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



November 8, 2024

Company name: KOSAIDO Holdings Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7868
 URL: <https://www.kosaido.co.jp/>
 Representative: Masahiko Maekawa, President and Representative Director
 Contact: Makoto Tokiwa, Senior Executive Officer
 Phone: +81-3-3453-0557
 Scheduled date of filing semi-annual securities report: November 11, 2024
 Scheduled date of commencing dividend payments: December 9, 2024
 Availability of supplementary briefing materials on financial results: Yes
 Schedule of financial results briefing session: Yes (for Analysts and Institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 - September 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	17,513	11.3	3,623	99.4	3,452	87.4	2,579	76.6
September 30, 2023	15,730	(4.6)	1,817	51.8	1,842	53.1	1,460	57.2

(Note) Comprehensive income: Six months ended September 30, 2024: ¥2,759 million [61.4%]
 Six months ended September 30, 2023: ¥1,710 million [87.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	17.90	16.56
September 30, 2023	10.55	9.81

(Note) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023. Accordingly, the basic earnings per share and the diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	78,264	48,671	61.0
As of March 31, 2024	77,414	46,980	59.3

(Reference) Equity: As of September 30, 2024: ¥47,747 million
 As of March 31, 2024: ¥45,940 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 29.47	Yen —	Yen 6.60	Yen —
Fiscal year ending March 31, 2025	—	6.37			
Fiscal year ending March 31, 2025 (Forecast)			—	6.37	12.74

(Note 1) Revision to the dividend forecast announced most recently: None

(Note 2) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023. The amount of the dividends per share for the second quarter-end dividend per share for the fiscal year ended March 31, 2024 represents the actual amount of the dividends before the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	39,700	12.0	8,000	50.3	7,750	45.9	5,240	20.8	36.40

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

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 0 companies
Excluded: 3 companies (Kyodo System Services Co., Ltd., NT Inc. and H.A. Development 2 LLC)
- (2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common stock)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
September 30, 2024: 144,127,645 shares
March 31, 2024: 143,984,345 shares
2) Total number of treasury shares at the end of the period:
September 30, 2024: 31,095 shares
March 31, 2024: 31,095 shares
3) Average number of shares during the period:
Six months ended September 30, 2024: 144,065,483 shares
Six months ended September 30, 2023: 138,414,518 shares

(Note) The Company implemented a 5-for-1 stock split of shares of common stock on December 1, 2023.
Accordingly, the average number of shares during the period is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2024.

* These semi-annual financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

Financial results forecasts and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions that are deemed reasonable, and the Company does not in any way guarantee the achievement of the forecasts. Actual results may differ significantly due to various factors.

(1) Semi-Annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	18,974	12,145
Notes and accounts receivable - trade	5,135	3,590
Operating loans	—	15,060
Securities	4,000	4,000
Merchandise and finished goods	126	128
Work in process	234	722
Raw materials and supplies	211	184
Other	5,971	2,402
Allowance for doubtful accounts	(84)	(77)
Total current assets	34,569	38,157
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,154	13,737
Machinery, equipment and vehicles, net	3,677	3,525
Land	14,396	14,981
Tools, furniture and fixtures, net	2,666	2,604
Other, net	2,165	286
Total property, plant and equipment	37,060	35,134
Intangible assets	702	587
Investments and other assets		
Investment securities	2,298	1,859
Other	2,912	2,650
Allowance for doubtful accounts	(130)	(124)
Total investments and other assets	5,081	4,384
Total non-current assets	42,845	40,107
Total assets	77,414	78,264

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,090	1,686
Short-term borrowings	1,400	13,900
Current portion of long-term borrowings	5,831	3,019
Income taxes payable	1,193	543
Provision for bonuses	284	361
Other	3,773	2,481
Total current liabilities	14,574	21,992
Non-current liabilities		
Long-term borrowings	14,775	6,619
Deferred tax liabilities	142	145
Deferred tax liabilities for land revaluation	139	139
Retirement benefit liability	14	14
Other	787	681
Total non-current liabilities	15,859	7,601
Total liabilities	30,434	29,593
Net assets		
Shareholders' equity		
Share capital	363	403
Capital surplus	11,985	11,969
Retained earnings	33,694	35,323
Treasury shares	(13)	(13)
Total shareholders' equity	46,029	47,682
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	379	439
Revaluation reserve for land	(459)	(459)
Foreign currency translation adjustment	(8)	84
Total accumulated other comprehensive income	(88)	64
Share acquisition rights	800	784
Non-controlling interests	239	140
Total net assets	46,980	48,671
Total liabilities and net assets	77,414	78,264

(2) Semi-Annual Consolidated Statements of Income and Comprehensive Income

Semi-Annual Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	15,730	17,513
Cost of sales	10,219	10,136
Gross profit	5,511	7,377
Selling, general and administrative expenses	3,693	3,754
Operating profit	1,817	3,623
Non-operating income		
Interest income	172	47
Dividend income	31	17
Rental income	46	46
Other	70	21
Total non-operating income	320	133
Non-operating expenses		
Interest expenses	122	136
Commission expenses	123	87
Other	50	80
Total non-operating expenses	295	304
Ordinary profit	1,842	3,452
Extraordinary income		
Gain on sale of non-current assets	—	0
Gain on sale of investments in capital of subsidiaries and associates	—	36
Other	—	1
Total extraordinary income	—	38
Extraordinary losses		
Loss on retirement of non-current assets	8	0
Demolition and removal costs	—	255
Special survey costs, etc.	—	103
Other	0	3
Total extraordinary losses	8	363
Profit before income taxes	1,833	3,127
Income taxes	351	521
Profit	1,482	2,606
Profit attributable to non-controlling interests	21	27
Profit attributable to owners of parent	1,460	2,579

Semi-Annual Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	1,482	2,606
Other comprehensive income		
Valuation difference on available-for-sale securities	214	60
Foreign currency translation adjustment	13	92
Total other comprehensive income	227	153
Comprehensive income	1,710	2,759
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,685	2,732
Comprehensive income attributable to non-controlling interests	24	27

(3) Semi-Annual Consolidated Statement of Cash Flows

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,833	3,127
Depreciation	877	940
Amortization of goodwill	47	47
Increase (decrease) in provisions	0	64
Interest and dividend income	(203)	(65)
Interest expenses	122	136
Loss (gain) on sale of investment securities	—	(1)
Gain on sale of investments in capital of subsidiaries and associates	—	(36)
Demolition and removal costs	—	255
Special survey costs, etc.	—	103
Decrease (increase) in trade receivables	2,354	1,549
Decrease (increase) in operating loans receivable	—	(15,060)
Decrease (increase) in inventories	(657)	(448)
Increase (decrease) in trade payables	(112)	(419)
Increase (decrease) in accounts payable - other	97	(1,196)
Increase (decrease) in contract liabilities	4	135
Other, net	(55)	211
Subtotal	4,310	(10,655)
Interest and dividends received	48	65
Interest paid	(113)	(155)
Income taxes refund (paid)	453	(835)
Net cash provided by (used in) operating activities	4,699	(11,581)
Cash flows from investing activities		
Decrease (increase) in time deposits	6	36
Net decrease (increase) in short-term investment securities	(4,000)	—
Purchase of investment securities	(3)	(133)
Proceeds from sale and redemption of investment securities	—	701
Purchase of property, plant and equipment and intangible assets	(1,356)	(1,111)
Proceeds from sale of property, plant and equipment and intangible assets	2	0
Expenses for demolition and removal costs	—	(56)
Purchase of long-term prepaid expenses	(25)	(14)
Gain on sale of investment in affiliated	—	1,820
Loan advances	(4)	(389)
Proceeds from collection of loans receivable	1,005	7
Purchase of shares of subsidiaries and associates	—	(214)
Proceeds from withdrawal of investments in silent partnerships	—	4,060
Other, net	(3,983)	(771)
Net cash provided by (used in) investing activities	(8,358)	3,936

(Million yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	12,500
Proceeds from long-term borrowings	5,000	500
Repayments of long-term borrowings	(3,035)	(11,267)
Redemption of bonds	(90)	–
Purchase of treasury shares	(3,479)	–
Proceeds from issuance of share acquisition rights	35	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	97	60
Dividends paid	(385)	(950)
Dividends paid to non-controlling interests	–	(22)
Other, net	(54)	(49)
Net cash provided by (used in) financing activities	(1,911)	770
Effect of exchange rate change on cash and cash equivalents	1	80
Net increase (decrease) in cash and cash equivalents	(5,569)	(6,792)
Cash and cash equivalents at beginning of period	18,635	18,916
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	8	–
Cash and cash equivalents at end of period	13,075	12,123