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## Consolidated Financial Results for the Second quarter Ended FY2024 [Japanese GAAP]

November 7, 2024

Company name: Shinsho Corporation  
 Stock exchange listing: Tokyo  
 Code number: 8075  
 URL: <https://www.shinsho.co.jp>  
 Representative: Hironobu Takashita President and Representative Director  
 Contact: Yohei Oka General Manager General Affairs Department  
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 Scheduled date to file semi-annual securities report: November 14, 2024  
 Scheduled date to commence dividend payments: December 6, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

#### (1) Consolidated Operating Results

(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	%
Six months ended September 30, 2024	306,676	9.8	7,024	17.0	6,109	21.9	4,568	23.0
September 30, 2023	279,411	0.3	6,002	(6.5)	5,013	(21.5)	3,713	(16.2)

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 5,571 million [ (36.4)%]  
 Six months ended September 30, 2023: ¥ 8,763 million [ 1.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	519.01	-
September 30, 2023	422.02	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	398,348	91,418	22.5
March 31, 2024	396,408	87,480	21.7

(Reference) Equity: As of September 30, 2024: ¥ 89,662 million  
 As of March 31, 2024: ¥ 85,982 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, 2024	-	125.00	-	190.00	315.00
Fiscal year ending March 31, 2025	-	150.00			
Fiscal year ending March 31, 2025 (Forecast)			-	150.00	300.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	623,000	5.3	12,300	(7.5)	11,000	(14.2)	8,100	(11.1)	920.00

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Significant changes in the scope of consolidation during the period: No

Newly included:	-	(Company name:	)
Excluded:	-	(Company name:	)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
2) Changes in accounting policies due to other reasons:	No
3) Changes in accounting estimates:	No
4) Restatement:	No

(4) Number of issued shares (common shares)

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

September 30, 2024:	8,860,562 shares
March 31, 2024:	8,860,562 shares

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

September 30, 2024:	55,022 shares
March 31, 2024:	60,030 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	8,802,696 shares
Six months ended September 30, 2023:	8,800,147 shares

(Note) Treasury shares include shares held by the Board Incentive Plan Trust (September 30, 2024 : 47,214 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, 2024 : 50,057 shares).

Semi-annual Consolidated Financial Statements  
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	12,309	16,973
Notes and accounts receivable - trade	194,452	193,354
Electronically recorded monetary claims - operating	19,495	18,361
Merchandise and finished goods	74,873	74,529
Work in process	17	156
Raw materials and supplies	1,743	1,557
Advance payments	23,461	27,474
Other	11,470	9,432
Allowance for doubtful accounts	(240)	(280)
Total current assets	337,583	341,559
Non-current assets		
Property, plant and equipment	8,828	9,399
Intangible assets	2,158	2,230
Investments and other assets		
Investment securities	40,740	37,968
Investments in capital	1,924	1,832
Long-term loans receivable	1,905	1,927
Retirement benefit asset	27	28
Deferred tax assets	1,419	1,650
Other	4,470	4,746
Allowance for doubtful accounts	(2,649)	(2,995)
Total investments and other assets	47,837	45,159
Total non-current assets	58,824	56,789
Total assets	396,408	398,348
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	163,542	158,119
Electronically recorded obligations - operating	19,126	12,895
Short-term borrowings	40,158	43,637
Income taxes payable	2,214	2,001
Contract liabilities	8,196	11,082
Provision for bonuses	1,516	1,633
Deposits received	21,132	23,396
Other	25,064	26,245
Total current liabilities	280,951	279,011
Non-current liabilities		
Long-term borrowings	20,599	20,936
Guarantee deposits received	1,732	1,717
Deferred tax liabilities	4,252	3,774
Provision for share awards for directors (and other officers)	67	67
Retirement benefit liability	828	950
Other	497	472
Total non-current liabilities	27,976	27,918
Total liabilities	308,927	306,930

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	5,650	5,650
Capital surplus	2,615	2,615
Retained earnings	63,612	66,498
Treasury shares	(241)	(220)
Total shareholders' equity	71,636	74,543
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,702	7,874
Deferred gains or losses on hedges	132	36
Foreign currency translation adjustment	4,510	7,208
Total accumulated other comprehensive income	14,345	15,118
Non-controlling interests	1,497	1,755
Total net assets	87,480	91,418
Total liabilities and net assets	396,408	398,348

## Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	279,411	306,676
Cost of sales	260,635	286,088
Gross profit	18,776	20,588
Selling, general and administrative expenses	12,773	13,563
Operating profit	6,002	7,024
Non-operating income		
Interest income	149	163
Dividend income	735	892
Share of profit of entities accounted for using equity method	50	-
Gain on valuation of derivatives	-	667
Miscellaneous income	192	322
Total non-operating income	1,127	2,044
Non-operating expenses		
Interest expenses	984	973
Loss on cession of an obligation	325	289
Share of loss of entities accounted for using equity method	-	50
Foreign exchange losses	63	1,437
Loss on valuation of derivatives	618	-
Miscellaneous losses	124	208
Total non-operating expenses	2,116	2,959
Ordinary profit	5,013	6,109
Extraordinary income		
Gain on sale of investment securities	673	670
Gain on bargain purchase	-	179
Total extraordinary income	673	849
Extraordinary losses		
Loss on valuation of investments in capital	33	-
Total extraordinary losses	33	-
Profit before income taxes	5,653	6,959
Income taxes - current	1,918	2,133
Income taxes - deferred	21	213
Total income taxes	1,939	2,346
Profit	3,714	4,612
Profit attributable to non-controlling interests	0	43
Profit attributable to owners of parent	3,713	4,568

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	3,714	4,612
Other comprehensive income		
Valuation difference on available-for-sale securities	3,029	(1,855)
Deferred gains or losses on hedges	171	(95)
Foreign currency translation adjustment	1,676	2,732
Share of other comprehensive income of entities accounted for using equity method	172	178
Total other comprehensive income	5,049	958
Comprehensive income	8,763	5,571
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,722	5,342
Comprehensive income attributable to non-controlling interests	41	229

## Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,653	6,959
Depreciation	717	817
Amortization of goodwill	-	45
Increase (decrease) in provision and allowance	212	110
Interest and dividend income	(884)	(1,055)
Interest expenses	984	973
Share of loss (profit) of entities accounted for using equity method	(50)	50
Gain on bargain purchase	-	(179)
Loss (gain) on sale of investment securities	(673)	(670)
Loss on valuation of investments in capital	33	-
Decrease (increase) in trade receivables	(10,748)	6,506
Decrease (increase) in inventories	949	4,196
Increase (decrease) in trade payables	(2,848)	(15,161)
Decrease (increase) in accounts receivable - other	779	1,958
Increase (decrease) in accrued expenses	1,828	2,747
CF from other operating activities	3,675	(619)
Subtotal	(371)	6,679
Interest and dividends received	974	1,150
Interest paid	(995)	(986)
Income taxes paid	(2,014)	(2,290)
Net cash provided by (used in) operating activities	(2,406)	4,554
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(530)	(366)
Proceeds from sale of property, plant and equipment	22	30
Purchase of investment securities and others	(181)	(7)
Proceeds from sales of investment securities and others	1,013	1,434
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	96
Short-term loan advances	(0)	(312)
Proceeds from collection of short-term loans receivable	5	5
Long-term loan advances	(92)	(52)
Proceeds from collection of long-term loans receivable	-	1
CF from other investing activities	(160)	(268)
Net cash provided by (used in) investing activities	75	560
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	6,106	1,306
Proceeds from long-term borrowings	300	900
Repayments of long-term borrowings	(609)	(1,420)
Proceeds from share issuance to non-controlling shareholders	-	30
Repayments of finance lease liabilities	(73)	(81)
Dividends paid	(1,461)	(1,682)
Dividends paid to non-controlling interests	(8)	(23)
CF from other financing activities	(17)	20
Net cash provided by (used in) financing activities	4,235	(950)
Effect of exchange rate change on cash and cash equivalents	460	499
Net increase (decrease) in cash and cash equivalents	2,364	4,664

Cash and cash equivalents at beginning of period	12,800	12,308
Cash and cash equivalents at end of period	15,165	16,972