

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: Shimojima Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 7482 URL <https://www.shimojima.co.jp/>  
 Representative: Representative Director, President Yoshihiko Kasai  
 Inquiries: Managing Director, Corporate Planning Hitoshi Onodera TEL 03-3862-8626  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 28, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	55,028	14.5	2,011	–	2,388	527.7	1,542	–
Year ended March 31, 2022	48,063	2.0	44	(83.8)	380	(31.1)	87	–

	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, 2023	66.23	–	4.8	6.1	3.7
Year ended March 31, 2022	3.75	–	0.3	1.0	0.1

#### (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, 2023	40,023	32,679	81.5	1,399.70
As of March 31, 2022	37,817	31,623	83.5	1,356.47

#### (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, 2023	2,328	(378)	(686)	7,111
Year ended March 31, 2022	430	(1,376)	(647)	5,848

### 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, 2022	–	11.00	–	11.00	22.00	512	586.7	1.6
Year ended March 31, 2023	–	11.00	–	11.00	22.00	512	33.2	1.6
Year ending March 31, 2024 (Forecast)	–	11.00	–	11.00	22.00		32.0	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	57,600	4.7	2,100	4.4	2,400	0.5	1,600	3.7	68.69

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	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 March 31, 2023	955,338 shares	As of March 31, 2022	986,691 shares
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Average number of shares during the period

Year ended March 31, 2023	23,292,849 shares	Year ended March 31, 2022	23,266,752 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,035	7,140
Notes receivable - trade	488	465
Accounts receivable - trade	5,804	6,523
Electronically recorded monetary claims - operating	807	1,001
Merchandise and finished goods	5,019	5,274
Raw materials and supplies	494	596
Other	516	473
Allowance for doubtful accounts	(12)	(15)
<b>Total current assets</b>	<b>19,154</b>	<b>21,460</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	10,990	11,054
Accumulated depreciation	(7,001)	(7,148)
Accumulated impairment	(122)	(121)
Buildings and structures, net	3,866	3,783
Machinery, equipment and vehicles	3,579	3,644
Accumulated depreciation	(2,842)	(2,941)
Accumulated impairment	(312)	(312)
Machinery, equipment and vehicles, net	424	391
Land	7,762	7,761
Leased assets	2,074	2,039
Accumulated depreciation	(1,050)	(1,110)
Accumulated impairment	(691)	(691)
Leased assets, net	332	238
Other	984	2,220
Accumulated depreciation	(759)	(816)
Accumulated impairment	(31)	(39)
Other, net	192	1,365
<b>Total property, plant and equipment</b>	<b>12,578</b>	<b>13,539</b>
<b>Intangible assets</b>		
Goodwill	538	413
Leased assets	31	18
Other	1,322	1,186
<b>Total intangible assets</b>	<b>1,892</b>	<b>1,619</b>
<b>Investments and other assets</b>		
Investment securities	558	557
Long-term loans receivable	337	294
Deferred tax assets	730	677
Insurance funds	2,251	1,636
Other	401	331
Allowance for doubtful accounts	(87)	(93)
<b>Total investments and other assets</b>	<b>4,191</b>	<b>3,403</b>
<b>Total non-current assets</b>	<b>18,662</b>	<b>18,562</b>
<b>Total assets</b>	<b>37,817</b>	<b>40,023</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,915	3,010
Current portion of long-term borrowings	6	6
Lease liabilities	126	116
Income taxes payable	141	831
Contract liabilities	46	61
Provision for bonuses	333	451
Provision for bonuses for directors (and other officers)	23	97
Other	1,283	1,501
<b>Total current liabilities</b>	<b>4,876</b>	<b>6,075</b>
<b>Non-current liabilities</b>		
Long-term borrowings	122	76
Lease liabilities	345	227
Deferred tax liabilities for land revaluation	277	277
Retirement benefit liability	315	352
Asset retirement obligations	38	132
Other	218	201
<b>Total non-current liabilities</b>	<b>1,316</b>	<b>1,268</b>
<b>Total liabilities</b>	<b>6,193</b>	<b>7,343</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,405	1,405
Capital surplus	1,304	1,299
Retained earnings	35,803	36,834
Treasury shares	(1,098)	(1,063)
<b>Total shareholders' equity</b>	<b>37,414</b>	<b>38,474</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	310	320
Deferred gains or losses on hedges	35	6
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	1	10
<b>Total accumulated other comprehensive income</b>	<b>(5,847)</b>	<b>(5,858)</b>
<b>Non-controlling interests</b>	<b>57</b>	<b>63</b>
<b>Total net assets</b>	<b>31,623</b>	<b>32,679</b>
<b>Total liabilities and net assets</b>	<b>37,817</b>	<b>40,023</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	48,063	55,028
Cost of sales	33,091	37,485
Gross profit	14,971	17,543
Selling, general and administrative expenses	14,927	15,531
Operating profit	44	2,011
Non-operating income		
Interest income	2	13
Dividend income	5	5
Rental income	197	203
Purchase discounts	22	23
Reversal of allowance for doubtful accounts	8	–
Insurance return	34	56
Gain on investments in silent partnerships	–	59
Other	145	135
Total non-operating income	415	496
Non-operating expenses		
Interest expenses	0	0
Sales discounts	2	–
Foreign exchange losses	50	71
Rent cost of real estate Depreciation	14	20
Other	12	26
Total non-operating expenses	79	118
Ordinary profit	380	2,388
Extraordinary income		
Surrender value of insurance policies	7	171
Total extraordinary income	7	171
Extraordinary losses		
Impairment losses	19	70
Dismantlement expenses	109	28
Loss on cancellation of insurance policies	–	14
Total extraordinary losses	128	113
Profit before income taxes	259	2,446
Income taxes - current	153	847
Income taxes - deferred	13	51
Total income taxes	167	898
Profit	92	1,548
Profit attributable to non-controlling interests	5	5
Profit attributable to owners of parent	87	1,542

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	92	1,548
Other comprehensive income		
Valuation difference on available-for-sale securities	(127)	10
Deferred gains or losses on hedges	(19)	(29)
Remeasurements of defined benefit plans, net of tax	(23)	8
Total other comprehensive income	(170)	(10)
Comprehensive income	(78)	1,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(83)	1,532
Comprehensive income attributable to non-controlling interests	5	5

## Consolidated statements of changes in equity

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 attributable to owners of parent			87		87
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		15	15
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	(424)	15	(408)
Balance at end of period	1,405	1,304	35,803	(1,098)	37,414

	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 attributable to owners of parent							87
Purchase of treasury shares							(0)
Disposal of treasury shares							15
Net changes in items other than shareholders' equity	(127)	(19)	–	(23)	(170)	5	(165)
Total changes during period	(127)	(19)	–	(23)	(170)	5	(574)
Balance at end of period	310	35	(6,195)	1	(5,847)	57	31,623

Fiscal year ended March 31, 2023

(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	35,803	(1,098)	37,414
Changes during period					
Dividends of surplus			(512)		(512)
Profit attributable to owners of parent			1,542		1,542
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(5)		34	29
Net changes in items other than shareholders' equity					
Total changes during period	–	(5)	1,030	34	1,060
Balance at end of period	1,405	1,299	36,834	(1,063)	38,474

	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	310	35	(6,195)	1	(5,847)	57	31,623
Changes during period							
Dividends of surplus							(512)
Profit attributable to owners of parent							1,542
Purchase of treasury shares							(0)
Disposal of treasury shares							29
Net changes in items other than shareholders' equity	10	(29)	–	8	(10)	5	(4)
Total changes during period	10	(29)	–	8	(10)	5	1,055
Balance at end of period	320	6	(6,195)	10	(5,858)	63	32,679

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	259	2,446
Depreciation	848	913
Amortization of goodwill	74	124
Loss (gain) on sale and retirement of non-current assets	1	(0)
Loss (gain) on sale of investment securities	0	4
Impairment losses	19	70
Surrender value of insurance policies	(7)	(171)
Loss (gain) on cancellation of insurance policies	–	14
Loss (gain) on investments in silent partnerships	–	(59)
Increase (decrease) in allowance for doubtful accounts	(9)	9
Increase (decrease) in retirement benefit liability	58	48
Increase (decrease) in provision for bonuses	(4)	117
Increase (decrease) in provision for bonuses for directors (and other officers)	1	73
Interest and dividend income	(7)	(18)
Interest expenses	0	0
Foreign exchange losses (gains)	(3)	(0)
Decrease (increase) in trade receivables	(395)	(889)
Decrease (increase) in inventories	(124)	(356)
Increase (decrease) in trade payables	152	94
Other, net	(334)	62
Subtotal	530	2,485
Interest and dividends received	7	18
Interest paid	(0)	(0)
Income taxes paid	(106)	(174)
Net cash provided by (used in) operating activities	430	2,328
Cash flows from investing activities		
Payments into time deposits	(161)	(1)
Proceeds from withdrawal of time deposits	162	160
Purchase of property, plant and equipment	(469)	(1,434)
Purchase of intangible assets	(557)	(205)
Payments for retirement of property, plant and equipment	(100)	(50)
Proceeds from sale of property, plant and equipment	0	6
Purchase of investment securities	(0)	–
Proceeds from sale of investment securities	0	11
Proceeds from cancellation of insurance funds	212	993
Proceeds from withdrawal of investments in silent partnerships	–	59
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(449)	–
Proceeds from collection of loans receivable	10	42
Other, net	(22)	40
Net cash provided by (used in) investing activities	(1,376)	(378)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	–	25
Repayments of short-term borrowings	–	(25)
Repayments of long-term borrowings	(2)	(46)
Repayments of lease liabilities	(133)	(128)
Purchase of treasury shares	(0)	(0)
Dividends paid	(511)	(511)
Net cash provided by (used in) financing activities	(647)	(686)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(1,593)	1,263
Cash and cash equivalents at beginning of period	7,441	5,848
Cash and cash equivalents at end of period	5,848	7,111