

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 12, 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: Executive Officer and General Manager of Administration Department Yujiro Sugi  
 TEL 050-2018-6578

Scheduled date of ordinary general meeting of shareholders: May 21, 2024  
 Scheduled date to commence dividend payments: May 22, 2024  
 Scheduled date to file Securities Report: May 29, 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 year ended February 29, 2024 (from March 1, 2023 to February 29, 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	%
Year ended February 29, 2024	14,665	49.2	1,449	184.1	1,480	173.6	994	189.4
Year ended February 28, 2023	9,831	–	510	–	541	–	343	–

(Note) Comprehensive income: Year ended February 29, 2024: 994 million yen [189.4%]  
 Year ended February 28, 2023: 343 million yen [–%]

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/ total assets	Operating profit/ net sales
	Yen	Yen			
Year ended February 29, 2024	7.15	–	15.1	18.0	9.9
Year ended February 28, 2023	2.47	–	5.6	7.0	5.2

(Reference) Share of profit (loss) of entities accounted for using equity method:

Year ended February 29, 2024: – million yen [–%]

Year ended February 28, 2023: – million yen [–%]

(Note) As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the year ended February 28, 2023, figures for the year ended February 28, 2023 are the figures after applying said accounting, etc. Year-on-year changes are not provided.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	8,649	6,996	80.9	50.29
As of February 28, 2023	7,779	6,187	79.5	44.50

(Reference) Equity: As of February 29, 2024: 6,996 million yen  
 As of February 28, 2023: 6,187 million yen

(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
Year ended February 29, 2024	453	(277)	(223)	4,783
Year ended February 28, 2023	113	(141)	(363)	4,828

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2023	–	0.90	–	0.60	1.50	208	60.7	3.4
Year ended February 29, 2024	–	0.90	–	1.30	2.20	306	30.8	4.6
Year ending February 28, 2025 (Forecast)	–	1.20	–	1.10	2.30		30.7	

## 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
Six months ending August 31, 2024	6,797	(13.2)	852	92.5	859	89.0	578	90.9	4.16
Full year	13,536	(7.7)	1,542	6.5	1,557	5.2	1,041	4.7	7.48

## 4. Notes

(1) Changes in significant subsidiaries during the period (changes in certain subsidiaries resulting in change in the scope of consolidation): No

(2) 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:	Yes
Restatement of prior period financial statements:	No

(Note) Please refer to “3. Consolidated Financial Statements and Major Notes (5) Notes on Consolidated Financial Statements (Changes in accounting estimates)” on page 18 of the appendix (Japanese only) for details.

(3) Number of issued shares (common shares)

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

As of February 29, 2024	141,072,000 shares	As of February 28, 2023	141,072,000 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	1,941,848 shares	As of February 28, 2023	2,018,048 shares
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Average number of shares during the period

Year ended February 29, 2024	139,106,015 shares	Year ended February 28, 2023	139,033,512 shares
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(Reference)

1. Non-consolidated financial results for the year ended February 29, 2024 (from March 1, 2023 to February 29, 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	%
Year ended February 29, 2024	13,369	53.2	1,397	168.3	1,435	146.7	1,005	151.8
Year ended February 28, 2023	8,725	—	520	—	581	—	399	—

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Year ended February 29, 2024	7.23	—	—	—
Year ended February 28, 2023	2.87	—	—	—

(Note) As the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the year ended February 28, 2023, figures for the year ended February 28, 2023 are the figures after applying said accounting, etc. Year-on-year changes are not provided.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%	Yen	Yen
As of February 29, 2024	8,479	7,145	7,145	7,145	84.3	84.3	51.36	51.36
As of February 28, 2023	7,704	6,325	6,325	6,325	82.1	82.1	45.49	45.49

(Reference) Equity: As of February 29, 2024: 7,145 million yen

As of February 28, 2023: 6,325 million yen

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
Six months ending August 31, 2024	6,120	(14.8)	860	99.0	857	96.0	598	93.7	4.30
Full year	12,155	(9.1)	1,550	11.0	1,539	7.3	1,073	6.8	7.72

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,828,041	4,783,053
Notes and accounts receivable - trade, and contract assets	680,960	789,744
Merchandise and finished goods	846,138	1,658,074
Work in process	17,556	4,389
Raw materials and supplies	95,157	150,335
Other	524,017	323,723
Allowance for doubtful accounts	(6)	(12)
Total current assets	6,991,865	7,709,308
Non-current assets		
Property, plant and equipment		
Buildings and structures	565,516	500,185
Accumulated depreciation	(390,352)	(406,938)
Buildings and structures, net	175,164	93,247
Machinery, equipment and vehicles	175,188	211,037
Accumulated depreciation	(168,845)	(149,250)
Machinery, equipment and vehicles, net	6,342	61,787
Leased assets	90,372	90,372
Accumulated depreciation	(90,372)	(90,372)
Leased assets, net	0	0
Other	105,893	133,723
Accumulated depreciation	(54,904)	(72,293)
Other, net	50,988	61,429
Total property, plant and equipment	232,495	216,464
Intangible assets		
Goodwill	214,293	148,357
Other	38,066	109,504
Total intangible assets	252,360	257,861
Investments and other assets		
Guarantee deposits	241,632	365,822
Deferred tax assets	46,975	84,333
Other	22,080	23,598
Allowance for doubtful accounts	(7,934)	(7,934)
Total investments and other assets	302,753	465,819
Total non-current assets	787,609	940,146
<b>Total assets</b>	<b>7,779,475</b>	<b>8,649,454</b>

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	394,863	66,540
Accounts payable - other	821,954	693,050
Lease obligations	15,237	14,071
Income taxes payable	3,390	480,107
Provision for shareholder benefit	51,492	72,125
Asset retirement obligations	2,000	–
Other	86,755	190,102
Total current liabilities	1,375,693	1,515,998
Non-current liabilities		
Lease obligations	22,527	8,455
Deferred tax liabilities	773	0
Provision for retirement benefits for directors (and other officers)	3,712	4,922
Retirement benefit liability	15,035	16,192
Asset retirement obligations	152,603	86,765
Other	21,837	20,378
Total non-current liabilities	216,489	136,714
Total liabilities	1,592,183	1,652,713
Net assets		
Shareholders' equity		
Share capital	273,992	273,992
Capital surplus	255,901	263,154
Retained earnings	6,074,934	6,860,943
Treasury shares	(417,536)	(401,349)
Total shareholders' equity	6,187,291	6,996,741
Non-controlling interests	–	–
Total net assets	6,187,291	6,996,741
Total liabilities and net assets	7,779,475	8,649,454

## Consolidated statements of income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	9,831,486	14,665,867
Cost of sales	2,528,157	3,833,609
Gross profit	7,303,329	10,832,257
Selling, general and administrative expenses	6,793,180	9,383,111
Operating profit	510,148	1,449,145
Non-operating income		
Interest income	121	126
Foreign exchange gains	5,562	1,132
Repayment income	1,908	6,626
Sample income	4,685	1,156
Royalty income	12,623	14,603
Gain on receipt of donated non-current assets	5,300	4,800
Other	2,719	4,212
Total non-operating income	32,920	32,658
Non-operating expenses		
Interest expenses	1,974	1,284
Other	28	44
Total non-operating expenses	2,003	1,328
Ordinary income	541,064	1,480,475
Extraordinary income		
Gain on reversal of asset retirement obligations	–	18,891
Total extraordinary income	–	18,891
Extraordinary losses		
Loss on sale of non-current assets	–	651
Loss on retirement of non-current assets	371	0
Loss on valuation of shares of subsidiaries and associates	9,999	–
Total extraordinary losses	10,371	651
Profit before income taxes	530,693	1,498,715
Income taxes - current	174,742	542,187
Income taxes - deferred	12,277	(38,131)
Total income taxes	187,020	504,055
Profit	343,672	994,660
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	343,672	994,660

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	343,672	994,660
Comprehensive income	343,672	994,660
Comprehensive income attributable to:		
Owners of parent	343,672	994,660
Non-controlling interests	—	—

**Consolidated statements of changes in equity**  
Fiscal year ended February 28, 2023

(Thousand yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	273,992	257,638	6,045,466	(430,978)	6,146,118	–	6,146,118
Cumulative effects of changes in accounting policies			33,326		33,326		33,326
Restated balance	273,992	257,638	6,078,793	(430,978)	6,179,445	–	6,179,445
Changes of items during period							
Dividends of surplus			(347,531)		(347,531)		(347,531)
Profit attributable to owners of parent			343,672		343,672		343,672
Purchase of treasury shares				(13)	(13)		(13)
Restricted stock compensation		(1,737)		13,455	11,717		11,717
Net changes of items other than shareholders' equity							–
Total changes of items during period	–	(1,737)	(3,858)	13,441	7,846	–	7,846
Balance at end of current period	273,992	255,901	6,074,934	(417,536)	6,187,291	–	6,187,291

Fiscal year ended February 29, 2024

(Thousand yen)

	Shareholders' equity					Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	273,992	255,901	6,074,934	(417,536)	6,187,291	–	6,187,291
Cumulative effects of changes in accounting policies					–		–
Restated balance	273,992	255,901	6,074,934	(417,536)	6,187,291	–	6,187,291
Changes of items during period							
Dividends of surplus			(208,651)		(208,651)		(208,651)
Profit attributable to owners of parent			994,660		994,660		994,660
Purchase of treasury shares					–		–
Restricted stock compensation		7,253		16,187	23,441		23,441
Net changes of items other than shareholders' equity							–
Total changes of items during period	–	7,253	786,008	16,187	809,449	–	809,449
Balance at end of current period	273,992	263,154	6,860,943	(401,349)	6,996,741	–	6,996,741



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	530,693	1,498,715
Depreciation	62,809	72,824
Amortization of goodwill	65,936	65,936
Loss (gain) on sale and retirement of non-current assets	371	651
Loss on valuation of shares of subsidiaries and associates	9,999	–
Increase (decrease) in allowance for doubtful accounts	5,448	6
Increase (decrease) in provision for shareholder benefit program	(6,421)	20,633
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4,422)	1,210
Increase (decrease) in retirement benefit liability	3,270	1,156
Increase (decrease) in provision for loss on transfer	(4,979)	–
Foreign exchange losses (gains)	(7,616)	(2,638)
Interest and dividend income	(121)	(126)
Interest expenses	1,974	1,284
Decrease (increase) in trade receivables	(180,964)	(108,784)
Decrease (increase) in inventories	(106,519)	(853,947)
Increase (decrease) in trade payables	234,554	(328,322)
Increase (decrease) in accounts payable - other	492,886	(148,702)
Other, net	(295,366)	114,693
Subtotal	801,533	334,591
Interest and dividend income received	121	126
Interest paid	(1,974)	(1,284)
Compensation for damage received	82,262	–
Income taxes refund (paid)	(768,304)	120,258
Net cash provided by (used in) operating activities	113,637	453,692
Cash flows from investing activities		
Purchase of property, plant and equipment	(97,748)	(80,297)
Purchase of intangible assets	(7,412)	(71,450)
Payments of guarantee deposits	(76,990)	(129,353)
Proceeds from refund of guarantee deposits	55,451	5,172
Payments for asset retirement obligations	(14,310)	(2,048)
Other, net	–	201
Net cash provided by (used in) investing activities	(141,009)	(277,774)
Cash flows from financing activities		
Repayments of lease obligations	(16,039)	(15,237)
Dividends paid	(347,087)	(208,295)
Net cash provided by (used in) financing activities	(363,127)	(223,533)
Effect of exchange rate change on cash and cash equivalents	7,587	2,628
Net increase (decrease) in cash and cash equivalents	(382,911)	(44,987)
Cash and cash equivalents at beginning of period	5,210,952	4,828,041
Cash and cash equivalents at end of period	4,828,041	4,783,053