

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 9, 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 to file Quarterly Securities Report: November 10, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (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, 2023	28,130	8.1	1,620	275.6	1,809	204.4	1,187	173.1
Six months ended September 30, 2022	26,017	16.0	431	—	594	—	434	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	50.91	—
Six months ended September 30, 2022	18.67	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	42,058	33,726	80.0	1,442.58
As of March 31, 2023	40,023	32,679	81.5	1,399.70

### 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, 2023	—	11.00	—	11.00	22.00
Year ending March 31, 2024	—	11.00			
Year ending March 31, 2024 (Forecast)			—	29.00	40.00

### 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	58,000	5.4	3,100	54.1	3,400	42.3	2,200	42.6	94.32

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(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: Yes
- (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, 2023	24,257,826 shares	As of March 31, 2023	24,257,826 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	924,097 shares	As of March 31, 2023	955,338 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, 2023	23,315,852 shares	Six months ended September 30, 2022	23,284,581 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	7,140	7,978
Notes and accounts receivable - trade	6,989	6,878
Electronically recorded monetary claims - operating	1,001	1,204
Merchandise and finished goods	5,274	5,627
Raw materials and supplies	596	589
Other	473	683
Allowance for doubtful accounts	(15)	(15)
Total current assets	21,460	22,946
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,783	5,379
Land	7,761	7,760
Other, net	1,994	931
Total property, plant and equipment	13,539	14,070
Intangible assets		
Goodwill	413	351
Other	1,205	1,149
Total intangible assets	1,619	1,501
Investments and other assets		
Other	3,497	3,615
Allowance for doubtful accounts	(93)	(75)
Total investments and other assets	3,403	3,540
Total non-current assets	18,562	19,112
Total assets	40,023	42,058

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,010	4,565
Short-term borrowings	—	30
Current portion of long-term borrowings	6	5
Income taxes payable	831	662
Provision for bonuses	451	479
Provision for bonuses for directors (and other officers)	97	22
Other	1,679	1,222
Total current liabilities	6,075	6,988
Non-current liabilities		
Long-term borrowings	76	73
Retirement benefit liability	352	387
Other	839	883
Total non-current liabilities	1,268	1,344
Total liabilities	7,343	8,332
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,299	1,298
Retained earnings	36,834	37,765
Treasury shares	(1,063)	(1,029)
Total shareholders' equity	38,474	39,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320	325
Deferred gains or losses on hedges	6	80
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	10	10
Total accumulated other comprehensive income	(5,858)	(5,778)
Non-controlling interests	63	65
Total net assets	32,679	33,726
Total liabilities and net assets	40,023	42,058

# 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, 2022	Six months ended September 30, 2023
Net sales	26,017	28,130
Cost of sales	17,891	18,791
Gross profit	8,126	9,338
Selling, general and administrative expenses	7,695	7,718
Operating profit	431	1,620
Non-operating income		
Interest income	7	0
Dividend income	1	1
Rental income	99	100
Foreign exchange gains	—	16
Reversal of allowance for doubtful accounts	3	17
Gain on investments in silent partnerships	59	—
Other	86	72
Total non-operating income	258	210
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	77	—
Rental costs on real estate	10	11
Other	6	8
Total non-operating expenses	95	20
Ordinary profit	594	1,809
Extraordinary income		
Surrender value of insurance policies	171	1
Total extraordinary income	171	1
Extraordinary losses		
Impairment losses	5	—
Dismantlement expenses	28	—
Loss on cancellation of insurance policies	14	—
Total extraordinary losses	48	—
Profit before income taxes	717	1,810
Income taxes	279	621
Profit	438	1,189
Profit attributable to non-controlling interests	3	2
Profit attributable to owners of parent	434	1,187

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	438	1,189
Other comprehensive income		
Valuation difference on available-for-sale securities	(83)	4
Deferred gains or losses on hedges	51	74
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	(32)	79
Comprehensive income	406	1,269
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	402	1,266
Comprehensive income attributable to non-controlling interests	3	2

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	717	1,810
Depreciation	460	463
Amortization of goodwill	62	62
Loss (gain) on sale and retirement of non-current assets	(1)	1
Impairment losses	5	–
Surrender value of insurance policies	(171)	(1)
Loss on insurance cancellation	14	–
Loss (gain) on investments in silent partnerships	(59)	–
Increase (decrease) in allowance for doubtful accounts	(0)	(18)
Increase (decrease) in retirement benefit liability	29	34
Increase (decrease) in provision for bonuses	126	28
Increase (decrease) in provision for bonuses for directors (and other officers)	–	(74)
Interest and dividend income	(9)	(2)
Interest expenses	0	0
Foreign exchange losses (gains)	(1)	(1)
Decrease (increase) in trade receivables	(365)	(91)
Decrease (increase) in inventories	(882)	(345)
Increase (decrease) in trade payables	32	1,554
Other, net	(564)	(330)
Subtotal	(605)	3,088
Interest and dividends received	9	2
Income taxes paid	(95)	(776)
Interest paid	(0)	(0)
Net cash provided by (used in) operating activities	(692)	2,314
Cash flows from investing activities		
Payments into time deposits	(0)	(0)
Purchase of property, plant and equipment	(771)	(931)
Proceeds from sale of property, plant and equipment	5	–
Payments for retirement of property, plant and equipment	(50)	–
Purchase of intangible assets	(113)	(151)
Purchase of investment securities	–	(100)
Loan advances	–	(6)
Proceeds from collection of loans receivable	42	–
Proceeds from cancellation of insurance funds	963	31
Proceeds from withdrawal of investments in silent partnerships	59	–
Other, net	(12)	(38)
Net cash provided by (used in) investing activities	122	(1,196)

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	25	30
Repayments of long-term borrowings	(3)	(3)
Repayments of lease liabilities	(69)	(53)
Purchase of treasury shares	—	(0)
Dividends paid	(255)	(253)
Net cash provided by (used in) financing activities	(302)	(280)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(872)	837
Cash and cash equivalents at beginning of period	5,848	7,111
Cash and cash equivalents at end of period	4,975	7,948