Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: KOA SHOJI HOLDINGS CO.,LTD.
Stock exchange listing: Tokyo
Stock code: 9273 URL https://www.koashoji-hd.com/
Representative: President and Representative Director Toshiyuki SHUTO
Inquiries: Director in charge of Finance & Accounting Miyoko KOMATSU TEL 045(560)6607
Scheduled date of ordinary general meeting of shareholders: September 27, 2024
Scheduled date to file Securities Report: September 30, 2024
Scheduled date to commence dividend payments: September 30, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2024 (from July 1, 2023 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended June 30, 2024	22,134	0.4	4,382	3.1	4,368	6.7	2,946	9.6
Year ended June 30, 2023	22,052	8.3	4,249	11.6	4,091	9.0	2,687	13.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2024	74.14	–	12.8	14.4	19.8
Year ended June 30, 2023	67.83	–	13.6	15.0	19.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	32,004	25,051	78.3	594.79
As of June 30, 2023	28,464	20,923	73.5	528.12

(3) 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 June 30, 2024	3,830	(1,471)	795	13,195
Year ended June 30, 2023	2,736	(304)	(812)	10,035

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2023	–	0.00	–	12.00	12.00	475	17.7	2.4
Year ended June 30, 2024	–	0.00	–	13.00	13.00	547	17.5	2.3
Year ending June 30, 2025 (Forecast)	–	0.00	–	14.00	14.00		19.1	

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,350	5.5	4,620	5.4	4,600	5.3	3,080	4.5	73.13

4. Notes

(1) Significant changes in the scope of consolidation during the year ended June 30, 2024: No

(2) 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

(3) Number of issued shares (common shares)

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

As of June 30, 2024	42,119,980 shares	As of June 30, 2023	39,619,980 shares

Number of treasury shares at the end of the period

As of June 30, 2024	1,356 shares	As of June 30, 2023	1,356 shares

Average number of shares during the period

Year ended June 30, 2024	39,741,875 shares	Year ended June 30, 2023	39,618,624 shares

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,767,016	13,954,886
Notes receivable - trade	105,423	118,293
Accounts receivable - trade	3,805,030	3,682,650
Electronically recorded monetary claims - operating	4,406,195	4,603,600
Merchandise and finished goods	1,415,639	1,151,024
Work in process	563,125	534,249
Raw materials and supplies	483,358	580,985
Other	284,469	149,505
Total current assets	21,830,258	24,775,196
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,889,478	5,655,516
Accumulated depreciation	(2,336,069)	(2,548,576)
Buildings and structures, net	2,553,408	3,106,939
Machinery, equipment and vehicles	3,798,624	3,844,307
Accumulated depreciation	(2,267,079)	(2,662,715)
Machinery, equipment and vehicles, net	1,531,544	1,181,592
Tools, furniture and fixtures	1,351,945	1,474,651
Accumulated depreciation	(1,085,743)	(1,167,010)
Tools, furniture and fixtures, net	266,201	307,641
Land	1,761,774	1,761,774
Construction in progress	163,026	477,884
Total property, plant and equipment	6,275,955	6,835,831
Intangible assets		
Other	33,879	11,951
Total intangible assets	33,879	11,951
Investments and other assets		
Investment securities	56,775	101,074
Deferred tax assets	222,079	244,189
Retirement benefit asset	29,891	23,168
Other	15,652	12,603
Total investments and other assets	324,399	381,036
Total non-current assets	6,634,234	7,228,819
Total assets	28,464,493	32,004,016

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,504,004	1,486,785
Electronically recorded obligations - operating	686,818	718,626
Short-term borrowings	850,000	860,000
Current portion of long-term borrowings	349,904	373,904
Income taxes payable	810,011	731,912
Provision for bonuses	48,558	46,676
Other	984,618	759,044
Total current liabilities	5,233,914	4,976,949
Non-current liabilities		
Long-term borrowings	1,941,288	1,591,384
Deferred tax liabilities	1,460	1,129
Provision for retirement benefits for directors (and other officers)	137,624	151,137
Retirement benefit liability	135,597	152,557
Other	91,119	79,183
Total non-current liabilities	2,307,090	1,975,392
Total liabilities	7,541,004	6,952,341
Net assets		
Shareholders' equity		
Share capital	522,277	1,338,752
Capital surplus	205,828	1,022,303
Retained earnings	20,172,089	22,643,004
Treasury shares	(407)	(407)
Total shareholders' equity	20,899,787	25,003,652
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,915	41,470
Deferred gains or losses on hedges	11,785	6,552
Total accumulated other comprehensive income	23,700	48,022
Total net assets	20,923,488	25,051,674
Total liabilities and net assets	28,464,493	32,004,016

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	22,052,802	22,134,145
Cost of sales	15,609,967	15,494,543
Gross profit	6,442,835	6,639,601
Selling, general and administrative expenses	2,192,878	2,257,287
Operating profit	4,249,956	4,382,313
Non-operating income		
Interest and dividend income	1,983	2,089
Commission income	14,189	17,206
Insurance claim income	–	26,533
Compensation income	9,098	1,017
Subsidy income	2,463	25,502
Other	6,973	7,187
Total non-operating income	34,709	79,536
Non-operating expenses		
Interest expenses	7,462	7,533
Loss on valuation of investment securities	3,071	–
Foreign exchange losses	157,729	55,185
Voluntary recall related expenses	13,127	–
Share issuance costs	–	15,144
Commission expenses	–	15,000
Other	11,409	930
Total non-operating expenses	192,800	93,793
Ordinary profit	4,091,865	4,368,056
Profit before income taxes	4,091,865	4,368,056
Income taxes - current	1,496,161	1,453,128
Income taxes - deferred	(91,516)	(31,409)
Total income taxes	1,404,645	1,421,718
Profit	2,687,220	2,946,337
Profit attributable to owners of parent	2,687,220	2,946,337

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit	2,687,220	2,946,337
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,075)	29,554
Deferred gains or losses on hedges	10,315	(5,233)
Total other comprehensive income	6,240	24,321
Comprehensive income	2,693,461	2,970,659
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,693,461	2,970,659

Consolidated statements of changes in equity

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	522,277	205,828	17,920,673	(407)	18,648,371
Changes during period					
Issuance of new shares	–	–	–	–	–
Dividends of surplus	–	–	(435,804)	–	(435,804)
Profit attributable to owners of parent	–	–	2,687,220	–	2,687,220
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	–	2,251,416	–	2,251,416
Balance at end of period	522,277	205,828	20,172,089	(407)	20,899,787

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	15,990	1,469	17,460	18,665,832
Changes during period				
Issuance of new shares	–	–	–	–
Dividends of surplus	–	–	–	(435,804)
Profit attributable to owners of parent	–	–	–	2,687,220
Net changes in items other than shareholders' equity	(4,075)	10,315	6,240	6,240
Total changes during period	(4,075)	10,315	6,240	2,257,656
Balance at end of period	11,915	11,785	23,700	20,923,488

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	522,277	205,828	20,172,089	(407)	20,899,787
Changes during period					
Issuance of new shares	816,475	816,475	–	–	1,632,950
Dividends of surplus	–	–	(475,423)	–	(475,423)
Profit attributable to owners of parent	–	–	2,946,337	–	2,946,337
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	816,475	816,475	2,470,914	–	4,103,864
Balance at end of period	1,338,752	1,022,303	22,643,004	(407)	25,003,652

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	11,915	11,785	23,700	20,923,488
Changes during period				
Issuance of new shares	–	–	–	1,632,950
Dividends of surplus	–	–	–	(475,423)
Profit attributable to owners of parent	–	–	–	2,946,337
Net changes in items other than shareholders' equity	29,554	(5,233)	24,321	24,321
Total changes during period	29,554	(5,233)	24,321	4,128,185
Balance at end of period	41,470	6,552	48,022	25,051,674

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,091,865	4,368,056
Depreciation	692,593	726,051
Increase (decrease) in provision for bonuses	333	(1,881)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	13,035	13,513
Decrease (increase) in retirement benefit asset	4,370	6,722
Increase (decrease) in retirement benefit liability	15,257	16,960
Loss (gain) on valuation of investment securities	3,071	–
Interest and dividend income	(1,983)	(2,089)
Interest expenses	7,462	7,533
Subsidy income	(2,463)	(25,502)
Insurance claim income	–	(26,533)
Commission expenses	–	15,000
Share issuance costs	–	15,144
Foreign exchange losses (gains)	7,135	(5,082)
Loss (gain) on sale and retirement of non-current assets	1,384	(140)
Decrease (increase) in trade receivables	(485,045)	(87,895)
Decrease (increase) in inventories	(171,813)	196,304
Increase (decrease) in trade payables	67,793	14,589
Decrease (increase) in accounts receivable - other	(35,087)	45,644
Other, net	103,233	(52,152)
Subtotal	4,311,144	5,224,242
Interest and dividends received	4,257	4,530
Interest paid	(7,455)	(7,231)
Proceeds from insurance income	–	26,533
Subsidies received	2,463	25,502
Income taxes paid	(1,573,456)	(1,534,646)
Income taxes refund	–	91,733
Net cash provided by (used in) operating activities	2,736,953	3,830,664
Cash flows from investing activities		
Purchase of non-current assets	(271,633)	(1,439,233)
Proceeds from sale of non-current assets	–	213
Payments into time deposits	(198,011)	(336,012)
Proceeds from withdrawal of time deposits	168,011	308,011
Other, net	(2,479)	(4,102)
Net cash provided by (used in) investing activities	(304,113)	(1,471,124)
Cash flows from financing activities		
Repayments of long-term borrowings	(349,904)	(325,904)
Net increase (decrease) in short-term borrowings	–	10,000
Proceeds from issuance of shares	–	1,627,298
Dividends paid	(436,213)	(475,382)
Other, net	(25,942)	(40,764)
Net cash provided by (used in) financing activities	(812,059)	795,246
Effect of exchange rate change on cash and cash equivalents	(7,135)	5,082
Net increase (decrease) in cash and cash equivalents	1,613,644	3,159,869
Cash and cash equivalents at beginning of period	8,421,859	10,035,504
Cash and cash equivalents at end of period	10,035,504	13,195,373