

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Consolidated Financial Results
for the First Six Months of the Fiscal Year
Ending March 31, 2023
(Under Japanese GAAP)**



November 8, 2022

Company name: Bunka Shutter Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5930
 URL: <https://www.bunka-s.co.jp/>
 Representative: Hiroyuki Ogura, Representative Director and President
 Inquiries: Koichi Nishimura, Operating Officer and Manager of Accounting Department
 TEL: +81-3-5844-7200
 Scheduled date to file quarterly securities report: November 8, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investors)

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

**1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2023
(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	86,564	3.0	2,584	14.5	2,781	31.2	1,869	52.7
September 30, 2021	84,010	–	2,257	(23.0)	2,119	(36.4)	1,224	(34.7)

Note: Comprehensive income For the six months ended September 30, 2022: ¥2,473 million [14.2%]
 For the six months ended September 30, 2021: ¥2,166 million [44.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	27.94	24.26
September 30, 2021	17.60	15.40

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	170,593	81,753	47.8
March 31, 2022	169,205	82,512	48.7

Reference: Equity
 As of September 30, 2022: ¥81,591 million
 As of March 31, 2022: ¥82,353 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2023	–	21.00			
Fiscal year ending March 31, 2023 (Forecast)			–	21.00	42.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	192,000	5.3	11,200	23.0	11,600	27.7	8,000	19.3	122.28

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting treatment for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of September 30, 2022	72,196,487 shares
As of March 31, 2022	72,196,487 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2022	6,773,352 shares
As of March 31, 2022	5,021,981 shares

- (iii) Average number of shares outstanding during the period

Six months ended September 30, 2022	66,924,289 shares
Six months ended September 30, 2021	69,557,424 shares

Note: The number of treasury shares at the end of the period includes the number of shares of Bunka Shutter Co., Ltd. (the "Company") held by the Board Incentive Plan trust. The Company's shares held by the trust are included in the treasury shares deducted in calculating the average number of shares outstanding during the period.

- * Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

(How to obtain supplementary material on quarterly financial results)

The Company plans to hold a quarterly financial results briefing for analysts and institutional investors on November 28, 2022 (Monday). The Company also plans to post the supplementary material on quarterly financial results that will be used at the briefing on the Company's website in addition to disclosing it on TDnet.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	36,454	34,672
Notes and accounts receivable - trade, and contract assets	40,740	35,451
Electronically recorded monetary claims - operating	5,848	5,706
Merchandise and finished goods	8,484	12,208
Work in process	1,318	1,580
Raw materials and supplies	4,974	6,765
Other	2,729	5,030
Allowance for doubtful accounts	(114)	(136)
Total current assets	100,437	101,278
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,849	10,905
Land	12,949	12,953
Other, net	9,953	10,479
Total property, plant and equipment	33,752	34,339
Intangible assets		
Goodwill	4,021	4,368
Other	4,655	4,704
Total intangible assets	8,677	9,072
Investments and other assets		
Investment securities	16,111	15,385
Retirement benefit asset	1,713	1,717
Other	8,755	9,059
Allowance for doubtful accounts	(241)	(257)
Total investments and other assets	26,338	25,904
Total non-current assets	68,768	69,315
Total assets	169,205	170,593

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,892	16,923
Electronically recorded obligations - operating	16,208	17,204
Current portion of convertible-bond-type bonds with share acquisition rights	-	10,000
Short-term borrowings	1,504	1,505
Income taxes payable	1,767	1,078
Provision for bonuses	3,809	3,669
Provision for bonuses for directors (and other officers)	154	46
Provision for loss on construction contracts	289	283
Other	11,993	13,869
Total current liabilities	52,619	64,579
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	10,000	-
Long-term borrowings	-	34
Provision for retirement benefits for directors (and other officers)	253	251
Provision for share awards for directors (and other officers)	-	17
Retirement benefit liability	19,113	19,102
Asset retirement obligations	51	52
Other	4,654	4,802
Total non-current liabilities	34,073	24,260
Total liabilities	86,693	88,840
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	12,323	12,319
Retained earnings	57,555	58,050
Treasury shares	(5,157)	(7,011)
Total shareholders' equity	79,773	78,410
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,975	2,318
Revaluation reserve for land	(76)	(46)
Foreign currency translation adjustment	(515)	772
Remeasurements of defined benefit plans	197	136
Total accumulated other comprehensive income	2,580	3,180
Non-controlling interests	158	161
Total net assets	82,512	81,753
Total liabilities and net assets	169,205	170,593

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	84,010	86,564
Cost of sales	63,069	64,403
Gross profit	20,940	22,160
Selling, general and administrative expenses	18,682	19,576
Operating profit	2,257	2,584
Non-operating income		
Interest income	8	8
Dividend income	189	171
Rental income	36	35
Foreign exchange gains	–	298
Other	190	148
Total non-operating income	424	663
Non-operating expenses		
Interest expenses	113	110
Share of loss of entities accounted for using equity method	257	310
Other	192	46
Total non-operating expenses	562	466
Ordinary profit	2,119	2,781
Extraordinary income		
Gain on sale of non-current assets	5	2
Gain on sale of investment securities	271	401
Total extraordinary income	276	403
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	10	7
Loss on sale of investment securities	35	–
Total extraordinary losses	46	7
Profit before income taxes	2,350	3,177
Income taxes	1,117	1,303
Profit	1,232	1,873
Profit attributable to non-controlling interests	8	3
Profit attributable to owners of parent	1,224	1,869

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,232	1,873
Other comprehensive income		
Valuation difference on available-for-sale securities	136	(657)
Foreign currency translation adjustment	580	739
Remeasurements of defined benefit plans, net of tax	(22)	(76)
Share of other comprehensive income of entities accounted for using equity method	239	594
Total other comprehensive income	934	600
Comprehensive income	2,166	2,473
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,158	2,470
Comprehensive income attributable to non-controlling interests	8	3

(3) Quarterly consolidated statement 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	2,350	3,177
Depreciation	1,974	1,939
Amortization of goodwill	235	148
Increase (decrease) in allowance for doubtful accounts	(18)	31
Increase (decrease) in provision for bonuses	(152)	(140)
Increase (decrease) in provision for bonuses for directors (and other officers)	(89)	(107)
Increase (decrease) in provision for share awards for directors (and other officers)	–	17
Increase (decrease) in retirement benefit liability	66	(121)
Interest and dividend income	(197)	(180)
Interest expenses	113	110
Loss (gain) on sale of investment securities	(235)	(401)
Loss (gain) on disposal of non-current assets	5	5
Share of loss (profit) of entities accounted for using equity method	257	310
Decrease (increase) in trade receivables and contract assets	3,195	5,667
Decrease (increase) in inventories	1,513	(5,492)
Increase (decrease) in trade payables	(660)	817
Other, net	(1,725)	(807)
Subtotal	6,633	4,972
Interest and dividends received	227	210
Interest paid	(113)	(110)
Income taxes paid	(2,385)	(1,955)
Net cash provided by (used in) operating activities	4,362	3,117
Cash flows from investing activities		
Decrease (increase) in time deposits	195	52
Proceeds from sale of investment securities	647	465
Purchase of investment securities	(13)	(12)
Proceeds from sale of property, plant and equipment	11	7
Purchase of property, plant and equipment	(1,313)	(1,406)
Purchase of intangible assets	(226)	(261)
Loan advances	(47)	(30)
Proceeds from collection of loans receivable	52	52
Other, net	145	(52)
Net cash provided by (used in) investing activities	(547)	(1,185)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	–	55
Repayments of long-term borrowings	(125)	(20)
Repayments of lease liabilities	(500)	(549)
Proceeds from sale of treasury shares	–	305
Purchase of treasury shares	(5,056)	(2,167)
Purchase of treasury shares of subsidiaries	(20)	–
Dividends paid	(1,970)	(1,341)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by (used in) financing activities	(7,673)	(3,719)
Effect of exchange rate change on cash and cash equivalents	52	58
Net increase (decrease) in cash and cash equivalents	(3,806)	(1,728)
Cash and cash equivalents at beginning of period	36,205	35,966
Cash and cash equivalents at end of period	32,398	34,237