

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 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, Administration Masayuki Shimojima TEL 03-3862-8626
 Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 24, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
Year ended March 31, 2022	48,063	2.0	44	(83.9)	380	(31.1)	86	-
Year ended March 31, 2021	47,100	(2.4)	275	(45.5)	552	(24.6)	(331)	-

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	3.70	-	0.3	1.0	0.1
Year ended March 31, 2021	(14.27)	-	(1.0)	1.4	0.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	37,756	31,622	83.6	1,356.41
As of March 31, 2021	38,293	32,225	84.0	1,383.39

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	430	(1,376)	(647)	5,848
Year ended March 31, 2021	1,103	(407)	(404)	7,441

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	-	11.00	-	11.00	22.00	511	(154.2)	1.6
Year ended March 31, 2022	-	11.00	-	11.00	22.00	512	594.6	1.6
Year ending March 31, 2023 (Forecast)	-	11.00	-	11.00	22.00		128.0	

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 year ended March 31, 2022

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	24,257,826 shares	As of March 31, 2021	24,257,826 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	986,691 shares	As of March 31, 2021	1,000,884 shares
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Average number of shares during the period

Year ended March 31, 2022	23,266,752 shares	Year ended March 31, 2021	23,255,476 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	7,629	6,035
Notes and accounts receivable - trade	5,872	6,293
Electronically recorded monetary claims - operating	757	807
Merchandise and finished goods	4,908	5,019
Raw materials and supplies	489	494
Other	460	516
Allowance for doubtful accounts	(14)	(12)
Total current assets	20,105	19,154
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,094	10,990
Accumulated depreciation	(7,022)	(7,001)
Accumulated impairment	(116)	(122)
Buildings and structures, net	3,956	3,866
Machinery, equipment and vehicles	3,531	3,579
Accumulated depreciation	(2,816)	(2,842)
Accumulated impairment	(312)	(312)
Machinery, equipment and vehicles, net	402	424
Land	7,762	7,762
Leased assets	2,040	2,074
Accumulated depreciation	(980)	(1,050)
Accumulated impairment	(691)	(691)
Leased assets, net	369	332
Other	883	984
Accumulated depreciation	(744)	(759)
Accumulated impairment	(26)	(31)
Other, net	113	192
Total property, plant and equipment	12,603	12,578
Intangible assets		
Goodwill	254	653
Leased assets	38	31
Other	1,077	1,147
Total intangible assets	1,370	1,831
Investments and other assets		
Investment securities	741	558
Long-term loans receivable	344	337
Deferred tax assets	657	730
Insurance funds	2,131	2,251
Other	434	401
Allowance for doubtful accounts	(95)	(87)
Total investments and other assets	4,214	4,191
Total non-current assets	18,188	18,601
Total assets	38,293	37,756

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,699	2,915
Current portion of long-term borrowings	2	6
Lease liabilities	129	126
Income taxes payable	78	141
Contract liabilities	–	46
Provision for bonuses	336	333
Provision for bonuses for directors (and other officers)	21	23
Other	1,527	1,283
Total current liabilities	4,795	4,876
Non-current liabilities		
Long-term borrowings	77	122
Lease liabilities	406	345
Deferred tax liabilities for land revaluation	277	277
Retirement benefit liability	232	315
Asset retirement obligations	39	38
Other	239	158
Total non-current liabilities	1,272	1,257
Total liabilities	6,067	6,134
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,304	1,304
Retained earnings	36,255	35,802
Treasury shares	(1,114)	(1,098)
Total shareholders' equity	37,850	37,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	437	310
Deferred gains or losses on hedges	55	35
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	25	1
Total accumulated other comprehensive income	(5,677)	(5,847)
Non-controlling interests	52	57
Total net assets	32,225	31,622
Total liabilities and net assets	38,293	37,756

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	47,100	48,063
Cost of sales	32,038	33,091
Gross profit	15,061	14,971
Selling, general and administrative expenses	14,786	14,927
Operating profit	275	44
Non-operating income		
Interest income	5	2
Dividend income	5	5
Rental income	95	197
Purchase discounts	21	22
Foreign exchange gains	11	–
Reversal of allowance for doubtful accounts	28	8
Insurance return	43	34
Other	130	145
Total non-operating income	343	415
Non-operating expenses		
Interest expenses	0	0
Sales discounts	2	2
Foreign exchange losses	–	50
Other	63	26
Total non-operating expenses	66	79
Ordinary profit	552	380
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	155	–
Surrender value of insurance policies	37	7
Total extraordinary income	193	7
Extraordinary losses		
Impairment losses	1,106	19
Loss on valuation of investments in capital	7	–
Dismantlement expenses	–	109
Total extraordinary losses	1,114	128
Profit (loss) before income taxes	(369)	259
Income taxes - current	255	153
Income taxes - deferred	(229)	14
Total income taxes	26	168
Profit (loss)	(395)	91
Profit (loss) attributable to non-controlling interests	(64)	5
Profit (loss) attributable to owners of parent	(331)	86

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(395)	91
Other comprehensive income		
Valuation difference on available-for-sale securities	238	(127)
Deferred gains or losses on hedges	27	(19)
Remeasurements of defined benefit plans, net of tax	54	(23)
Total other comprehensive income	320	(170)
Comprehensive income	(75)	(79)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11)	(84)
Comprehensive income attributable to non-controlling interests	(63)	5

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,405	1,304	37,215	(1,117)	38,807
Cumulative effects of changes in accounting policies					–
Restated balance	1,405	1,304	37,215	(1,117)	38,807
Changes during period					
Dividends of surplus			(627)		(627)
Profit (loss) attributable to owners of parent			(331)		(331)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					–
Change in scope of consolidation				3	3
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(959)	2	(957)
Balance at end of period	1,405	1,304	36,255	(1,114)	37,850

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	199	29	(6,195)	(29)	(5,995)	116	32,928
Cumulative effects of changes in accounting policies							–
Restated balance	199	29	(6,195)	(29)	(5,995)	116	32,928
Changes during period							
Dividends of surplus							(627)
Profit (loss) attributable to owners of parent							(331)
Purchase of treasury shares							(0)
Disposal of treasury shares							–
Change in scope of consolidation							3
Net changes in items other than shareholders' equity	238	26	–	54	318	(63)	254
Total changes during period	238	26	–	54	318	(63)	(702)
Balance at end of period	437	55	(6,195)	25	(5,677)	52	32,225

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	1,405	1,304	36,255	(1,114)	37,850
Cumulative effects of changes in accounting policies			(27)		(27)
Restated balance	1,405	1,304	36,227	(1,114)	37,823
Changes during period					
Dividends of surplus			(511)		(511)
Profit (loss) attributable to owners of parent			86		86
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		15	15
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	(425)	15	(409)
Balance at end of period	1,405	1,304	35,802	(1,098)	37,413

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	437	55	(6,195)	25	(5,677)	52	32,225
Cumulative effects of changes in accounting policies							(27)
Restated balance	437	55	(6,195)	25	(5,677)	52	32,198
Changes during period							
Dividends of surplus							(511)
Profit (loss) attributable to owners of parent							86
Purchase of treasury shares							(0)
Disposal of treasury shares							15
Change in scope of consolidation							-
Net changes in items other than shareholders' equity	(127)	(19)	-	(23)	(170)	5	(165)
Total changes during period	(127)	(19)	-	(23)	(170)	5	(575)
Balance at end of period	310	35	(6,195)	1	(5,847)	57	31,622

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income taxes	(369)	259
Depreciation	851	845
Amortization of goodwill	91	78
Loss (gain) on sale and retirement of non-current assets	21	1
Loss (gain) on sale of investment securities	(21)	0
Loss (gain) on sale of shares of subsidiaries and associates	(155)	–
Impairment losses	1,106	19
Surrender value of insurance policies	(37)	(7)
Loss on valuation of investments in capital	7	–
Increase (decrease) in allowance for doubtful accounts	(35)	(9)
Increase (decrease) in retirement benefit liability	58	58
Increase (decrease) in provision for bonuses	(26)	(4)
Increase (decrease) in provision for bonuses for directors (and other officers)	1	1
Interest and dividend income	(10)	(7)
Interest expenses	0	0
Foreign exchange losses (gains)	(2)	(3)
Decrease (increase) in trade receivables	(109)	(395)
Decrease (increase) in inventories	190	(124)
Increase (decrease) in trade payables	(78)	152
Other, net	77	(334)
Subtotal	1,563	530
Interest and dividends received	10	7
Interest paid	(0)	(0)
Income taxes paid	(468)	(106)
Net cash provided by (used in) operating activities	1,103	430
Cash flows from investing activities		
Payments into time deposits	(165)	(161)
Proceeds from withdrawal of time deposits	160	162
Purchase of property, plant and equipment	(329)	(469)
Purchase of intangible assets	(302)	(557)
Payments for retirement of property, plant and equipment	–	(100)
Proceeds from sale of property, plant and equipment	17	0
Purchase of investment securities	(50)	(0)
Proceeds from sale of investment securities	48	0
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	(108)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(449)
Loan advances	(80)	–
Proceeds from collection of loans receivable	467	10
Other, net	(64)	189
Net cash provided by (used in) investing activities	(407)	(1,376)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	384	–
Proceeds from long-term borrowings	420	–
Repayments of short-term borrowings	(431)	–
Repayments of long-term borrowings	(7)	(2)
Repayments of lease liabilities	(141)	(133)
Purchase of treasury shares	(0)	(0)
Dividends paid	(627)	(511)
Net cash provided by (used in) financing activities	(404)	(647)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	291	(1,593)
Cash and cash equivalents at beginning of period	7,150	7,441
Cash and cash equivalents at end of period	7,441	5,848