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Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]



May 13, 2024

Company name: K & O Energy Group Inc.
 Stock exchange listings: Tokyo Stock Exchange
 Securities code: 1663
 URL: <https://www.k-and-o-energy.co.jp/>
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 Quarterly securities report filing date (as planned): May 14, 2024
 Dividend payable date (as planned): –
 Supplemental material of quarterly results: None
 Convening briefing of quarterly results: None

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2024	25,925	(11.9)	2,493	(6.7)	2,599	(10.9)	1,691	(0.2)
March 31, 2023	29,416	3.9	2,672	24.5	2,916	30.7	1,694	26.1

(Note) Comprehensive income: Three months ended March 31, 2024: ¥2,531 million [36.2%]

Three months ended March 31, 2023: ¥1,859 million [24.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	63.47	63.19
March 31, 2023	63.70	63.37

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of March 31, 2024	111,992	94,670	82.2
As of December 31, 2023	111,445	92,929	80.9

(Reference) Equity: As of March 31, 2024: ¥92,018 million

As of December 31, 2023: ¥90,185 million

2. Dividends

	Annual dividend per share				
	First quarter end	Second quarter end	Third quarter end	Fiscal year-end	Total
Fiscal year ended December 31, 2023	Yen —	Yen 17.00	Yen —	Yen 21.00	Yen 38.00
Fiscal year ending December 31, 2024	—		—		
Fiscal year ending December 31, 2024 (Forecast)		20.00		20.00	40.00

(Note) Correction of dividend forecast from the most recent dividend forecast: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
First half	46,700	(7.3)	4,400	(15.1)	4,700	(16.3)	2,900	(14.1)	Yen 108.89
Full year	92,200	(4.3)	6,800	(29.7)	7,500	(27.9)	4,600	(28.8)	172.73

(Note) Correction of financial forecast from the most recent financial forecast: None

*** Notes:**

- (1) Material changes in subsidiaries during this period: None
(Changes in scope of consolidations resulting from change in subsidiaries)
- (2) Applying of specific accounting of the consolidated quarterly financial statements: Yes
(Note) For details, please refer to “2. Consolidated Quarterly Financial Statements and Principal Notes, (3) Notes to Consolidated Quarterly Financial Statements (Applying of specific accounting of the consolidated quarterly financial statements)” on page 7 of the attachment (in Japanese).
- (3) Changes in accounting policies, accounting estimates and retrospective restatement
- 1) Changes in accounting policies based on revisions of accounting standard: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Number of issued shares (common stock)
- 1) Number of issued shares at the end of the period (including treasury shares):

March 31, 2024:	28,336,061 shares
December 31, 2023:	28,336,061 shares
 - 2) Number of treasury shares at the end of the period:

March 31, 2024:	1,692,959 shares
December 31, 2023:	1,704,354 shares
 - 3) Average number of shares outstanding during the period:

Three months ended March 31, 2024:	26,642,627 shares
Three months ended March 31, 2023:	26,608,297 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

*** Notes for using forecasted information and other notes**

- Forward-looking statements and other statements about the future in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual performance and other results may differ significantly due to various factors. For the financial results forecast, etc., please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 2 of the attachment (in Japanese).
- Due to the nature of the Group’s business, which is heavily weighted toward gas business, the Group’s performance is subject to significant seasonal fluctuations caused by temperatures and other factors.

Consolidated Quarterly Financial Statements and Principal Notes

(1) Consolidated Quarterly Balance Sheets

(Million yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	23,179	15,564
Notes and accounts receivable - trade, and contract assets	11,183	10,280
Securities	5,499	14,018
Inventories	2,273	2,572
Other	2,240	1,707
Allowance for doubtful accounts	(5)	(6)
Total current assets	44,371	44,137
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,571	9,438
Machinery, equipment and vehicles, net	19,285	19,009
Other, net	11,994	11,852
Total property, plant and equipment	40,851	40,300
Intangible assets	1,620	1,604
Investments and other assets		
Investment securities	12,955	14,278
Other	11,680	11,705
Allowance for doubtful accounts	(34)	(34)
Total investments and other assets	24,601	25,950
Total non-current assets	67,074	67,854
Total assets	111,445	111,992
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,600	5,903
Provisions	32	64
Other	5,998	4,972
Total current liabilities	12,631	10,940
Non-current liabilities		
Retirement benefit liability	4,258	4,254
Provisions	249	270
Other	1,377	1,855
Total non-current liabilities	5,885	6,380
Total liabilities	18,516	17,321

(Million yen)

	As of December 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	13,943	13,950
Retained earnings	68,025	69,157
Treasury shares	(1,208)	(1,199)
Total shareholders' equity	88,761	89,907
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,146	1,835
Remeasurements of defined benefit plans	277	275
Total accumulated other comprehensive income	1,424	2,110
Share acquisition rights	177	162
Non-controlling interests	2,566	2,489
Total net assets	92,929	94,670
Total liabilities and net assets	111,445	111,992

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Consolidated Quarterly Statements of Income

Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net sales	29,416	25,925
Cost of sales	24,284	20,728
Gross profit	5,132	5,196
Selling, general and administrative expenses	2,459	2,703
Operating profit	2,672	2,493
Non-operating income		
Interest income	64	67
Other	183	43
Total non-operating income	247	110
Non-operating expenses		
Interest expenses	1	1
Other	2	2
Total non-operating expenses	3	4
Ordinary profit	2,916	2,599
Extraordinary income		
Compensation for forced relocation	—	162
Total extraordinary income	—	162
Extraordinary losses		
Loss on retirement of non-current assets	68	23
Other	9	—
Total extraordinary losses	78	23
Profit before income taxes	2,838	2,738
Income taxes	961	903
Profit	1,877	1,835
Profit attributable to non-controlling interests	182	143
Profit attributable to owners of parent	1,694	1,691

Consolidated Quarterly Statements of Comprehensive Income
Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Profit	1,877	1,835
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	698
Remeasurements of defined benefit plans, net of tax	6	(2)
Total other comprehensive income	(18)	696
Comprehensive income	1,859	2,531
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,676	2,377
Comprehensive income attributable to non-controlling interests	183	154