

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2022 (Based on Japanese GAAP)

February 14, 2023

Company name: Kufu Company Inc.
 Stock exchange listing: Tokyo
 Stock code: 4376 URL <https://kufu.company/>
 Representative: Director & Representative Executive Yoshiteru Akita
 Officer
 Inquiries: Director & Executive Officer Jun Kanma TEL 03-6264-2323
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

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	%
Three months ended December 31, 2022	4,883	7.8	433	17.3	398	10.9	213	154.8
Three months ended December 31, 2021	4,528	–	369	–	359	–	83	–

(Note) EBITDA (operating profit + depreciation and amortization): Three months ended December 31, 2022: 685 million yen [–%]
 Three months ended December 31, 2021: 626 million yen [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2022	3.72		3.71	
Three months ended December 31, 2021	1.44		1.43	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	22,464	11,862	46.1
As of September 30, 2022	21,329	11,663	47.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2022	–	0.00	–	0.00	0.00
Year ending September 30, 2023	–				
Year ending September 30, 2023 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	21,000	12.8	2,000	28.4	3,100	20.1

P4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2022	58,299,259 shares	As of September 30, 2022	58,286,959 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,001,643 shares	As of September 30, 2022	1,001,413 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2022	57,292,608 shares	Three months ended December 31, 2021	58,247,928 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	7,269	6,916
Accounts receivable - trade	1,007	1,131
Merchandise	84	279
Work in process	168	296
Raw materials and supplies	2	2
Real estate for sale	2,758	2,516
Operational investment securities	2,979	2,948
Other	596	756
Allowance for doubtful accounts	(38)	(64)
Total current assets	14,826	14,784
Non-current assets		
Property, plant and equipment	397	764
Intangible assets		
Goodwill	3,526	4,080
Other	527	612
Total intangible assets	4,053	4,693
Investments and other assets		
Investment securities	678	696
Deferred tax assets	825	807
Other	834	965
Allowance for doubtful accounts	(291)	(249)
Total investments and other assets	2,047	2,220
Total non-current assets	6,498	7,677
Deferred assets	4	3
Total assets	21,329	22,464

(Millions of yen)

As of September 30, 2022 As of December 31, 2022

	As of September 30, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	550	721
Outstanding claims	8	8
Policy reserve	4	4
Short-term borrowings	2,981	3,034
Current portion of long-term borrowings	1,034	1,012
Asset retirement obligations	3	—
Income taxes payable	313	167
Advances received	1,104	1,205
Provision for bonuses	30	9
Provision for point services	4	5
Correction related cost	45	45
Provision for loss on relocation	244	204
Provision for loss on business liquidation	59	56
Other	910	1,176
Total current liabilities	7,295	7,651
Non-current liabilities		
Bonds payable	8	—
Long-term borrowings	1,840	2,076
Asset retirement obligations	95	113
Deferred tax liabilities	225	210
Provision for share awards	146	135
Retirement benefit liability	—	23
Provision for retirement benefits for directors (and other officers)	—	87
Other	54	304
Total non-current liabilities	2,370	2,951
Total liabilities	9,666	10,602
Net assets		
Shareholders' equity		
Share capital	13	13
Capital surplus	9,016	9,019
Retained earnings	1,191	1,404
Treasury shares	(443)	(443)
Total shareholders' equity	9,777	9,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	399	367
Foreign currency translation adjustment	6	0
Total accumulated other comprehensive income	406	368
Share acquisition rights	10	9
Non-controlling interests	1,469	1,490
Total net assets	11,663	11,862
Total liabilities and net assets	21,329	22,464

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	4,528	4,883
Cost of sales	2,197	2,489
Gross profit	2,330	2,393
Selling, general and administrative expenses	1,960	1,959
Operating profit	369	433
Non-operating income		
Interest income	0	0
Foreign exchange gains	5	–
Equity method investment gains	–	16
Other	6	3
Total non-operating income	11	19
Non-operating expenses		
Interest expenses	11	10
Commission expenses	6	4
Provision for doubtful accounts	–	12
Foreign exchange losses	–	14
Other	4	13
Total non-operating expenses	22	55
Ordinary profit	359	398
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on reversal of share acquisition rights	0	0
Gain on differences between asset retirement obligations and actual asset retirement costs	–	2
Gain on reversal of provision for share awards	–	7
Other	–	0
Total extraordinary income	0	10
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment losses	1	–
Provision for loss on business liquidation	7	–
Loss on business liquidation	–	7
Loss on litigation	2	3
Other	1	3
Total extraordinary losses	13	14
Profit before income taxes	346	394
Income taxes - current	147	144
Income taxes - deferred	82	21
Total income taxes	229	166
Profit	116	228
Profit attributable to non-controlling interests	32	15
Profit attributable to owners of parent	83	213

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	116	228
Other comprehensive income		
Valuation difference on available-for-sale securities	(873)	(31)
Foreign currency translation adjustment	(0)	(5)
Total other comprehensive income	(873)	(37)
Comprehensive income	(757)	190
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(790)	175
Comprehensive income attributable to non-controlling interests	32	15