

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 15, 2024

Company name: Kitanotatsujin Corporation
 Stock exchange listing: Tokyo, Sapporo
 Stock code: 2930 URL <https://www.kitanotatsujin.com>
 Representative: Representative Director & President Katsuhisa Kinoshita
 Inquiries: Managing Director, General Manager of Administration Department and General Manager of Human Resources and General Affairs Department Maki Iimori
 TEL 050-2018-6578

Scheduled date to file Semi-annual Securities Report: October 15, 2024
 Scheduled date to commence dividend payments: November 12, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2024 (from March 1, 2024 to August 31, 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	%
Six months ended August 31, 2024	6,482	(17.2)	902	103.6	910	100.1	608	101.0
Six months ended August 31, 2023	7,833	81.8	442	(15.1)	454	(15.9)	302	(14.8)

(Note) Comprehensive income: Six months ended August 31, 2024: 611 million yen [101.8%]

Six months ended August 31, 2023: 302 million yen [(14.8)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2024	4.37	—
Six months ended August 31, 2023	2.18	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	8,721	7,445	85.4	53.46
As of February 29, 2024	8,649	6,996	80.9	50.29

(Reference) Equity: As of August 31, 2024: 7,445 million yen

As of February 29, 2024: 6,996 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2024	—	0.90	—	1.30	2.20
Year ending February 28, 2025	—	1.30			
Year ending February 28, 2025 (Forecast)			—	1.20	2.50

(Note) Revision to the dividend forecast announced most recently: Yes

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 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	11,555	(21.2)	1,672	15.4	1,694	14.5	1,143	15.0	8.22

(Note) Revision to the financial results forecast announced most recently: Yes

4. Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (FM NORTH WAVE CO., LTD.)

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes

(Note) Please refer to “2. Semi-annual Consolidated Financial Statements and Major Notes (3) Notes on Semi-annual Consolidated Financial Statements (Application of special accounting methods for preparing semi-annual consolidated financial statements)” on page 14 of the appendix (Japanese only) for details.

(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: No

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 August 31, 2024	141,072,000 shares	As of February 29, 2024	141,072,000 shares
-----------------------	--------------------	-------------------------	--------------------

Number of treasury shares at the end of the period

As of August 31, 2024	1,807,308 shares	As of February 29, 2024	1,941,848 shares
-----------------------	------------------	-------------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2024	139,181,424 shares	Six months ended August 31, 2023	139,080,727 shares
----------------------------------	--------------------	----------------------------------	--------------------

(How to obtain supplementary material on financial results and the details of financial results meeting)

Supplementary material on financial results is disclosed on TDnet on the same day. It is also available on the Company’s website.

The Company plans to hold a financial results meeting for institutional investors and analysts in a live online format on Thursday, October 17, 2024. The video and the content of the presentation will be posted on the Company’s website along with the material on financial results to be used on the day of the meeting.

(Reference)

1. Non-consolidated financial results for the six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2024	5,818	(19.0)	881	103.8	879	101.2	613	98.7
Six months ended August 31, 2023	7,185	91.2	432	(18.1)	437	(22.4)	308	(19.3)

2. Forecast of non-consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,411	(22.1)	1,613	15.5	1,648	14.8	1,149	14.4	8.26

(Note) Revision to the financial results forecast announced most recently: Yes

Semi-annual consolidated financial statements
Semi-annual consolidated balance sheets

(Thousands of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	4,783,053	5,131,137
Notes and accounts receivable - trade, and contract assets	789,744	–
Accounts receivable - trade, and contract assets	–	653,087
Merchandise and finished goods	1,658,074	1,178,973
Work in process	4,389	6,024
Raw materials and supplies	150,335	326,459
Other	323,723	195,401
Allowance for doubtful accounts	(12)	(6)
Total current assets	7,709,308	7,491,077
Non-current assets		
Property, plant and equipment	216,464	276,923
Intangible assets		
Goodwill	148,357	115,389
Other	109,504	97,846
Total intangible assets	257,861	213,235
Investments and other assets	465,819	740,362
Total non-current assets	940,146	1,230,521
Total assets	8,649,454	8,721,598
Liabilities		
Current liabilities		
Accounts payable - trade	66,540	140,320
Accounts payable - other	693,050	565,523
Income taxes payable	480,107	300,864
Provision for shareholder benefit	72,125	–
Other	204,174	213,560
Total current liabilities	1,515,998	1,220,269
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	4,922	–
Retirement benefit liability	16,192	–
Asset retirement obligations	86,765	56,052
Other	28,834	–
Total non-current liabilities	136,714	56,052
Total liabilities	1,652,713	1,276,322
Net assets		
Shareholders' equity		
Share capital	273,992	273,992
Capital surplus	263,154	255,924
Retained earnings	6,860,943	7,288,858
Treasury shares	(401,349)	(373,498)
Total shareholders' equity	6,996,741	7,445,276
Non-controlling interests	–	–
Total net assets	6,996,741	7,445,276
Total liabilities and net assets	8,649,454	8,721,598

Semi-annual consolidated statements of income

(Thousands of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Net sales	7,833,382	6,482,563
Cost of sales	2,064,812	1,557,027
Gross profit	5,768,569	4,925,535
Selling, general and administrative expenses	5,325,593	4,023,524
Operating profit (loss)	442,976	902,011
Non-operating income		
Interest income	62	413
Foreign exchange gains	1,228	–
Repayment income	2,061	2,269
Sample income	605	1,931
Royalty income	6,747	4,198
Other	1,843	236
Total non-operating income	12,548	9,049
Non-operating expenses		
Interest expenses	723	362
Foreign exchange losses	–	547
Other	0	1
Total non-operating expenses	723	911
Ordinary income (loss)	454,800	910,149
Extraordinary losses		
Loss on sale of non-current assets	358	231
Loss on retirement of non-current assets	0	166
Loss on sale of shares of subsidiaries and associates	–	6,407
Total extraordinary losses	358	6,806
Profit before income taxes	454,441	903,343
Income taxes	151,612	292,165
Profit	302,829	611,177
Profit attributable to non-controlling interests	–	2,394
Profit attributable to owners of parent	302,829	608,783

Semi-annual consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	302,829	611,177
Comprehensive income	302,829	611,177
Comprehensive income attributable to:		
Owners of parent	302,829	608,783
Non-controlling interests	—	2,394