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## Consolidated Financial Results for the Second quarter FY2023 [Japanese GAAP]

November 8, 2023

Company name: Shinsho Corporation  
 Stock exchange listing: Tokyo  
 Code number: 8075  
 URL: <https://www.shinsho.co.jp>  
 Representative: Takafumi Morichi President and Representative Director  
 Contact: Yukio Oshima General Manager General Affairs Department  
 Phone: 03-5579-5201  
 Scheduled date of filing quarterly securities report: November 14, 2023  
 Scheduled date of commencing dividend payments: December 6, 2023  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	279,411	0.3	6,002	(6.5)	5,013	(21.5)	3,713	(16.2)
September 30, 2022	278,618	24.3	6,419	57.1	6,387	40.0	4,432	14.9

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 8,763 million [ 1.3%]  
 Six months ended September 30, 2022: ¥ 8,651 million [ 59.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	422.02	-
September 30, 2022	501.43	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	410,107	81,278	19.4
March 31, 2023	395,092	73,896	18.3

(Reference) Equity: As of September 30, 2023: ¥ 79,738 million  
 As of March 31, 2023: ¥ 72,468 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	150.00	-	165.00	315.00
Fiscal year ending March 31, 2024	-	125.00			
Fiscal year ending March 31, 2024 (Forecast)			-	125.00	250.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	652,000	11.5	10,800	(19.8)	10,000	(21.1)	7,100	(22.8)	806.00

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

#### (1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )  
Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

#### (3) 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

#### (4) Total number of issued shares (common shares)

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

September 30, 2023: 8,860,562 shares  
March 31, 2023: 8,860,562 shares

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

September 30, 2023: 60,030 shares  
March 31, 2023: 60,695 shares

##### 3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 8,800,147 shares  
Six months ended September 30, 2022: 8,840,380 shares

(Note) Treasury shares include shares held by the Board Incentive Plan Trust (September 30, 2023 : 52,222 shares). Board Incentive Plan Trust is included in the number of shares of treasury shares, which is to be deducted from the calculation of the average number of shares outstanding during the period (September 30, 2023 : 52,673 shares).

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	12,801	15,166
Notes and accounts receivable - trade	193,903	205,966
Electronically recorded monetary claims - operating	16,813	18,493
Merchandise and finished goods	77,080	78,360
Work in process	70	39
Raw materials and supplies	1,317	1,569
Advance payments	31,373	25,232
Other	11,053	9,929
Allowance for doubtful accounts	(947)	(1,099)
Total current assets	343,466	353,658
Non-current assets		
Property, plant and equipment	8,547	9,002
Intangible assets	1,577	1,569
Investments and other assets		
Investment securities	33,915	37,973
Investments in capital	1,886	2,026
Long-term loans receivable	1,839	1,973
Retirement benefit asset	6	16
Deferred tax assets	1,986	2,038
Other	6,026	6,373
Allowance for doubtful accounts	(4,160)	(4,525)
Total investments and other assets	41,500	45,876
Total non-current assets	51,625	56,449
Total assets	395,092	410,107
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	174,612	169,746
Electronically recorded obligations - operating	14,711	18,744
Short-term borrowings	45,552	54,729
Income taxes payable	2,073	1,804
Contract liabilities	8,292	10,026
Provision for bonuses	1,449	1,542
Deposits received	28,391	22,377
Other	22,800	26,298
Total current liabilities	297,884	305,270
Non-current liabilities		
Long-term borrowings	18,011	16,966
Guarantee deposits received	1,701	1,731
Deferred tax liabilities	2,295	3,556
Provision for share awards for directors (and other officers)	28	45
Provision for retirement benefits for directors (and other officers)	12	-
Retirement benefit liability	692	737
Provision for loss on guarantees	120	134
Other	448	387
Total non-current liabilities	23,311	23,558
Total liabilities	321,195	328,829

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	5,650	5,650
Capital surplus	2,608	2,615
Retained earnings	57,069	59,321
Treasury shares	(243)	(241)
Total shareholders' equity	65,084	67,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,561	7,612
Deferred gains or losses on hedges	34	206
Foreign currency translation adjustment	2,787	4,573
Total accumulated other comprehensive income	7,384	12,392
Non-controlling interests	1,428	1,539
Total net assets	73,896	81,278
Total liabilities and net assets	395,092	410,107

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	278,618	279,411
Cost of sales	259,961	260,635
Gross profit	18,656	18,776
Selling, general and administrative expenses	12,236	12,773
Operating profit	6,419	6,002
Non-operating income		
Interest income	100	149
Dividend income	639	735
Foreign exchange gains	234	-
Share of profit of entities accounted for using equity method	524	50
Miscellaneous income	271	192
Total non-operating income	1,770	1,127
Non-operating expenses		
Interest expenses	482	984
Loss on cession of an obligation	517	325
Foreign exchange losses	-	63
Loss on valuation of derivatives	667	618
Miscellaneous losses	134	124
Total non-operating expenses	1,802	2,116
Ordinary profit	6,387	5,013
Extraordinary income		
Gain on sale of non-current assets	429	-
Gain on sale of investment securities	115	673
Total extraordinary income	545	673
Extraordinary losses		
Loss on valuation of investments in capital	-	33
Total extraordinary losses	-	33
Profit before income taxes	6,932	5,653
Income taxes - current	1,477	1,918
Income taxes - deferred	689	21
Total income taxes	2,166	1,939
Profit	4,766	3,714
Profit attributable to non-controlling interests	333	0
Profit attributable to owners of parent	4,432	3,713

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	4,766	3,714
Other comprehensive income		
Valuation difference on available-for-sale securities	166	3,029
Deferred gains or losses on hedges	394	171
Foreign currency translation adjustment	2,948	1,676
Share of other comprehensive income of entities accounted for using equity method	376	172
Total other comprehensive income	3,885	5,049
Comprehensive income	8,651	8,763
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,296	8,722
Comprehensive income attributable to non-controlling interests	354	41