

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

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 26, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	57,794	5.0	3,262	62.2	3,623	51.7	2,372	53.8
Year ended March 31, 2023	55,028	14.5	2,011	–	2,388	527.7	1,542	–

	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, 2024	101.74	–	7.1	8.7	5.6
Year ended March 31, 2023	66.23	–	4.8	6.1	3.7

(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, 2024	43,407	34,756	79.9	1,486.68
As of March 31, 2023	40,023	32,679	81.5	1,399.70

(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, 2024	4,698	(1,479)	(678)	9,651
Year ended March 31, 2023	2,328	(378)	(686)	7,111

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, 2023	–	11.00	–	11.00	22.00	512	33.2	1.6
Year ended March 31, 2024	–	11.00	–	40.00	51.00	1,190	50.1	3.5
Year ending March 31, 2025 (Forecast)	–	27.00	–	27.00	54.00		50.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	61,800	6.9	3,800	16.5	4,000	10.4	2,500	5.4	107.19

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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: No

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, 2024	23,647,826 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 March 31, 2024	314,181 shares	As of March 31, 2023	955,338 shares
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Average number of shares during the period

Year ended March 31, 2024	23,324,082 shares	Year ended March 31, 2023	23,292,849 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	7,140	9,681
Notes receivable - trade	465	337
Accounts receivable - trade	6,523	6,797
Electronically recorded monetary claims - operating	1,001	1,279
Merchandise and finished goods	5,274	5,197
Raw materials and supplies	596	565
Other	473	467
Allowance for doubtful accounts	(15)	(15)
Total current assets	21,460	24,312
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,054	12,972
Accumulated depreciation	(7,148)	(7,382)
Accumulated impairment	(121)	(96)
Buildings and structures, net	3,783	5,492
Machinery, equipment and vehicles	3,644	3,147
Accumulated depreciation	(2,941)	(2,381)
Accumulated impairment	(312)	(312)
Machinery, equipment and vehicles, net	391	453
Land	7,761	7,760
Leased assets	2,039	2,076
Accumulated depreciation	(1,110)	(1,139)
Accumulated impairment	(691)	(691)
Leased assets, net	238	245
Construction in progress	1,217	47
Other	1,003	1,012
Accumulated depreciation	(816)	(830)
Accumulated impairment	(39)	(38)
Other, net	147	142
Total property, plant and equipment	13,539	14,142
Intangible assets		
Goodwill	413	289
Leased assets	18	54
Other	1,186	981
Total intangible assets	1,619	1,324
Investments and other assets		
Investment securities	557	647
Long-term loans receivable	294	302
Deferred tax assets	677	600
Insurance funds	1,636	1,814
Other	331	322
Allowance for doubtful accounts	(93)	(60)
Total investments and other assets	3,403	3,627
Total non-current assets	18,562	19,095
Total assets	40,023	43,407

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,010	4,355
Current portion of long-term borrowings	6	9
Lease liabilities	116	122
Income taxes payable	831	799
Contract liabilities	61	42
Provision for bonuses	451	482
Provision for bonuses for directors (and other officers)	97	67
Other	1,501	1,605
Total current liabilities	6,075	7,485
Non-current liabilities		
Long-term borrowings	76	35
Lease liabilities	227	258
Deferred tax liabilities for land revaluation	277	277
Retirement benefit liability	352	288
Asset retirement obligations	132	116
Other	201	190
Total non-current liabilities	1,268	1,165
Total liabilities	7,343	8,651
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,299	1,273
Retained earnings	36,834	38,039
Treasury shares	(1,063)	(349)
Total shareholders' equity	38,474	40,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320	378
Deferred gains or losses on hedges	6	40
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	10	97
Total accumulated other comprehensive income	(5,858)	(5,679)
Non-controlling interests	63	66
Total net assets	32,679	34,756
Total liabilities and net assets	40,023	43,407

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	55,028	57,794
Cost of sales	37,485	38,621
Gross profit	17,543	19,173
Selling, general and administrative expenses	15,531	15,910
Operating profit	2,011	3,262
Non-operating income		
Interest income	13	0
Dividend income	5	7
Rental income	203	186
Purchase discounts	23	13
Foreign exchange gains	–	0
Reversal of allowance for doubtful accounts	–	31
Insurance return	56	43
Gain on investments in silent partnerships	59	–
Other	135	115
Total non-operating income	496	400
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	71	–
Rental costs on real estate	20	22
Fee expenses	6	4
Other	20	12
Total non-operating expenses	118	39
Ordinary profit	2,388	3,623
Extraordinary income		
Surrender value of insurance policies	171	1
Total extraordinary income	171	1
Extraordinary losses		
Impairment losses	70	–
Dismantlement expenses	28	–
Loss on cancellation of insurance policies	14	0
Loss on valuation of investment securities	–	92
Total extraordinary losses	113	93
Profit before income taxes	2,446	3,531
Income taxes - current	847	1,165
Income taxes - deferred	51	(11)
Total income taxes	898	1,154
Profit	1,548	2,376
Profit attributable to non-controlling interests	5	3
Profit attributable to owners of parent	1,542	2,372

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,548	2,376
Other comprehensive income		
Valuation difference on available-for-sale securities	10	57
Deferred gains or losses on hedges	(29)	33
Remeasurements of defined benefit plans, net of tax	8	87
Total other comprehensive income	(10)	179
Comprehensive income	1,538	2,555
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,532	2,551
Comprehensive income attributable to non-controlling interests	5	3

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,405	1,299	36,834	(1,063)	38,474
Changes during period					
Dividends of surplus			(512)		(512)
Profit attributable to owners of parent			2,372		2,372
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		34	34
Cancellation of treasury shares		(25)	(654)	680	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(25)	1,205	714	1,894
Balance at end of period	1,405	1,273	38,039	(349)	40,368

	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	320	6	(6,195)	10	(5,858)	63	32,679
Changes during period							
Dividends of surplus							(512)
Profit attributable to owners of parent							2,372
Purchase of treasury shares							(0)
Disposal of treasury shares							34
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	57	33	–	87	179	3	182
Total changes during period	57	33	–	87	179	3	2,076
Balance at end of period	378	40	(6,195)	97	(5,679)	66	34,756

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,446	3,531
Depreciation	913	954
Amortization of goodwill	124	124
Loss (gain) on sale and retirement of non-current assets	(0)	1
Loss (gain) on sale of investment securities	4	–
Loss (gain) on valuation of investment securities	–	92
Impairment losses	70	–
Surrender value of insurance policies	(171)	(1)
Loss (gain) on cancellation of insurance policies	14	0
Loss (gain) on investments in silent partnerships	(59)	–
Increase (decrease) in allowance for doubtful accounts	9	(33)
Increase (decrease) in retirement benefit liability	48	60
Increase (decrease) in provision for bonuses	117	31
Increase (decrease) in provision for bonuses for directors (and other officers)	73	(29)
Interest and dividend income	(18)	(8)
Interest expenses	0	0
Foreign exchange losses (gains)	(0)	(1)
Decrease (increase) in trade receivables	(889)	(423)
Decrease (increase) in inventories	(356)	107
Increase (decrease) in trade payables	94	1,344
Other, net	62	136
Subtotal	2,485	5,890
Interest and dividends received	18	8
Interest paid	(0)	(0)
Income taxes paid	(174)	(1,199)
Net cash provided by (used in) operating activities	2,328	4,698
Cash flows from investing activities		
Payments into time deposits	(1)	(1)
Proceeds from withdrawal of time deposits	160	–
Purchase of property, plant and equipment	(1,434)	(1,132)
Purchase of intangible assets	(205)	(222)
Payments for retirement of property, plant and equipment	(50)	–
Proceeds from sale of property, plant and equipment	6	–
Purchase of investment securities	–	(100)
Proceeds from sale of investment securities	11	–
Proceeds from cancellation of insurance funds	993	48
Proceeds from withdrawal of investments in silent partnerships	59	–
Loan advances	–	(6)
Proceeds from collection of loans receivable	42	–
Other, net	40	(65)
Net cash provided by (used in) investing activities	(378)	(1,479)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	25	30
Repayments of short-term borrowings	(25)	(30)
Proceeds from long-term borrowings	–	40
Repayments of long-term borrowings	(46)	(77)
Repayments of lease liabilities	(128)	(127)
Purchase of treasury shares	(0)	(0)
Dividends paid	(511)	(512)
Net cash provided by (used in) financing activities	(686)	(678)
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	1,263	2,539
Cash and cash equivalents at beginning of period	5,848	7,111
Cash and cash equivalents at end of period	7,111	9,651