Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: Shimojima Co.,Ltd.
Stock exchange listing: Tokyo
Stock code: 7482 URL https://www.shimojima.co.jp/
Representative: Representative Director, President Yoshihiko Kasai
Inquiries: Managing Director, Corporate Planning Hitoshi Onodera TEL 03-3862-8626
Scheduled date to file Quarterly Securities Report: February 13, 2023
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative) 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	%
Nine months ended December 31, 2022	41,969	15.5	1,836	742.5	2,100	344.6	1,467	457.0
Nine months ended December 31, 2021	36,331	0.6	217	(52.4)	472	(31.3)	263	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	63.00	–
Nine months ended December 31, 2021	11.32	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	40,624	32,512	79.9	1,392.58
As of March 31, 2022	37,817	31,623	83.5	1,356.47

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	11.00	–	11.00	22.00
Year ending March 31, 2023	–	11.00	–		
Year ending March 31, 2023 (Forecast)				11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Full year	54,000	12.4	1,900	–	2,200	478.1	1,500	–	64.41

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of December 31, 2022	24,257,826 shares	As of March 31, 2022	24,257,826 shares

Number of treasury shares at the end of the period

As of December 31, 2022	955,338 shares	As of March 31, 2022	986,691 shares

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

Nine months ended December 31, 2022	23,289,957 shares	Nine months ended December 31, 2021	23,265,438 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	6,035	5,888
Notes and accounts receivable - trade	6,293	8,331
Electronically recorded monetary claims - operating	807	1,157
Merchandise and finished goods	5,019	5,635
Raw materials and supplies	494	600
Other	516	398
Allowance for doubtful accounts	(12)	(16)
Total current assets	19,154	21,996
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,866	3,751
Land	7,762	7,761
Other, net	949	2,049
Total property, plant and equipment	12,578	13,561
Intangible assets		
Goodwill	538	445
Other	1,353	1,197
Total intangible assets	1,892	1,642
Investments and other assets		
Other	4,278	3,516
Allowance for doubtful accounts	(87)	(92)
Total investments and other assets	4,191	3,423
Total non-current assets	18,662	18,628
Total assets	37,817	40,624

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,915	3,660
Short-term borrowings	–	25
Current portion of long-term borrowings	6	8
Income taxes payable	141	701
Provision for bonuses	333	230
Provision for bonuses for directors (and other officers)	23	33
Other	1,456	2,196
Total current liabilities	4,876	6,856
Non-current liabilities		
Long-term borrowings	122	116
Retirement benefit liability	315	355
Other	879	784
Total non-current liabilities	1,316	1,256
Total liabilities	6,193	8,112
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,304	1,299
Retained earnings	35,803	36,758
Treasury shares	(1,098)	(1,063)
Total shareholders' equity	37,414	38,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310	256
Deferred gains or losses on hedges	35	(12)
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	1	2
Total accumulated other comprehensive income	(5,847)	(5,948)
Non-controlling interests	57	61
Total net assets	31,623	32,512
Total liabilities and net assets	37,817	40,624

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	36,331	41,969
Cost of sales	24,889	28,605
Gross profit	11,441	13,363
Selling, general and administrative expenses	11,223	11,527
Operating profit	217	1,836
Non-operating income		
Interest income	0	10
Dividend income	5	5
Rental income	149	145
Reversal of allowance for doubtful accounts	2	–
Gain on investments in silent partnerships	–	59
Other	147	160
Total non-operating income	305	381
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	29	81
Provision of allowance for doubtful accounts	–	4
Other	20	30
Total non-operating expenses	51	117
Ordinary profit	472	2,100
Extraordinary income		
Surrender value of insurance policies	7	171
Total extraordinary income	7	171
Extraordinary losses		
Impairment losses	3	5
Dismantlement expenses	43	28
Loss on cancellation of insurance policies	–	14
Total extraordinary losses	47	48
Profit before income taxes	432	2,223
Income taxes	165	751
Profit	266	1,471
Profit attributable to non-controlling interests	3	4
Profit attributable to owners of parent	263	1,467

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	266	1,471
Other comprehensive income		
Valuation difference on available-for-sale securities	(66)	(53)
Deferred gains or losses on hedges	(43)	(47)
Remeasurements of defined benefit plans, net of tax	(5)	0
Total other comprehensive income	(114)	(100)
Comprehensive income	151	1,371
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	148	1,366
Comprehensive income attributable to non-controlling interests	3	4