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## Consolidated Financial Results for the Year Ended FY2022 [Japanese GAAP]

May 11, 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: +81-3-5579-5201  
 Scheduled date of Annual General Meeting of Shareholders: June 23, 2023  
 Scheduled date of commencing dividend payments: June 6, 2023  
 Scheduled date of filing annual securities report: June 23, 2023  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 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	%
Fiscal year ended March 31, 2023	584,856	18.3	13,459	33.9	12,668	30.2	9,196	28.9
March 31, 2022	494,351	-	10,054	125.7	9,726	139.2	7,136	224.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 12,756 million [ 45.7%]  
 Fiscal year ended March 31, 2022: ¥ 8,755 million [ 185.8%]

	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, 2023	1,042.65	-	13.6	3.3	2.3
March 31, 2022	805.91	-	12.0	3.0	2.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 749 million  
 Fiscal year ended March 31, 2022: ¥ 548 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	395,092	73,896	18.3	8,235.14
March 31, 2022	364,029	63,753	17.3	7,107.83

(Reference) Equity: As of March 31, 2023: ¥ 72,468 million  
 As of March 31, 2022: ¥ 62,938 million

#### (3) 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	7,664	(1,523)	(9,188)	12,800
March 31, 2022	(9,279)	(806)	4,068	15,397

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	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, 2022	-	85.00	-	160.00	245.00	2,169	30.4	3.5
March 31, 2023	-	150.00	-	165.00	315.00	2,789	30.3	4.1
Fiscal year ending March 31, 2024 (Forecast)	-	120.00	-	125.00	245.00		-	

## 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
Six months ending September 30, 2023	310,000	11.3	4,800	(25.2)	4,200	(34.2)	3,200	(27.8)	363.00
Full year	652,000	11.5	10,800	(19.8)	10,000	(21.1)	7,100	(22.8)	806.00

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

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

(2) 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

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

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

March 31, 2023: 8,860,562 shares  
March 31, 2022: 8,860,562 shares

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

March 31, 2023: 60,695 shares  
March 31, 2022: 5,767 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 8,820,223 shares  
Fiscal Year ended March 31, 2022: 8,854,799 shares

(Note) Treasury shares include shares held by the Board Incentive Plan Trust(March 31, 2023 : 53,000 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 (March 31, 2023 : 32,881 shares).

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	415,342	20.2	7,602	37.8	8,634	35.3	6,643	34.8
March 31, 2022	345,607	-	5,517	56.8	6,382	57.8	4,928	113.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	752.94	-
March 31, 2022	556.56	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	277,341	50,495	18.2	5,736.44
March 31, 2022	267,265	45,552	17.0	5,143.77

(Reference) Equity: As of March 31, 2023: ¥ 50,495 million  
As of March 31, 2022: ¥ 45,552 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	15,398	12,801
Notes and accounts receivable - trade	195,835	193,903
Electronically recorded monetary claims - operating	18,281	16,813
Merchandise and finished goods	54,365	77,080
Work in process	59	70
Raw materials and supplies	1,316	1,317
Advance payments	22,385	31,373
Other	9,913	11,053
Allowance for doubtful accounts	(953)	(947)
Total current assets	316,604	343,466
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,796	7,046
Accumulated depreciation	(5,559)	(3,753)
Buildings and structures, net	3,236	3,293
Machinery, equipment and vehicles	8,307	9,271
Accumulated depreciation	(6,506)	(7,569)
Machinery, equipment and vehicles, net	1,800	1,701
Land	1,231	1,254
Construction in progress	697	1,351
Other	1,979	2,108
Accumulated depreciation	(1,060)	(1,162)
Other, net	918	946
Total property, plant and equipment	7,884	8,547
Intangible assets		
Software	1,376	1,240
Right of using various facilities	29	18
Other	148	319
Total intangible assets	1,554	1,577
Investments and other assets		
Investment securities	31,213	33,915
Investments in capital	1,739	1,886
Long-term loans receivable	1,586	1,839
Retirement benefit asset	5	6
Deferred tax assets	1,778	1,986
Other	5,410	6,026
Allowance for doubtful accounts	(3,747)	(4,160)
Total investments and other assets	37,986	41,500
Total non-current assets	47,425	51,625
Total assets	364,029	395,092

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	161,237	174,612
Electronically recorded obligations - operating	14,381	14,711
Short-term borrowings	49,962	45,552
Income taxes payable	2,023	2,073
Contract liabilities	9,386	8,292
Provision for bonuses	1,089	1,449
Deposits received	18,244	28,391
Other	22,996	22,800
Total current liabilities	279,321	297,884
Non-current liabilities		
Long-term borrowings	16,499	18,011
Guarantee deposits received	1,704	1,701
Deferred tax liabilities	1,257	2,295
Provision for retirement benefits for directors (and other officers)	13	12
Retirement benefit liability	658	692
Provision for loss on guarantees	110	120
Other	712	476
Total non-current liabilities	20,955	23,311
Total liabilities	300,276	321,195
Net assets		
Shareholders' equity		
Share capital	5,650	5,650
Capital surplus	2,608	2,608
Retained earnings	50,618	57,069
Treasury shares	(17)	(243)
Total shareholders' equity	58,859	65,084
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,587	4,561
Deferred gains or losses on hedges	(287)	34
Foreign currency translation adjustment	779	2,787
Total accumulated other comprehensive income	4,079	7,384
Non-controlling interests	814	1,428
Total net assets	63,753	73,896
Total liabilities and net assets	364,029	395,092

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	494,351	584,856
Cost of sales	460,817	546,338
Gross profit	33,533	38,518
Selling, general and administrative expenses	23,478	25,058
Operating profit	10,054	13,459
Non-operating income		
Interest income	127	226
Dividend income	727	954
Purchase discounts	69	83
Foreign exchange gains	233	-
Gain on valuation of derivatives	-	31
Share of profit of entities accounted for using equity method	548	749
Miscellaneous income	521	504
Total non-operating income	2,227	2,550
Non-operating expenses		
Interest expenses	788	1,397
Loss on cession of an obligation	642	822
Foreign exchange losses	-	747
Loss on valuation of derivatives	275	-
Provision of allowance for doubtful accounts	747	2
Miscellaneous losses	101	371
Total non-operating expenses	2,554	3,340
Ordinary profit	9,726	12,668
Extraordinary income		
Gain on sale of investment securities	77	485
Gain on sale of non-current assets	-	424
Gain on bargain purchase	183	-
Gain on forgiveness of debts	729	-
Total extraordinary income	990	910
Extraordinary losses		
Impairment losses	85	-
Loss on sale of investment securities	80	-
Loss on valuation of investment securities	78	7
Total extraordinary losses	244	7
Profit before income taxes	10,473	13,571
Income taxes - current	3,174	3,553
Income taxes - deferred	(329)	517
Total income taxes	2,844	4,071
Profit	7,628	9,500
Profit attributable to non-controlling interests	492	304
Profit attributable to owners of parent	7,136	9,196

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	7,628	9,500
Other comprehensive income		
Valuation difference on available-for-sale securities	(549)	952
Deferred gains or losses on hedges	29	321
Foreign currency translation adjustment	1,606	1,808
Share of other comprehensive income of entities accounted for using equity method	40	173
Total other comprehensive income	1,127	3,255
Comprehensive income	8,755	12,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,256	12,501
Comprehensive income attributable to non-controlling interests	499	255

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,650	2,608	44,544	(17)	52,785
Changes during period					
Dividends of surplus			(1,062)		(1,062)
Profit attributable to owners of parent			7,136		7,136
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,073	(0)	6,073
Balance at end of period	5,650	2,608	50,618	(17)	58,859

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	4,120	(316)	(844)	2,959	1,440	57,185
Changes during period						
Dividends of surplus						(1,062)
Profit attributable to owners of parent						7,136
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(532)	29	1,623	1,119	(625)	494
Total changes during period	(532)	29	1,623	1,119	(625)	6,567
Balance at end of period	3,587	(287)	779	4,079	814	63,753



For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,650	2,608	50,618	(17)	58,859
Changes during period					
Dividends of surplus			(2,745)		(2,745)
Profit attributable to owners of parent			9,196		9,196
Purchase of treasury shares				(226)	(226)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	6,451	(226)	6,224
Balance at end of period	5,650	2,608	57,069	(243)	65,084

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	3,587	(287)	779	4,079	814	63,753
Changes during period						
Dividends of surplus						(2,745)
Profit attributable to owners of parent						9,196
Purchase of treasury shares						(226)
Net changes in items other than shareholders' equity	974	321	2,008	3,305	613	3,918
Total changes during period	974	321	2,008	3,305	613	10,143
Balance at end of period	4,561	34	2,787	7,384	1,428	73,896

## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,473	13,571
Depreciation	1,470	1,520
Increase (decrease) in provision and allowance	1,354	(18)
Interest and dividend income	(854)	(1,181)
Interest expenses	788	1,397
Share of loss (profit) of entities accounted for using equity method	(548)	(749)
Gain on bargain purchase	(183)	-
Impairment losses	85	-
Loss (gain) on sale of investment securities	3	(485)
Loss (gain) on valuation of investment securities	78	7
Decrease (increase) in trade receivables	(52,690)	7,681
Decrease (increase) in inventories	(13,292)	(19,827)
Increase (decrease) in trade payables	42,738	10,975
Decrease (increase) in accounts receivable - other	(5,175)	(923)
Increase (decrease) in accrued expenses	8,883	(737)
CF from other operating activities	(411)	37
Subtotal	(7,278)	11,268
Interest and dividends received	1,124	1,574
Interest paid	(820)	(1,386)
Income taxes paid	(2,305)	(3,792)
Net cash provided by (used in) operating activities	(9,279)	7,664
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,058)	(1,108)
Proceeds from sale of property, plant and equipment	1,156	488
Purchase of investment securities and others	(403)	(171)
Proceeds from sales of investment securities and others	227	788
Purchase of shares of subsidiaries and associates	(161)	(1,008)
Proceeds from sale of shares of subsidiaries and associates	-	153
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	(129)	-
Short-term loan advances	(1)	(0)
Proceeds from collection of short-term loans receivable	0	1
Long-term loan advances	(127)	(222)
Proceeds from collection of long-term loans receivable	5	5
CF from other investing activities	(315)	(448)
Net cash provided by (used in) investing activities	(806)	(1,523)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	5,291	(2,521)
Proceeds from long-term borrowings	2,521	4,250
Repayments of long-term borrowings	(2,589)	(7,925)
Repayments of finance lease liabilities	(60)	(9)
Dividends paid	(1,062)	(2,745)
Dividends paid to non-controlling interests	(31)	(66)
CF from other financing activities	(0)	(170)
Net cash provided by (used in) financing activities	4,068	(9,188)
Effect of exchange rate change on cash and cash equivalents	501	450
Net increase (decrease) in cash and cash equivalents	(5,514)	(2,597)
Cash and cash equivalents at beginning of period	22,432	15,397
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1,519)	-
Cash and cash equivalents at end of period	15,397	12,800