

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2022
(Based on Japanese GAAP)**

October 28, 2022

Company name: Scroll Corporation
 Stock exchange listing: Tokyo
 Stock code: 8005 URL <https://www.scroll.jp/>
 Representative: President Tomohisa Tsurumi
 Director, General Manager of Corporate Management Dept. Yasunori Sugimoto TEL +81-53-464-1114 (from overseas)
 Scheduled date to file Quarterly Securities Report: November 8, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	40,965	(2.1)	3,496	(25.3)	3,373	(28.4)	2,333	(27.8)
Six months ended September 30, 2021	41,830	—	4,680	—	4,708	—	3,231	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	66.88		—	
Six months ended September 30, 2021	92.69		—	

(Note) As the figures for the six months ended September 30, 2021 are the first year in which the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc. are applied, the percentage change from the same quarter of the previous fiscal year is not stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	50,170	30,630	61.1
As of March 31, 2022	49,711	30,037	60.4

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	—	10.00	—	54.50	64.50
Year ending March 31, 2023	—	10.00			
Year ending March 31, 2023 (Forecast)			—	25.50	35.50

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
Full year	79,000	(2.9)	4,500	(35.7)	4,500	(36.6)	3,100	(44.5)	88.64

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: No
- (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: No
- 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 September 30, 2022	34,981,050 shares	As of March 31, 2022	34,873,050 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	7,565 shares	As of March 31, 2022	7,381 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	34,888,594 shares	Six months ended September 30, 2021	34,866,060 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,142	6,189
Accounts receivable - trade	11,403	11,814
Inventories	8,185	9,690
Other	5,916	5,610
Allowance for doubtful accounts	(415)	(443)
Total current assets	32,233	32,861
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,866	6,690
Land	5,520	5,520
Other, net	1,149	1,065
Total property, plant and equipment	13,537	13,276
Intangible assets		
Goodwill	85	64
Other	806	767
Total intangible assets	892	831
Investments and other assets		
Other	3,437	3,604
Allowance for doubtful accounts	(388)	(404)
Total investments and other assets	3,048	3,200
Total non-current assets	17,477	17,308
Total assets	49,711	50,170
Liabilities		
Current liabilities		
Accounts payable - trade	2,963	2,871
Short-term borrowings	75	3,025
Accounts payable - other	7,241	6,156
Income taxes payable	228	1,258
Provision for bonuses	477	501
Other provisions	3	2
Other	1,061	1,061
Total current liabilities	12,051	14,877
Non-current liabilities		
Long-term borrowings	6,000	3,000
Provisions	57	55
Retirement benefit liability	1,403	1,442
Other	160	163
Total non-current liabilities	7,621	4,662
Total liabilities	19,673	19,539

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	6,018	6,064
Capital surplus	6,644	6,993
Retained earnings	16,726	16,856
Treasury shares	(4)	(4)
Total shareholders' equity	29,385	29,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	464	455
Deferred gains or losses on hedges	150	202
Foreign currency translation adjustment	37	62
Total accumulated other comprehensive income	652	720
Total net assets	30,037	30,630
Total liabilities and net assets	49,711	50,170

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	41,830	40,965
Cost of sales	25,891	25,750
Gross profit	15,939	15,214
Selling, general and administrative expenses	11,258	11,718
Operating profit	4,680	3,496
Non-operating income		
Interest income	9	9
Dividend income	25	25
Other	16	28
Total non-operating income	50	63
Non-operating expenses		
Interest expenses	16	10
Foreign exchange losses	2	174
Other	3	2
Total non-operating expenses	22	187
Ordinary profit	4,708	3,373
Extraordinary income		
Gain on sale of investment securities	–	10
Total extraordinary income	–	10
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	0	6
Loss on sale of investment securities	–	2
Total extraordinary losses	0	9
Profit before income taxes	4,708	3,374
Income taxes - current	1,336	1,189
Income taxes - deferred	140	(147)
Total income taxes	1,477	1,041
Profit	3,231	2,333
Profit attributable to owners of parent	3,231	2,333

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,231	2,333
Other comprehensive income		
Valuation difference on available-for-sale securities	42	(8)
Deferred gains or losses on hedges	(38)	52
Foreign currency translation adjustment	18	25
Total other comprehensive income	23	68
Comprehensive income	3,254	2,402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,254	2,402
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,708	3,374
Depreciation	529	478
Amortization of goodwill	21	21
Share-based payment expenses	–	24
Increase (decrease) in allowance for doubtful accounts	(35)	44
Increase (decrease) in provision for bonuses	(280)	22
Increase (decrease) in other provisions	(4)	(2)
Increase (decrease) in retirement benefit liability	70	39
Interest and dividend income	(34)	(35)
Interest expenses	16	10
Loss (gain) on sale of investment securities	–	(8)
Loss (gain) on sale and retirement of non-current assets	0	6
Decrease (increase) in trade receivables	(472)	(415)
Decrease (increase) in inventories	(1,157)	(1,504)
Decrease (increase) in other current assets	(181)	401
Increase (decrease) in trade payables	91	(126)
Increase (decrease) in accrued liabilities	(1,305)	(1,067)
Increase (decrease) in other current liabilities	(312)	40
Other, net	5	0
Subtotal	1,659	1,304
Interest and dividends received	34	35
Interest paid	(16)	(10)
Income taxes paid	(2,216)	(195)
Income taxes refund	–	72
Net cash provided by (used in) operating activities	(538)	1,205
Cash flows from investing activities		
Purchase of property, plant and equipment	(360)	(58)
Purchase of intangible assets	(122)	(142)
Proceeds from sale of investment securities	–	28
Payments of guarantee deposits	(18)	(51)
Proceeds from refund of guarantee deposits	7	8
Other, net	1	(18)
Net cash provided by (used in) investing activities	(491)	(232)
Cash flows from financing activities		
Proceeds from long-term borrowings	3,000	–
Repayments of long-term borrowings	(4,250)	(50)
Dividends paid	(1,823)	(1,893)
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(3,074)	(1,944)
Effect of exchange rate change on cash and cash equivalents	18	19
Net increase (decrease) in cash and cash equivalents	(4,086)	(952)
Cash and cash equivalents at beginning of period	8,084	7,142
Cash and cash equivalents at end of period	3,997	6,189