

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Summary of Financial Results for the second quarter FY2022 [Japanese GAAP]

November 02, 2022

Company name: Shinsho Corporation
 Stock exchange listing: Tokyo
 Code number: 8075
 URL: <https://www.shinsho.co.jp>
 Representative: Takafumi Morichi President and Representative Director
 Contact: Yukio Oshima General Manager General Affairs Department
 Phone: 03-5579-5201
 Scheduled date of filing quarterly securities report: November 14, 2022
 Scheduled date of commencing dividend payments: December 06, 2022
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	278,618	24.3	6,419	57.1	6,387	40.0	4,432	14.9
September 30, 2021	224,176	-	4,086	195.9	4,563	181.9	3,858	689.5

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 8,651 million [59.9%]
 Six months ended September 30, 2021: ¥ 5,411 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	501.43	-
September 30, 2021	435.74	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	410,296	70,943	17.0
March 31, 2022	364,029	63,753	17.3

(Reference) Equity: As of September 30, 2022: ¥ 69,592 million
 As of March 31, 2022: ¥ 62,938 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, 2022	-	85.00	-	160.00	245.00
Fiscal year ending March 31, 2023	-	150.00			
Fiscal year ending March 31, 2023 (Forecast)			-	150.00	300.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	577,000	16.7	11,900	18.4	12,000	23.4	8,800	23.3	1,000.00

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

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

New - (Company name:)

Exclusion: - (Company name:)

(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):

September 30, 2022: 8,860,562 shares

March 31, 2022: 8,860,562 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 60,519 shares

March 31, 2022: 5,767 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 8,840,380 shares

Six months ended September 30, 2021: 8,854,805 shares

(Note) Treasury shares include shares held by the Board Incentive Plan Trust(September 30, 2022 : 53,000 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, 2022 : 25,604 shares).

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	15,398	21,386
Notes and accounts receivable - trade	195,835	207,176
Electronically recorded monetary claims - operating	18,281	20,103
Merchandise and finished goods	54,365	69,556
Work in process	59	72
Raw materials and supplies	1,316	1,602
Advance payments	22,385	29,912
Other	9,913	11,127
Allowance for doubtful accounts	(953)	(1,146)
Total current assets	316,604	359,791
Non-current assets		
Property, plant and equipment	7,884	8,648
Intangible assets	1,554	1,475
Investments and other assets		
Investment securities	31,213	32,998
Investments in capital	1,739	2,001
Long-term loans receivable	1,586	1,773
Retirement benefit asset	5	10
Deferred tax assets	1,778	1,846
Other	5,410	6,235
Allowance for doubtful accounts	(3,747)	(4,485)
Total investments and other assets	37,986	40,380
Total non-current assets	47,425	50,504
Total assets	364,029	410,296
Liabilities		
Current liabilities		
Notes and accounts payable - trade	161,237	171,469
Electronically recorded obligations - operating	14,381	13,025
Short-term borrowings	49,962	58,401
Income taxes payable	2,023	1,350
Contract liabilities	9,386	9,690
Provision for bonuses	1,089	1,318
Deposits received	18,244	32,593
Other	22,996	27,478
Total current liabilities	279,321	315,328
Non-current liabilities		
Long-term borrowings	16,499	19,108
Guarantee deposits received	1,704	1,687
Deferred tax liabilities	1,257	2,001
Provision for retirement benefits for directors (and other officers)	13	13
Retirement benefit liability	658	693
Provision for loss on guarantees	110	130
Other	712	390
Total non-current liabilities	20,955	24,024
Total liabilities	300,276	339,352

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	5,650	5,650
Capital surplus	2,608	2,608
Retained earnings	50,618	53,634
Treasury shares	(17)	(243)
Total shareholders' equity	58,859	61,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,587	3,758
Deferred gains or losses on hedges	(287)	107
Foreign currency translation adjustment	779	4,076
Total accumulated other comprehensive income	4,079	7,943
Non-controlling interests	814	1,351
Total net assets	63,753	70,943
Total liabilities and net assets	364,029	410,296

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	224,176	278,618
Cost of sales	208,375	259,961
Gross profit	15,801	18,656
Selling, general and administrative expenses	11,715	12,236
Operating profit	4,086	6,419
Non-operating income		
Interest income	60	100
Dividend income	534	639
Foreign exchange gains	-	234
Gain on valuation of derivatives	130	-
Share of profit of entities accounted for using equity method	368	524
Miscellaneous income	244	271
Total non-operating income	1,338	1,770
Non-operating expenses		
Interest expenses	380	482
Loss on cession of an obligation	279	517
Foreign exchange losses	110	-
Loss on valuation of derivatives	-	667
Miscellaneous losses	91	134
Total non-operating expenses	861	1,802
Ordinary profit	4,563	6,387
Extraordinary income		
Gain on bargain purchase	183	-
Gain on sale of non-current assets	-	429
Gain on sale of investment securities	77	115
Total extraordinary income	260	545
Extraordinary losses		
Loss on sale of investment securities	80	-
Loss on valuation of investment securities	13	-
Total extraordinary losses	93	-
Profit before income taxes	4,730	6,932
Income taxes - current	1,412	1,477
Income taxes - deferred	(829)	689
Total income taxes	583	2,166
Profit	4,146	4,766
Profit attributable to non-controlling interests	288	333
Profit attributable to owners of parent	3,858	4,432

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	4,146	4,766
Other comprehensive income		
Valuation difference on available-for-sale securities	(108)	166
Deferred gains or losses on hedges	333	394
Foreign currency translation adjustment	998	2,948
Share of other comprehensive income of entities accounted for using equity method	41	376
Total other comprehensive income	1,264	3,885
Comprehensive income	5,411	8,651
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,068	8,296
Comprehensive income attributable to non-controlling interests	343	354