receivables	53,710	(42,273)
Decrease (increase) in inventories	2,159	8,622
Increase (decrease) in trade payables	(25,706)	(9,580)
Increase (decrease) in provision for bonuses	2,585	505
Increase (decrease) in retirement benefit liability	6,826	9,068
Increase (decrease) in unearned revenue	33,655	45,180
Increase (decrease) in accounts payable - other, and accrued expenses	(92,519)	(35,437)
Decrease (increase) in consumption taxes refund receivable	244,812	-
Increase (decrease) in accrued consumption taxes	105,058	(171,186)
Other, net	(26,168)	(31,005)
Subtotal	884,614	469,786
Interest and dividends received	1,343	678
Interest paid	(6,308)	(5,758)
Income taxes paid	(89,658)	(87,524)
Income taxes refund	1,125	-
Net cash provided by (used in) operating activities	791,116	377,181
Cash flows from investing activities		
Purchase of property, plant and equipment	(171,091)	(9,445)
Purchase of intangible assets	(354,887)	(343,913)
Decrease (increase) in time deposits	(5,400)	-
Payments of leasehold and guarantee deposits	(120,143)	(6,219)
Proceeds from refund of leasehold and guarantee deposits	61,695	4,518
Other, net	(38,136)	(4,100)
Net cash provided by (used in) investing activities	(627,962)	(359,161)
Cash flows from financing activities		
Repayments of long-term borrowings	(166,166)	(162,586)
Proceeds from sale of treasury shares	27,791	25,663
Dividends paid	(168,486)	(168,573)
Net cash provided by (used in) financing activities	(306,860)	(305,495)
Effect of exchange rate change on cash and cash equivalents	2,248	462
Net increase (decrease) in cash and cash equivalents	(141,457)	(287,012)
Cash and cash equivalents at beginning of period	4,454,564	4,469,211
Cash and cash equivalents at end of period	4,313,106	4,182,199