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Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 8, 2024

Company name: COTA CO., LTD.

Stock exchange listing: Tokyo

Code number: 4923

URL: <https://www.cota.co.jp/>

Representative: Hiroteru Oda

Contact: Mitsuhiro Nishimura

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Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of commencing dividend payments: June 24, 2024

Scheduled date of filing annual securities report: June 24, 2024

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: Yes

Representative Director and President

Director, General Manager of Public Relations & Investor
Relations Department

(Amounts of less than one million yen are rounded down.)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	9,136	3.8	1,921	(4.9)	1,953	(7.7)	1,349	(13.6)
March 31, 2023	8,804	1.3	2,020	(6.1)	2,115	(2.8)	1,560	12.0

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	47.78	-	12.7	13.7	21.0
March 31, 2023	54.67	-	15.8	15.8	22.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

* Our common stock was split on a 1.1-to-1 basis as of April 1, 2023 and April 1, 2024.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2024	14,801	11,039	74.6	391.00
March 31, 2023	13,693	10,177	74.3	360.29

(Reference) Equity: As of March 31, 2024: ¥ 11,039 million

As of March 31, 2023: ¥ 10,177 million

* Our common stock was split on a 1.1-to-1 basis as of April 1, 2023 and April 1, 2024.

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2024	2,168	(1,212)	(485)	3,694
March 31, 2023	1,300	(473)	(922)	3,224

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	20.00	20.00	466	30.2	4.8
March 31, 2024	-	0.00	-	20.00	20.00	513	38.1	4.8
Fiscal year ending								
March 31, 2025 (Forecast)	-	0.00	-	20.00	20.00		40.9	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend - yen

Special dividend - yen

* Our common stock was split on a 1.1-to-1 basis as of April 1, 2023 and April 1, 2024.

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,660	5.7	1,972	2.6	1,985	1.6	1,380	2.3	48.88

* Notes:

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

March 31, 2024: 32,934,663 shares

March 31, 2023: 32,934,663 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 4,699,723 shares

March 31, 2023: 4,686,619 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 28,238,612 shares

Fiscal Year ended March 31, 2023: 28,552,260 shares

* Financial results reports are not subjected to reviews.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,224,210	5,694,622
Notes receivable - trade	33,984	10,798
Accounts receivable - trade	1,420,022	1,380,218
Securities	150,000	-
Merchandise and finished goods	1,175,700	1,246,956
Work in process	54,196	58,455
Raw materials and supplies	441,834	475,119
Prepaid expenses	38,298	38,445
Other	128,940	7,513
Allowance for doubtful accounts	(77)	(176)
Total current assets	8,667,110	8,911,954
Non-current assets		
Property, plant and equipment		
Buildings	3,821,374	4,167,197
Accumulated depreciation	(1,484,940)	(1,645,673)
Buildings, net	2,336,434	2,521,524
Structures	125,699	145,437
Accumulated depreciation	(86,718)	(78,441)
Structures, net	38,981	66,995
Machinery and equipment	906,337	1,100,535
Accumulated depreciation	(724,107)	(785,392)
Machinery and equipment, net	182,230	315,142
Vehicles	162,108	171,633
Accumulated depreciation	(138,833)	(141,620)
Vehicles, net	23,275	30,012
Tools, furniture and fixtures	614,963	656,926
Accumulated depreciation	(479,936)	(550,988)
Tools, furniture and fixtures, net	135,027	105,937
Land	1,312,039	1,950,625
Construction in progress	200,773	8,906
Total property, plant and equipment	4,228,762	4,999,144
Intangible assets		
Software	84,115	66,615
Other	6,217	6,199
Total intangible assets	90,333	72,815
Investments and other assets		
Investment securities	42,649	141,919
Long-term loans receivable	16,755	14,068
Long-term prepaid expenses	8,788	7,199
Guarantee deposits	226,526	225,162
Deferred tax assets	408,303	424,982
Other	3,800	3,800
Total investments and other assets	706,823	817,132
Total non-current assets	5,025,919	5,889,092
Total assets	13,693,029	14,801,046

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	170,654	226,027
Accounts payable - other	877,347	825,981
Accrued expenses	187,517	214,953
Income taxes payable	543,078	586,750
Accrued consumption taxes	40,650	176,402
Deposits received	32,876	49,925
Provision for bonuses	256,018	277,749
Other	49,588	12,240
Total current liabilities	2,157,731	2,370,029
Non-current liabilities		
Provision for retirement benefits	241,132	214,801
Provision for retirement benefits for directors (and other officers)	702,992	745,260
Asset retirement obligations	242,560	260,669
Long-term guarantee deposits	171,200	170,300
Total non-current liabilities	1,357,885	1,391,031
Total liabilities	3,515,616	3,761,060
Net assets		
Shareholders' equity		
Share capital	387,800	387,800
Capital surplus		
Legal capital surplus	330,800	330,800
Other capital surplus	311,551	311,558
Total capital surplus	642,351	642,358
Retained earnings		
Legal retained earnings	46,800	46,800
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	77,868	74,884
General reserve	4,100,000	4,100,000
Retained earnings brought forward	8,091,341	8,976,706
Total retained earnings	12,316,010	13,198,390
Treasury shares	(3,169,785)	(3,189,092)
Total shareholders' equity	10,176,377	11,039,456
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,035	528
Total valuation and translation adjustments	1,035	528
Total net assets	10,177,412	11,039,985
Total liabilities and net assets	13,693,029	14,801,046

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales		
Net sales of finished goods	8,708,384	9,050,807
Net sales of goods	30,101	34,372
Other	66,023	51,803
Total net sales	8,804,510	9,136,983
Cost of sales		
Beginning finished goods inventory	839,073	1,169,281
Cost of products manufactured	2,915,200	2,839,526
Total	3,754,274	4,008,808
Finished goods transfer to other account	86,373	34,801
Ending finished goods inventory	1,169,281	1,241,402
Cost of finished goods sold	2,498,618	2,732,604
Beginning merchandise inventory	8,862	6,418
Cost of purchased goods	28,767	30,796
Total	37,629	37,215
Goods transfer to other account	5,201	3,007
Ending merchandise inventory	6,418	5,553
Cost of goods sold	26,009	28,653
Total cost of sales	2,524,628	2,761,258
Gross profit	6,279,882	6,375,725
Selling, general and administrative expenses	4,259,311	4,453,813
Operating profit	2,020,570	1,921,912
Non-operating income		
Interest income	2,125	1,775
Interest on securities	455	280
Dividend income	2,374	1,575
Rental income	446	4,497
Subsidy income	98,234	400
Outsourcing service income	9,600	9,600
Other	8,415	16,681
Total non-operating income	121,651	34,810
Non-operating expenses		
Commission expenses	23,196	-
Loss on retirement of non-current assets	2,458	3,094
Other	890	352
Total non-operating expenses	26,545	3,446
Ordinary profit	2,115,675	1,953,276
Extraordinary income		
Reversal of voluntary recall for products	32,830	-
Total extraordinary income	32,830	-
Profit before income taxes	2,148,506	1,953,276
Income taxes - current	531,882	620,442
Income taxes - deferred	55,659	(16,456)
Total income taxes	587,542	603,986
Profit	1,560,964	1,349,289

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	387,800	330,800	311,546	642,346	46,800	80,880	4,100,000	6,958,059	11,185,739
Changes during period									
Dividends of surplus								(430,692)	(430,692)
Profit								1,560,964	1,560,964
Reversal of reserve for tax purpose reduction entry of non-current assets						(3,011)		3,011	-
Purchase of treasury shares									
Disposal of treasury shares			5	5					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	5	5	-	(3,011)	-	1,133,282	1,130,271
Balance at end of period	387,800	330,800	311,551	642,351	46,800	77,868	4,100,000	8,091,341	12,316,010

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(2,677,732)	9,538,152	1,061	1,061	818	9,540,032
Changes during period						
Dividends of surplus		(430,692)				(430,692)
Profit		1,560,964				1,560,964
Reversal of reserve for tax purpose reduction entry of non-current assets			-			-
Purchase of treasury shares	(492,059)	(492,059)				(492,059)
Disposal of treasury shares	6	11				11
Net changes in items other than shareholders' equity			(25)	(25)	(818)	(843)
Total changes during period	(492,052)	638,224	(25)	(25)	(818)	637,380
Balance at end of period	(3,169,785)	10,176,377	1,035	1,035	-	10,177,412

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	387,800	330,800	311,551	642,351	46,800	77,868	4,100,000	8,091,341	12,316,010
Changes during period									
Dividends of surplus								(466,909)	(466,909)
Profit								1,349,289	1,349,289
Reversal of reserve for tax purpose reduction entry of non-current assets						(2,984)		2,984	-
Purchase of treasury shares									
Disposal of treasury shares			7	7					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	7	7	-	(2,984)	-	885,364	882,380
Balance at end of period	387,800	330,800	311,558	642,358	46,800	74,884	4,100,000	8,976,706	13,198,390

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(3,169,785)	10,176,377	1,035	1,035	10,177,412
Changes during period					
Dividends of surplus		(466,909)			(466,909)
Profit		1,349,289			1,349,289
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Purchase of treasury shares	(19,314)	(19,314)			(19,314)
Disposal of treasury shares	6	13			13
Net changes in items other than shareholders' equity			(506)	(506)	(506)
Total changes during period	(19,307)	863,079	(506)	(506)	862,573
Balance at end of period	(3,189,092)	11,039,456	528	528	11,039,985

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,148,506	1,953,276
Depreciation	281,197	344,968
Increase (decrease) in allowance for doubtful accounts	53	99
Increase (decrease) in provision for bonuses	(351)	21,730
Increase (decrease) in provision for retirement benefits	809	(26,330)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	73,551	42,267
Increase (decrease) in provision for voluntary product recall related costs	(90,499)	-
Interest and dividend income	(4,955)	(3,631)
Decrease (increase) in trade receivables	(52,997)	62,989
Decrease (increase) in inventories	(374,980)	(108,799)
Increase (decrease) in trade payables	355	55,372
Subsidy income	(98,234)	(400)
Other, net	(212,667)	399,233
Subtotal	1,669,787	2,740,777
Interest and dividends received	4,600	3,322
Income taxes paid	(471,736)	(576,035)
Subsidies received	98,234	400
Net cash provided by (used in) operating activities	1,300,885	2,168,464
Cash flows from investing activities		
Payments into time deposits	(2,000,000)	(2,000,000)
Proceeds from withdrawal of time deposits	2,500,000	2,000,000
Purchase of investment securities	-	(100,000)
Proceeds from redemption of investment securities	-	150,000
Purchase of property, plant and equipment	(908,685)	(1,253,033)
Purchase of intangible assets	(32,736)	(9,250)
Payments of guarantee deposits	(38,487)	(931)
Proceeds from refund of guarantee deposits	230	2,296
Other, net	6,280	(1,291)
Net cash provided by (used in) investing activities	(473,399)	(1,212,210)
Cash flows from financing activities		
Purchase of treasury shares	(492,059)	(19,314)
Proceeds from sale of treasury shares	11	13
Dividends paid	(429,631)	(466,542)
Other, net	(818)	-
Net cash provided by (used in) financing activities	(922,496)	(485,842)
Net increase (decrease) in cash and cash equivalents	(95,010)	470,412
Cash and cash equivalents at beginning of period	3,319,221	3,224,210
Cash and cash equivalents at end of period	3,224,210	3,694,622