

Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (Under Japanese GAAP)

Company name: Kurotani Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 3168
 URL: <https://www.kurotani.co.jp>
 Representative: Satoru Kurotani, President and C.E.O
 Inquiries: Masateru Kurotani, Executive Officer General Manager President's Office and General Administration Dept. Accounting Dept.
 Telephone: +81-766-84-0001
 Scheduled date of annual general meeting of shareholders: November 21, 2024
 Scheduled date to commence dividend payments: November 22, 2024
 Scheduled date to file annual securities report: November 21, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the fiscal year ended August 31, 2024 (from September 1, 2023 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	%
Fiscal year ended August 31, 2024	82,070	(2.9)	1,450	172.1	1,037	355.9	532	212.7
August 31, 2023	84,594	(5.1)	532	(38.2)	227	(75.7)	170	(68.9)

Note: Comprehensive income For the fiscal year ended August 31, 2024: ¥656 million [181.9%]
 For the fiscal year ended August 31, 2023: ¥232 million [(69.7)%]

	Basic earnings per share		Return on equity		Ratio of ordinary profit to total assets		Ratio of operating profit to net sales	
	Yen	%	Yen	%	%	%	%	
Fiscal year ended August 31, 2024	37.72	5.6			2.0		1.7	
August 31, 2023	12.03	1.9			0.9		0.6	

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended August 31, 2024: ¥(281) million
 For the fiscal year ended August 31, 2023: ¥13 million

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
	Millions of yen	%	Millions of yen	%	%	Yen		
As of August 31, 2024	26,611	35.6	9,482	35.6	35.6	671.51		
August 31, 2023	25,067	36.3	9,096	36.3	36.3	644.86		

Reference: Equity
 As of August 31, 2024: ¥9,482 million
 As of August 31, 2023: ¥9,096 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 end of period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	
Fiscal year ended August 31, 2024	827		(206)		(172)		1,533	
August 31, 2023	1,598		57		(1,384)		1,062	

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended August 31, 2023	-	10.00	-	10.00	20.00	283	166.3	3.1
Fiscal year ended August 31, 2024	-	10.00	-	10.00	20.00	282	53.0	3.0
Fiscal year ending August 31, 2025 (Forecast)		10.00		10.00	20.00		96.0	

3. Forecast of consolidated financial results for the fiscal year ending August 31, 2025 (from September 1, 2024 to August 31, 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 February 28, 2025	38,300	8.1	167	(61.4)	18	(87.0)	10	(23.0)	0.71
Fiscal year ending August 31, 2025	77,201	(5.9)	739	(49.0)	439	(57.6)	294	(44.7)	20.82

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

- (3) Number of issued shares (common shares)

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

As of August 31, 2024	14,337,200 shares
As of August 31, 2023	14,337,200 shares

- (ii) Number of treasury shares at the end of the period

As of August 31, 2024	215,916 shares
As of August 31, 2023	230,416 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2024	14,116,504 shares
Fiscal year ended August 31, 2023	14,151,340 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(1) Non-consolidated operating results

(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	%
Fiscal year ended August 31, 2024	82,070	(2.9)	1,436	172.6	1,304	523.4	576	271.6
August 31, 2023	84,594	(5.1)	527	(38.2)	209	(77.4)	155	(71.5)

Basic earnings per share	
Fiscal year ended August 31, 2024	40.82
August 31, 2023	10.96

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	25,274	9,287	36.7	657.07
August 31, 2023	24,276	8,892	36.6	630.35

Reference: Equity

As of August 31, 2024: ¥ 9,278 million

As of August 31, 2023: ¥ 8,892 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from the above forecasts due to various factors.

Please refer to "1. Business Results (4) Outlook" in the attached document for the assumptions and other related matters concerning the forecast of financial results.

Consolidated balance sheet

(Thousands of yen)

	As of August 31, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	1,263,125	1,238,544
Notes receivable - trade	99,392	135,988
Electronically recorded monetary claims - operating	1,506,501	1,776,283
Accounts receivable - trade	8,486,317	10,019,583
Securities	-	296,802
Merchandise and finished goods	892,747	1,806,771
Work in process	233,750	291,412
Raw materials and supplies	6,061,668	3,678,648
Advance payments to suppliers	1,393,176	1,795,130
Short-term loans receivable from subsidiaries and associates	29,260	-
Consumption taxes refund receivable	1,641,518	2,122,548
Other	248,223	259,615
Total current assets	21,855,681	23,421,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	437,454	453,820
Machinery, equipment and vehicles, net	368,707	512,279
Land	1,521,121	1,521,121
Other, net	131,700	79,074
Total property, plant and equipment	2,458,984	2,566,297
Intangible assets		
Total intangible assets	38,730	44,614
Investments and other assets		
Investment securities	653,509	481,238
Long-term loans receivable from subsidiaries and associates	-	0
Deferred tax assets	50,260	64,217
Other	10,448	33,994
Total investments and other assets	714,217	579,450
Total non-current assets	3,211,933	3,190,362
Total assets	25,067,614	26,611,691

(Thousands of yen)

	As of August 31, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,290,266	2,953,257
Electronically recorded obligations - operating	298,080	350,587
Short-term borrowings	9,500,000	9,400,000
Current portion of long-term borrowings	1,108,180	1,280,870
Accounts payable - other	421,824	308,305
Income taxes payable	12,164	416,386
Provision for bonuses	19,858	67,672
Other	122,700	123,663
Total current liabilities	13,773,073	14,900,742
Non-current liabilities		
Long-term borrowings	2,070,636	2,108,107
Retirement benefit liability	126,968	120,209
Total non-current liabilities	2,197,604	2,228,316
Total liabilities	15,970,678	17,129,059
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	697,121	697,952
Retained earnings	7,172,924	7,423,137
Treasury shares	(125,755)	(114,966)
Total shareholders' equity	8,744,290	9,006,123
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162,323	243,366
Foreign currency translation adjustment	190,322	233,141
Total accumulated other comprehensive income	352,645	476,507
Total net assets	9,096,936	9,482,631
Total liabilities and net assets	25,067,614	26,611,691

Consolidated statement of income

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Net sales	84,594,373	82,070,144
Cost of sales	82,504,064	78,949,540
Gross profit	2,090,308	3,120,603
Selling, general and administrative expenses	1,557,479	1,670,300
Operating profit	532,828	1,450,302
Non-operating income		
Interest income	1,046	1,777
Dividend income	10,998	9,827
Interest on securities	-	8,866
Share of profit of entities accounted for using equity method	13,110	-
Insurance claim income	345	191
Compensation income	21,086	-
Other	5,072	4,726
Total non-operating income	51,659	25,389
Non-operating expenses		
Interest expenses	126,844	95,071
Foreign exchange losses	176,082	59,961
Share of loss of entities accounted for using equity method	-	281,350
Loss on investment of derivatives	50,389	-
Other	3,625	1,932
Total non-operating expenses	356,943	438,316
Ordinary profit	227,545	1,037,376
Extraordinary income		
Gain on sale of investment securities	32,561	-
Gain on sale of businesses	-	5,000
Total extraordinary income	32,561	5,000
Extraordinary losses		
Provision of allowance for doubtful accounts	-	97,083
Total extraordinary losses	-	97,083
Profit before income taxes	260,106	945,293
Income taxes - current	94,923	441,211
Income taxes - deferred	(5,077)	(28,422)
Total income taxes	89,845	412,788
Profit	170,261	532,504
Profit attributable to owners of parent	170,261	532,504

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Profit	170,261	532,504
Other comprehensive income		
Valuation difference on available-for-sale securities	29,456	81,042
Foreign currency translation adjustment	18,540	36,292
Share of other comprehensive income of entities accounted for using equity method	14,541	6,527
Total other comprehensive income	62,538	123,862
Comprehensive income	232,800	656,367
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	232,800	656,367
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended August 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,000,000	695,198	7,286,002	(52,672)	8,928,528	132,867	157,239	290,106	9,218,635
Dividends of surplus			(283,339)		(283,339)				(283,339)
Profit attributable to owners of parent			170,261		170,261				170,261
Purchase of treasury shares				(85,400)	(85,400)				(85,400)
Disposal of treasury shares		1,922		12,317	14,239				14,239
Net changes in items other than shareholders' equity						29,456	33,082	62,538	62,538
Total changes during period	-	1,922	(113,077)	(73,082)	(184,237)	29,456	33,082	62,538	(121,698)
Balance at end of period	1,000,000	697,121	7,172,924	(125,755)	8,744,290	162,323	190,322	352,645	9,096,936

Consolidated statement of changes in equity

Fiscal year ended August 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,000,000	697,121	7,172,924	(125,755)	8,744,290	162,323	190,322	352,645	9,096,936
Dividends of surplus			(282,291)		(282,291)				(282,291)
Profit attributable to owners of parent			532,504		532,504				532,504
Purchase of treasury shares					-				-
Disposal of treasury shares		831		10,788	11,620				11,620
Net changes in items other than shareholders' equity						81,042	42,819	123,862	123,862
Total changes during period	-	831	250,213	10,788	261,833	81,042	42,819	123,862	385,695
Balance at end of period	1,000,000	697,952	7,423,137	(114,966)	9,006,123	243,366	233,141	476,507	9,482,631

Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2023	Fiscal year ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	260,106	945,293
Depreciation	219,953	237,656
Interest and dividend income	(12,044)	(20,471)
Interest expenses	126,844	95,071
Foreign exchange losses (gains)	147,142	(98,850)
Share of loss (profit) of entities accounted for using equity method	(13,110)	281,350
Increase (decrease) in allowance for doubtful accounts	-	97,083
Loss (gain) on sale of investment securities	(32,561)	-
Decrease (increase) in trade receivables	623,149	(1,735,178)
Decrease (increase) in inventories	(416,360)	1,411,334
Increase (decrease) in trade payables	341,073	615,269
Decrease (increase) in advance payments to suppliers	404,874	(401,953)
Decrease (increase) in consumption taxes refund receivable	(144,617)	(481,029)
Other, net	190,806	(7,230)
Subtotal	1,695,257	938,345
Interest and dividends received	11,163	21,315
Interest paid	(125,852)	(95,048)
Income taxes paid	(129,929)	(72,203)
Income taxes refund	147,470	35,589
Net cash provided by (used in) operating activities	1,598,110	827,998
Cash flows from investing activities		
Payments into time deposits	(647,540)	(40,506)
Proceeds from withdrawal of time deposits	951,707	239,917
Loan advances to subsidiaries and associates	(27,720)	(119,160)
collection of loans receivable from subsidiaries and associates	-	28,630
Purchase of property, plant and equipment	(349,024)	(267,961)
Purchase of intangible assets	(670)	(20,084)
Purchase of investment securities	(10,747)	(3,739)
Proceeds from sale of investment securities	141,271	-
Other, net	(37)	(23,200)
Net cash provided by (used in) investing activities	57,239	(206,105)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(475,450)	(100,000)
Proceeds from long-term borrowings	900,000	1,400,000
Repayments of long-term borrowings	(1,439,608)	(1,189,839)
Purchase of treasury shares	(85,400)	-
Dividends paid	(283,622)	(282,448)
Net cash provided by (used in) financing activities	(1,384,080)	(172,287)
Effect of exchange rate change on cash and cash equivalents	20,591	21,862
Net increase (decrease) in cash and cash equivalents	291,860	471,466
Cash and cash equivalents at beginning of period	770,354	1,062,215
Cash and cash equivalents at end of period	1,062,215	1,533,681