

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 4, 2022

Company name: Shimojima Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 7482 URL <http://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: August 10, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	13,008	14.0	(36)	–	10	–	(24)	–
Three months ended June 30, 2021	11,409	(2.9)	(102)	–	(20)	–	(5)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(1.05)	–
Three months ended June 30, 2021	(0.25)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	37,329	31,343	83.8	1,344.32
As of March 31, 2022	37,756	31,622	83.6	1,356.41

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	–				
Year ending March 31, 2023 (Forecast)		11.00	–	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
Six months ending September 30, 2022	23,900	6.6	(250)	–	(180)	–	(100)	–	(4.30)
Full year	50,700	5.5	360	713.2	670	76.2	400	364.9	17.19

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	24,257,826 shares	As of March 31, 2022	24,257,826 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	986,691 shares	As of March 31, 2022	986,691 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	23,271,135 shares	Three months ended June 30, 2021	23,256,881 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	6,035	5,500
Notes and accounts receivable - trade	6,293	6,288
Electronically recorded monetary claims - operating	807	875
Merchandise and finished goods	5,019	5,372
Raw materials and supplies	494	555
Other	516	644
Allowance for doubtful accounts	(12)	(12)
Total current assets	19,154	19,225
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,866	3,825
Land	7,762	7,762
Other, net	949	926
Total property, plant and equipment	12,578	12,514
Intangible assets		
Goodwill	653	617
Other	1,178	1,117
Total intangible assets	1,831	1,734
Investments and other assets		
Other	4,278	3,936
Allowance for doubtful accounts	(87)	(80)
Total investments and other assets	4,191	3,855
Total non-current assets	18,601	18,104
Total assets	37,756	37,329

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,915	3,045
Current portion of long-term borrowings	6	6
Income taxes payable	141	44
Provision for bonuses	333	221
Provision for bonuses for directors (and other officers)	23	12
Other	1,456	1,415
Total current liabilities	4,876	4,745
Non-current liabilities		
Long-term borrowings	122	120
Retirement benefit liability	315	332
Other	819	787
Total non-current liabilities	1,257	1,240
Total liabilities	6,134	5,986
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,304	1,304
Retained earnings	35,802	35,521
Treasury shares	(1,098)	(1,098)
Total shareholders' equity	37,413	37,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	310	275
Deferred gains or losses on hedges	35	68
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	1	1
Total accumulated other comprehensive income	(5,847)	(5,848)
Non-controlling interests	57	59
Total net assets	31,622	31,343
Total liabilities and net assets	37,756	37,329

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	11,409	13,008
Cost of sales	7,804	9,085
Gross profit	3,605	3,923
Selling, general and administrative expenses	3,707	3,959
Operating loss	(102)	(36)
Non-operating income		
Interest income	0	3
Dividend income	1	1
Rental income	52	48
Reversal of allowance for doubtful accounts	2	5
Other	49	53
Total non-operating income	105	112
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	17	56
Other	5	10
Total non-operating expenses	23	66
Ordinary profit (loss)	(20)	10
Extraordinary income		
Surrender value of insurance policies	—	5
Total extraordinary income	—	5
Extraordinary losses		
Dismantlement expenses	—	28
Loss on cancellation of insurance policies	—	11
Total extraordinary losses	—	39
Loss before income taxes	(20)	(23)
Income taxes	(14)	(0)
Loss	(6)	(22)
Profit (loss) attributable to non-controlling interests	(0)	1
Loss attributable to owners of parent	(5)	(24)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Loss	(6)	(22)
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(34)
Deferred gains or losses on hedges	(22)	33
Remeasurements of defined benefit plans, net of tax	(1)	0
Total other comprehensive income	(45)	(0)
Comprehensive income	(51)	(23)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(51)	(25)
Comprehensive income attributable to non-controlling interests	(0)	1