

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2023  
(Based on Japanese GAAP)**

May 12, 2023

Company name: Kisoji Co.,Ltd.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 8160 URL <https://www.kisoji.co.jp/>  
 Representative: Representative Director and President Toyonaru Uchida  
 Inquiries: Accounting Manager Akihiro Toya TEL 052-872-1811  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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 March 31, 2023	45,930	24.9	(581)	–	(515)	–	(1,082)	–
Year ended March 31, 2022	36,778	18.4	(3,541)	–	1,820	–	650	–

	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 March 31, 2023	(38.64)	–	(4.0)	(1.1)	(1.3)
Year ended March 31, 2022	25.15	25.06	2.6	3.9	(9.6)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	48,412	27,331	56.5	970.53
As of March 31, 2022	47,898	26,601	55.5	983.02

(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 March 31, 2023	2,037	(3,322)	887	17,220
Year ended March 31, 2022	3,656	(1,641)	(400)	17,617

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 March 31, 2022	–	8.00	–	8.00	16.00	421	63.6	1.7
Year ended March 31, 2023	–	8.00	–	8.00	16.00	450	–	1.6
Year ending March 31, 2024 (Forecast)	–	8.00	–	8.00	16.00		49.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	23,500	17.2	(740)	–	(730)	–	(770)	–	(27.34)
Full year	53,000	15.4	1,600	–	1,620	–	920	–	32.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation):

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:

Yes

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 March 31, 2023	28,543,889 shares	As of March 31, 2022	27,413,889 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	382,119 shares	As of March 31, 2022	381,656 shares
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Average number of shares during the period

Year ended March 31, 2023	28,022,132 shares	Year ended March 31, 2022	25,882,386 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,617	17,220
Accounts receivable - trade	1,437	1,743
Merchandise and finished goods	38	51
Raw materials and supplies	1,848	1,948
Other	1,781	637
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>22,721</b>	<b>21,598</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	21,874	23,252
Accumulated depreciation	(15,400)	(15,233)
Buildings and structures, net	6,473	8,019
Machinery, equipment and vehicles	538	633
Accumulated depreciation	(467)	(512)
Machinery, equipment and vehicles, net	71	121
Tools, furniture and fixtures	4,044	4,439
Accumulated depreciation	(3,178)	(3,078)
Tools, furniture and fixtures, net	866	1,360
Land	6,198	6,175
Leased assets	2,159	1,889
Accumulated depreciation	(1,400)	(1,311)
Leased assets, net	759	578
Construction in progress	149	81
<b>Total property, plant and equipment</b>	<b>14,520</b>	<b>16,337</b>
<b>Intangible assets</b>		
Goodwill	1,916	1,831
Other	1,045	1,063
<b>Total intangible assets</b>	<b>2,961</b>	<b>2,894</b>
<b>Investments and other assets</b>		
Investment securities	2,760	2,791
Deferred tax assets	430	449
Guarantee deposits	4,363	4,201
Other	168	167
Allowance for doubtful accounts	(28)	(28)
<b>Total investments and other assets</b>	<b>7,693</b>	<b>7,582</b>
<b>Total non-current assets</b>	<b>25,176</b>	<b>26,813</b>
<b>Total assets</b>	<b>47,898</b>	<b>48,412</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,203	1,228
Short-term borrowings	4,500	4,500
Current portion of long-term borrowings	490	5,360
Lease liabilities	306	233
Income taxes payable	560	70
Asset retirement obligations	89	22
Provision for bonuses	519	531
Other	3,322	4,232
<b>Total current liabilities</b>	<b>10,993</b>	<b>16,178</b>
<b>Non-current liabilities</b>		
Long-term borrowings	6,891	1,631
Lease liabilities	600	474
Deferred tax liabilities	294	309
Retirement benefit liability	948	947
Asset retirement obligations	1,296	1,314
Other	272	224
<b>Total non-current liabilities</b>	<b>10,303</b>	<b>4,901</b>
<b>Total liabilities</b>	<b>21,296</b>	<b>21,080</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	11,553	12,648
Capital surplus	11,371	12,467
Retained earnings	4,520	2,996
Treasury shares	(931)	(932)
<b>Total shareholders' equity</b>	<b>26,515</b>	<b>27,180</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	44	138
Remeasurements of defined benefit plans	13	12
<b>Total accumulated other comprehensive income</b>	<b>58</b>	<b>151</b>
Share acquisition rights	28	–
<b>Total net assets</b>	<b>26,601</b>	<b>27,331</b>
<b>Total liabilities and net assets</b>	<b>47,898</b>	<b>48,412</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	36,778	45,930
Cost of sales	12,831	14,983
Gross profit	23,947	30,947
Selling, general and administrative expenses	27,489	31,528
Operating loss	(3,541)	(581)
Non-operating income		
Interest and dividend income	46	60
Subsidy income	5,327	45
Other	91	50
Total non-operating income	5,465	156
Non-operating expenses		
Interest expenses	62	42
Loss on cancellation of leasehold contracts	17	28
Share issuance costs	14	4
Other	9	14
Total non-operating expenses	103	90
Ordinary profit (loss)	1,820	(515)
Extraordinary income		
Gain on sale of non-current assets	4	1
Gain on sale of investment securities	16	–
Total extraordinary income	20	1
Extraordinary losses		
Loss on retirement of non-current assets	55	241
Impairment losses	742	266
Loss on exchange of land	51	23
Total extraordinary losses	850	531
Profit (loss) before income taxes	991	(1,044)
Income taxes - current	333	111
Income taxes - deferred	6	(73)
Total income taxes	340	38
Profit (loss)	650	(1,082)
Profit (loss) attributable to owners of parent	650	(1,082)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit (loss)	650	(1,082)
Other comprehensive income		
Valuation difference on available-for-sale securities	37	94
Remeasurements of defined benefit plans, net of tax	11	(1)
Total other comprehensive income	48	93
Comprehensive income	699	(989)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	699	(989)
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,056	9,875	4,458	(930)	23,460
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,496	1,496			2,993
Dividends of surplus			(588)		(588)
Profit (loss) attributable to owners of parent			650		650
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	1,496	1,496	62	(1)	3,054
Balance at end of period	11,553	11,371	4,520	(931)	26,515

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6	2	9	-	23,469
Changes during period					
Issuance of new shares - exercise of share acquisition rights					2,993
Dividends of surplus					(588)
Profit (loss) attributable to owners of parent					650
Purchase of treasury shares					(1)
Net changes in items other than shareholders' equity	37	11	48	28	77
Total changes during period	37	11	48	28	3,132
Balance at end of period	44	13	58	28	26,601

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,553	11,371	4,520	(931)	26,515
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,095	1,095			2,190
Dividends of surplus			(441)		(441)
Profit (loss) attributable to owners of parent			(1,082)		(1,082)
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	1,095	1,095	(1,524)	(0)	665
Balance at end of period	12,648	12,467	2,996	(932)	27,180

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	44	13	58	28	26,601
Changes during period					
Issuance of new shares - exercise of share acquisition rights					2,190
Dividends of surplus					(441)
Profit (loss) attributable to owners of parent					(1,082)
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	94	(1)	93	(28)	64
Total changes during period	94	(1)	93	(28)	730
Balance at end of period	138	12	151	-	27,331



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	991	(1,044)
Depreciation	1,341	1,467
Impairment losses	742	266
Amortization of goodwill	174	176
Increase (decrease) in provision for bonuses	9	12
Increase (decrease) in retirement benefit liability	(6)	(2)
Increase (decrease) in provision for point card certificates	(316)	–
Increase (decrease) in allowance for doubtful accounts	(0)	0
Interest and dividend income	(46)	(60)
Interest expenses	62	42
Loss (gain) on sale of investment securities	(16)	–
Loss (gain) on sale of property, plant and equipment	(4)	(1)
Loss on exchange of land	51	23
Loss on retirement of non-current assets	55	241
Loss on cancellation of rental contracts	17	28
Loss on COVID-19	–	–
Subsidy income	(5,327)	(45)
Decrease (increase) in trade receivables	(199)	(76)
Decrease (increase) in inventories	(367)	(62)
Decrease (increase) in other current assets	190	69
Increase (decrease) in trade payables	80	(85)
Increase (decrease) in other current liabilities	1,390	441
Increase (decrease) in long-term accounts payable - other	(73)	(48)
Other, net	(17)	3
Subtotal	(1,268)	1,346
Interest and dividends received	49	63
Interest paid	(62)	(42)
Subsidies received	4,759	1,254
Payments for cancellation of leasehold contracts	(31)	(33)
Payments for loss on COVID-19	–	–
Income taxes paid	(53)	(551)
Income taxes refund	263	–
Net cash provided by (used in) operating activities	3,656	2,037
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,623)	(2,959)
Proceeds from sale of investment securities	116	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(88)
Payments of guarantee deposits	(217)	(96)
Proceeds from refund of guarantee deposits	498	265
Payments for asset retirement obligations	(213)	(104)
Other, net	(202)	(338)
Net cash provided by (used in) investing activities	(1,641)	(3,322)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	11,800	4,500
Repayments of short-term borrowings	(18,700)	(4,500)
Proceeds from long-term borrowings	6,944	–
Repayments of long-term borrowings	(2,547)	(490)
Repayments of lease liabilities	(316)	(336)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,961	2,176
Proceeds from issuance of share acquisition rights	47	–
Payments for retirement by purchase of share acquisition rights	–	(18)
Dividends paid	(588)	(441)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(400)	887
Net increase (decrease) in cash and cash equivalents	1,614	(396)
Cash and cash equivalents at beginning of period	16,002	17,617
Cash and cash equivalents at end of period	17,617	17,220