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Consolidated Financial Results for the First quarter Ended FY2023 [Japanese GAAP]

August 3, 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
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 Phone: +81-3-5579-5201
 Scheduled date of filing quarterly securities report: August 9, 2023
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 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	%
Three months ended June 30, 2023	136,586	(3.1)	2,507	(27.1)	2,146	(46.5)	1,361	(56.1)
June 30, 2022	140,939	23.7	3,437	65.0	4,009	72.3	3,105	72.9

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 3,644 million [(31.5)%]
 Three months ended June 30, 2022: ¥ 5,320 million [67.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	154.75	-
June 30, 2022	350.75	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	404,980	76,086	18.4
March 31, 2023	395,092	73,896	18.3

(Reference) Equity: As of June 30, 2023: ¥ 74,652 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	-				
Fiscal year ending March 31, 2024 (Forecast)		120.00	-	125.00	245.00

(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
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

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

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

(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):

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

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

June 30, 2023: 60,450 shares
 March 31, 2023: 60,695 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 8,799,874 shares
 Three months ended June 30, 2022: 8,853,456 shares

(Note) Treasury shares include shares held by the Board Incentive Plan Trust(June 30, 2023 : 52,722 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 (June 30, 2023 : 52,991 shares)

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	15,398	15,127
Notes and accounts receivable - trade	195,835	210,434
Electronically recorded monetary claims - operating	18,281	22,824
Merchandise and finished goods	54,365	72,072
Work in process	59	79
Raw materials and supplies	1,316	1,416
Advance payments	22,385	42,302
Other	9,913	9,543
Allowance for doubtful accounts	(953)	(1,171)
Total current assets	316,604	372,629
Non-current assets		
Property, plant and equipment	7,884	8,730
Intangible assets	1,554	1,456
Investments and other assets		
Investment securities	31,213	32,521
Investments in capital	1,739	1,874
Long-term loans receivable	1,586	1,838
Retirement benefit asset	5	10
Deferred tax assets	1,778	1,931
Other	5,410	6,486
Allowance for doubtful accounts	(3,747)	(4,754)
Total investments and other assets	37,986	39,908
Total non-current assets	47,425	50,095
Total assets	364,029	422,725
Liabilities		
Current liabilities		
Notes and accounts payable - trade	161,237	168,609
Electronically recorded obligations - operating	14,381	17,855
Short-term borrowings	49,962	61,591
Income taxes payable	2,023	946
Contract liabilities	9,386	9,814
Provision for bonuses	1,089	794
Deposits received	18,244	40,654
Other	22,996	25,838
Total current liabilities	279,321	326,105
Non-current liabilities		
Long-term borrowings	16,499	19,205
Guarantee deposits received	1,704	1,692
Deferred tax liabilities	1,257	2,105
Provision for retirement benefits for directors (and other officers)	13	12
Retirement benefit liability	658	699
Provision for loss on guarantees	110	119
Other	712	380
Total non-current liabilities	20,955	24,216
Total liabilities	300,276	350,322

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Shareholders' equity		
Share capital	5,650	5,650
Capital surplus	2,608	2,608
Retained earnings	50,618	54,887
Treasury shares	(17)	(243)
Total shareholders' equity	58,859	62,902
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,587	3,534
Deferred gains or losses on hedges	(287)	75
Foreign currency translation adjustment	779	4,280
Total accumulated other comprehensive income	4,079	7,890
Non-controlling interests	814	1,609
Total net assets	63,753	72,403
Total liabilities and net assets	364,029	422,725

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	351,264	434,834
Cost of sales	326,173	406,303
Gross profit	25,090	28,531
Selling, general and administrative expenses	17,737	18,684
Operating profit	7,353	9,846
Non-operating income		
Interest income	93	147
Dividend income	698	887
Gain on valuation of derivatives	88	480
Share of profit of entities accounted for using equity method	469	594
Miscellaneous income	367	373
Total non-operating income	1,718	2,482
Non-operating expenses		
Interest expenses	572	889
Loss on cession of an obligation	460	692
Foreign exchange losses	16	888
Provision of allowance for doubtful accounts	692	-
Miscellaneous losses	108	182
Total non-operating expenses	1,850	2,652
Ordinary profit	7,221	9,676
Extraordinary income		
Gain on bargain purchase	183	-
Gain on sale of non-current assets	-	429
Gain on sale of investment securities	77	299
Total extraordinary income	260	728
Extraordinary losses		
Loss on sale of investment securities	80	-
Loss on valuation of investment securities	13	7
Total extraordinary losses	93	7
Profit before income taxes	7,388	10,398
Income taxes - current	1,952	2,172
Income taxes - deferred	(492)	871
Total income taxes	1,460	3,044
Profit	5,928	7,354
Profit attributable to non-controlling interests	318	339
Profit attributable to owners of parent	5,609	7,014

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	5,928	7,354
Other comprehensive income		
Valuation difference on available-for-sale securities	(439)	(55)
Deferred gains or losses on hedges	278	363
Foreign currency translation adjustment	982	3,311
Share of other comprehensive income of entities accounted for using equity method	1	227
Total other comprehensive income	823	3,846
Comprehensive income	6,751	11,201
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,408	10,826
Comprehensive income attributable to non-controlling interests	343	374