

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



December 28, 2022

Non-consolidated Financial Results for the Nine Months Ended November 30, 2022 (Under Japanese GAAP)

Company name: Keiyo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8168
 URL: <https://www.keiyo.co.jp>
 Representative: Koji Jitsukawa, President
 Inquiries: Keiichi Kitamura, Director, General Manager of Administration Division, Supervising General Manager of Corporate Planning Department, and General Manager of Public Relations Department
 Telephone: +81-43-255-1111
 Scheduled date to file quarterly securities report: January 6, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Non-consolidated financial results for the nine months ended November 30, 2022, (from March 1, 2022 to November 30, 2022)

(1) Non-consolidated operating results (cumulative)

(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	%
Nine months ended								
November 30, 2022	73,070	(6.9)	4,296	(1.5)	4,550	(2.7)	3,185	(2.4)
November 30, 2021	78,458	(10.1)	4,360	(14.8)	4,676	(13.7)	3,263	6.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
November 30, 2022	53.38	—
November 30, 2021	50.10	—

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year 2023. The percentages indicating year-on-year changes are based on the figures for the third quarter ended November 2021 because the impact of the application of these accounting standards is minor. In addition, the Company has changed its presentation method from the current fiscal year, and the figures and year-on-year changes after reclassification for the third quarter ended November 2021 reflect this change.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
November 30, 2022	82,784	45,709	55.2
February 28, 2022	76,875	42,643	55.5

Reference: Equity

As of November 30, 2022: ¥45,709 million
 As of February 28, 2022: ¥42,643 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year 2023. Accordingly, the amounts of nine months ended November 2022 above reflect application of this standard.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2022	—	6.25	—	6.25	12.50
Fiscal year ending February 28, 2023	—	7.25	—		
Fiscal year ending February 28, 2023 (Forecast)				7.25	14.50

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts of non-consolidated financial results for the fiscal year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	97,900	(4.1)	6,000	16.8	6,300	14.7	3,900	3.3	65.35

Note: 1. Revisions to the forecast most recently announced: None

2. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the fiscal year 2023. The year-on-year percentage changes comparing in the above-mentioned financial forecasts are based on the previous fiscal year’s figures because the impact of the application of these accounting standards is minor. In addition, the Company has changed its presentation method from the current fiscal year, and the percentages indicating year-on-year changes is calculated using the figures after the retrospective application.

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: 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: Yes

(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 November 30, 2022	65,140,184 shares
As of February 28, 2022	65,140,184 shares

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

As of November 30, 2022	5,464,081 shares
As of February 28, 2022	5,463,627 shares

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

Nine months ended November 30, 2022	59,676,401 shares
Nine months ended November 30, 2021	65,135,874 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

1. Quarterly Non-consolidated Financial Statements

(1) Quarterly Balance sheets

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	1,757	4,649
Notes and accounts receivable - trade	866	—
Notes and accounts receivable - trade, and contract assets	—	1,208
Merchandise	25,226	27,114
Other	2,426	1,992
Total current assets	30,276	34,964
Non-current assets		
Property, plant and equipment		
Buildings	24,683	24,817
Land	13,394	13,276
Other	14,229	14,198
Accumulated depreciation	(28,430)	(28,774)
Total property, plant and equipment	23,877	23,517
Intangible assets	1,809	1,820
Investments and other assets		
Investment securities	12,367	13,297
Guarantee deposits	7,162	6,852
Other	1,698	2,648
Allowance for doubtful accounts	(231)	(231)
Allowance for investment loss	(86)	(86)
Total investments and other assets	20,911	22,481
Total non-current assets	46,598	47,819
Total assets	76,875	82,784

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,097	11,996
Current portion of long-term borrowings	2,345	3,220
Income taxes payable	374	707
Provision for loss on store closings	2	59
Provision for loss on disaster	—	19
Asset retirement obligations	17	81
Other	4,304	4,815
Total current liabilities	16,142	20,899
Non-current liabilities		
Long-term borrowings	10,892	8,797
Provision for retirement benefits	4,998	5,063
Asset retirement obligations	652	734
Other	1,545	1,579
Total non-current liabilities	18,089	16,174
Total liabilities	34,231	37,074
Net assets		
Shareholders' equity		
Share capital	16,505	16,505
Capital surplus	13,953	13,953
Retained earnings	13,161	15,541
Treasury shares	(4,670)	(4,670)
Total shareholders' equity	38,949	41,329
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,693	4,380
Total valuation and translation adjustments	3,693	4,380
Total net assets	42,643	45,709
Total liabilities and net assets	76,875	82,784

(2) Quarterly Statements of income

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Net sales of good	78,458	73,070
Cost of goods sales	50,085	45,816
Gross profit	28,372	27,253
Operating revenue	798	837
Gross operating revenue	29,171	28,091
Selling, general and administrative expenses	24,811	23,795
Operating profit	4,360	4,296
Non-operating income		
Interest income	13	9
Dividend income	179	220
Other	202	105
Total non-operating income	396	335
Non-operating expenses		
Interest expenses	49	48
Other	29	32
Total non-operating expenses	79	81
Ordinary profit	4,676	4,550
Extraordinary income		
Gain on sale of non-current assets	19	17
Contribution for construction	—	17
Other	0	4
Total extraordinary income	19	40
Extraordinary losses		
Loss on retirement of non-current assets	34	107
Loss on store closings	260	442
Loss on abandonment of goods	—	655
Impairment losses	52	138
Loss on valuation of investment securities	69	—
Other	22	112
Total extraordinary losses	439	1,456
Profit before income taxes	4,257	3,133
Income taxes - current	1,019	1,155
Income taxes - deferred	(24)	(1,207)
Total income taxes	994	(51)
Profit	3,263	3,185