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Consolidated Financial Results for the Year Ended November 30, 2024 [Japanese GAAP]

January 14, 2025

Company name: KUSHIKATSU TANAKA HOLDINGS CO.
Listing: Tokyo
Securities code: 3547
URL: http://kushi-tanaka.co.jp
Representative: Toshio Sakamoto President and Representative Director
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Telephone: +81-3-5449-6410
Scheduled date of annual general meeting of shareholders: February 27, 2025
Scheduled date to commence dividend payments: February 28, 2025
Scheduled date to file annual securities report: February 27, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	16,864	19.8	847	11.1	846	1.6	380	6.3
November 30, 2023	14,072	28.9	763	-	833	(40.4)	357	(51.8)

(Note) Comprehensive income: Fiscal year ended November 30, 2024: ¥ 387 million [8.0%]
Fiscal year ended November 30, 2023: ¥ 358 million [(51.7)%]

	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	%	%	%
November 30, 2024	41.39	-	16.3	11.8	5.0
November 30, 2023	38.95	38.94	17.2	11.4	5.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended November 30, 2024: ¥ (47) million
Fiscal year ended November 30, 2023: ¥ (5) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2024	7,345	2,483	33.6	268.53
November 30, 2023	7,009	2,215	31.5	240.14

(Reference) Equity: As of November 30, 2024: ¥ 2,467 million
As of November 30, 2023: ¥ 2,206 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
November 30, 2024	714	(1,049)	69	1,875
November 30, 2023	860	(767)	(1,141)	2,140

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	Millions of yen	%	%
November 30, 2023	-	0.00	-	13.00	13.00	119	33.4	5.7
November 30, 2024	-	0.00	-	13.00	13.00	119	31.4	5.1
Fiscal year ending November 30, 2025 (Forecast)	-	-	-	-	-		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended November 30, 2024 :
Commemorative dividend 13.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2025 (December 1, 2024 to November 30, 2025)

(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
Six months ending May 31, 2025	9,500	18.1	400	(11.4)	500	1.5	300	8.1	32.46
Full year	20,100	19.2	1,060	25.0	1,150	35.9	620	63.0	67.46

* Notes:

(1) Significant changes in the scope of consolidation during the period: None
Newly included: - (Company name:)
Excluded: - (Company name:)

(2) 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

(3) Number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
November 30, 2024: 9,428,280 shares
November 30, 2023: 9,428,280 shares

2) Number of treasury shares at the end of the period:
November 30, 2024: 238,211 shares
November 30, 2023: 238,206 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended November 30, 2024: 9,190,072 shares
Fiscal Year ended November 30, 2023: 9,189,522 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (December 1, 2023 to November 30, 2024)

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

	Operating revenues		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	3,020	12.4	764	23.6	636	(29.4)	284	(55.9)
November 30, 2023	2,686	3.9	618	11.7	901	136.7	643	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
November 30, 2024	30.91	-
November 30, 2023	70.05	70.04

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2024	5,163	2,442	47.3	265.80
November 30, 2023	4,826	2,278	47.2	247.88

(Reference) Equity: As of November 30, 2024: ¥ 2,442 million
As of November 30, 2023: ¥ 2,278 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	2,089,127	1,804,022
Accounts receivable - trade	830,980	1,028,022
Merchandise and finished goods	2,348	2,089
Raw materials and supplies	81,195	134,333
Accounts receivable - other	336,254	89,754
Income taxes refund receivable	18,338	-
Other	249,706	495,605
Allowance for doubtful accounts	(1,027)	(27,910)
Total current assets	3,606,924	3,525,917
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,827,986	2,201,601
Machinery and equipment, net	122,044	256,213
Tools, furniture and fixtures, net	190,940	190,379
Other, net	13,426	34,188
Total property, plant and equipment	2,154,397	2,682,382
Intangible assets		
Software	14,704	12,960
Total intangible assets	14,704	12,960
Investments and other assets		
Shares of subsidiaries and associates	80,655	33,064
Long-term loans receivable	389,735	229,124
Long-term prepaid expenses	48,421	57,740
Guarantee deposits	746,951	849,082
Deferred tax assets	133,507	168,467
Other	35	35
Allowance for doubtful accounts	(165,800)	(229,124)
Total investments and other assets	1,233,506	1,108,390
Total non-current assets	3,402,608	3,803,733
Deferred assets		
Business commencement expenses	-	15,572
Total deferred assets	-	15,572
Total assets	7,009,532	7,345,222

(Thousands of yen)

	As of November 30, 2023	As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,006,723	816,841
Short-term borrowings	373,344	213,348
Current portion of long-term borrowings	802,698	781,982
Accounts payable - other	262,284	200,682
Accrued expenses	510,607	466,657
Income taxes payable	136,779	246,606
Provision for bonuses	94,304	117,168
Other	250,553	237,884
Total current liabilities	3,437,295	3,081,170
Non-current liabilities		
Long-term borrowings	777,374	1,147,481
Asset retirement obligations	252,038	282,043
Other	327,209	351,129
Total non-current liabilities	1,356,621	1,780,654
Total liabilities	4,793,917	4,861,825
Net assets		
Shareholders' equity		
Share capital	306,594	306,594
Capital surplus	844,972	844,972
Retained earnings	1,438,924	1,699,825
Treasury shares	(383,606)	(383,614)
Total shareholders' equity	2,206,884	2,467,778
Non-controlling interests	8,730	15,619
Total net assets	2,215,615	2,483,397
Total liabilities and net assets	7,009,532	7,345,222

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Net sales	14,072,548	16,864,222
Cost of sales	5,364,870	6,763,635
Gross profit	8,707,677	10,100,586
Selling, general and administrative expenses		
Salaries and allowances	1,665,103	1,883,416
Provision for bonuses	94,304	117,168
Other salaries	1,666,302	2,048,971
Rent expenses on land and buildings	1,103,175	1,186,545
Other	3,415,297	4,016,543
Total selling, general and administrative expenses	7,944,183	9,252,645
Operating profit	763,494	847,941
Non-operating income		
Interest and dividend income	9,976	16,866
Sponsorship money income	114,517	106,890
Foreign exchange gains	23,265	10,843
Other	30,700	25,496
Total non-operating income	178,460	160,097
Non-operating expenses		
Interest expenses	13,350	15,766
Provision of allowance for doubtful accounts for subsidiaries and associates	79,600	87,000
Share of loss of entities accounted for using equity method	5,448	47,590
Other	10,197	11,324
Total non-operating expenses	108,596	161,681
Ordinary profit	833,358	846,357
Extraordinary income		
Gain on sale of non-current assets	243	-
Gain on sale of businesses	33,834	39,990
Gain on reversal of asset retirement obligations	16,285	6,020
Total extraordinary income	50,364	46,011
Extraordinary losses		
Loss on retirement of non-current assets	5,018	4,985
Loss on sale of non-current assets	262	4,746
Impairment losses	157,953	140,077
Loss on store closings	9,383	2,748
Extra retirement payments	12,618	-
Total extraordinary losses	185,237	152,558
Profit before income taxes	698,484	739,810
Income taxes - current	305,918	387,508
Income taxes - deferred	33,950	(34,960)
Total income taxes	339,868	352,548
Profit	358,616	387,261
Profit attributable to non-controlling interests	730	6,889
Profit attributable to owners of parent	357,886	380,372

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Profit	358,616	387,261
Comprehensive income	358,616	387,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	357,886	380,372
Comprehensive income attributable to non-controlling interests	730	6,889

Consolidated Statements of Changes in Equity

For the fiscal year ended November 30, 2023

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	305,961	844,338	1,172,650	(383,606)	1,939,343	-	1,939,343
Changes during period							
Issuance of new shares - exercise of share acquisition rights	633	633			1,267		1,267
Dividends of surplus			(91,612)		(91,612)		(91,612)
Profit attributable to owners of parent			357,886		357,886		357,886
Net changes in items other than shareholders' equity						8,730	8,730
Total changes during period	633	633	266,273	-	267,540	8,730	276,271
Balance at end of period	306,594	844,972	1,438,924	(383,606)	2,206,884	8,730	2,215,615

For the fiscal year ended November 30, 2024

(Thousands of yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	306,594	844,972	1,438,924	(383,606)	2,206,884	8,730	2,215,615
Changes during period							
Dividends of surplus			(119,470)		(119,470)		(119,470)
Profit attributable to owners of parent			380,372		380,372		380,372
Purchase of treasury shares				(8)	(8)		(8)
Net changes in items other than shareholders' equity						6,889	6,889
Total changes during period	-	-	260,901	(8)	260,893	6,889	267,782
Balance at end of period	306,594	844,972	1,699,825	(383,614)	2,467,778	15,619	2,483,397

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	698,484	739,810
Depreciation	325,872	407,052
Amortization of long-term prepaid expenses	18,504	22,458
Share-based payment expenses	51,045	21,268
Impairment losses	157,953	140,077
Increase (decrease) in allowance for doubtful accounts	79,878	90,207
Increase (decrease) in provision for bonuses	7,304	22,863
Increase (decrease) in provision for loss on store closings	(10,170)	-
Interest and dividend income	(9,976)	(16,866)
Interest expenses	13,350	15,766
Foreign exchange losses (gains)	(23,265)	(10,843)
Share of loss (profit) of entities accounted for using equity method	5,448	47,590
Loss on retirement of property, plant and equipment	5,018	4,985
Loss on store closings	9,383	2,748
Loss (gain) on sale of non-current assets	18	4,746
Loss (gain) on sale of businesses	(33,834)	(39,990)
Decrease (increase) in trade receivables	(205,184)	(197,041)
Decrease (increase) in inventories	258	(52,878)
Decrease (increase) in prepaid expenses	(26,424)	(1,581)
Increase (decrease) in trade payables	316,078	(189,882)
Increase (decrease) in accounts payable - other	74,126	(38,565)
Increase (decrease) in deposits received	(9,199)	82,498
Increase (decrease) in accrued expenses	157,760	(43,948)
Decrease (increase) in consumption taxes refund receivable	8,709	493
Increase (decrease) in accrued consumption taxes	(158,669)	(82,744)
Increase (decrease) in guarantee deposits received	58,209	23,920
Other, net	(51,783)	44,222
Subtotal	1,458,898	996,366
Interest and dividends received	11	157
Interest paid	(12,994)	(16,136)
Payments for store closings	(29,099)	(2,748)
Income taxes refund	-	27,185
Income taxes paid	(597,867)	(290,319)
Subsidies received	41,452	-
Net cash provided by (used in) operating activities	860,400	714,503

(Thousands of yen)

	For the fiscal year ended November 30, 2023	For the fiscal year ended November 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(507,276)	(1,100,063)
Proceeds from sale of property, plant and equipment	833	792
Purchase of intangible assets	(10,431)	(3,200)
Payments for retirement of non-current assets	(76)	-
Payments for asset retirement obligations	(31,796)	(4,590)
Proceeds from sale of shares of subsidiaries and associates	8,000	-
Loan advances	(159,440)	(88,727)
Proceeds from collection of loans receivable	-	15,016
Purchase of long-term prepaid expenses	(31,257)	(24,676)
Payments of guarantee deposits	(100,536)	(128,326)
Proceeds from refund of guarantee deposits	64,812	17,495
Proceeds from sale of businesses	-	286,559
ExpensesForOpeningExpensesInvCF	-	(20,000)
Other, net	(10)	-
Net cash provided by (used in) investing activities	(767,178)	(1,049,720)
Cash flows from financing activities		
Repayments of short-term borrowings	(159,996)	(159,996)
Proceeds from long-term borrowings	400,000	1,300,000
Repayments of long-term borrowings	(1,290,502)	(950,609)
Proceeds from issuance of shares	1,267	-
Purchase of treasury shares	-	(8)
Dividends paid	(92,363)	(119,419)
Net cash provided by (used in) financing activities	(1,141,594)	69,966
Effect of exchange rate change on cash and cash equivalents	-	58
Net increase (decrease) in cash and cash equivalents	(1,048,371)	(265,191)
Cash and cash equivalents at beginning of period	3,188,656	2,140,284
Cash and cash equivalents at end of period	2,140,284	1,875,092