

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 11, 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
 Senior Managing Director, Senior Executive Hitoshi Onodera
 Inquiries: Officer TEL 03-3862-8626
 Scheduled date to file Semi-annual Securities Report: November 12, 2024
 Scheduled date to commence dividend payments: December 2, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	29,265	4.0	1,065	(34.2)	1,178	(34.9)	821	(30.8)
Six months ended September 30, 2023	28,130	8.1	1,620	275.6	1,809	204.4	1,187	173.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	35.20	—
Six months ended September 30, 2023	50.91	—

(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, 2024	41,167	34,543	83.8	1,475.74
As of March 31, 2024	43,407	34,756	79.9	1,486.68

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, 2024	—	11.00	—	40.00	51.00
Year ending March 31, 2025	—	27.00			
Year ending March 31, 2025 (Forecast)			—	27.00	54.00

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) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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, 2024	23,647,826 shares	As of March 31, 2024	23,647,826 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	286,217 shares	As of March 31, 2024	314,181 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, 2024	23,345,642 shares	Six months ended September 30, 2023	23,315,852 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	9,681	7,504
Notes and accounts receivable - trade	7,135	6,927
Electronically recorded monetary claims - operating	1,279	1,340
Merchandise and finished goods	5,197	5,477
Raw materials and supplies	565	531
Other	467	561
Allowance for doubtful accounts	(15)	(15)
Total current assets	24,312	22,326
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,492	5,374
Land	7,760	7,760
Other, net	889	950
Total property, plant and equipment	14,142	14,084
Intangible assets		
Goodwill	289	226
Other	1,035	948
Total intangible assets	1,324	1,175
Investments and other assets		
Other	3,688	3,636
Allowance for doubtful accounts	(60)	(56)
Total investments and other assets	3,627	3,580
Total non-current assets	19,095	18,840
Total assets	43,407	41,167

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,355	2,865
Short-term borrowings	—	56
Current portion of long-term borrowings	9	9
Income taxes payable	799	501
Provision for bonuses	482	492
Provision for bonuses for directors (and other officers)	67	21
Other	1,770	1,477
Total current liabilities	7,485	5,424
Non-current liabilities		
Long-term borrowings	35	31
Retirement benefit liability	288	280
Other	842	887
Total non-current liabilities	1,165	1,198
Total liabilities	8,651	6,623
Net assets		
Shareholders' equity		
Share capital	1,405	1,405
Capital surplus	1,273	1,280
Retained earnings	38,039	37,928
Treasury shares	(349)	(317)
Total shareholders' equity	40,368	40,295
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	378	316
Deferred gains or losses on hedges	40	(49)
Revaluation reserve for land	(6,195)	(6,195)
Remeasurements of defined benefit plans	97	108
Total accumulated other comprehensive income	(5,679)	(5,819)
Non-controlling interests	66	67
Total net assets	34,756	34,543
Total liabilities and net assets	43,407	41,167

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, 2023	Six months ended September 30, 2024
Net sales	28,130	29,265
Cost of sales	18,791	19,990
Gross profit	9,338	9,275
Selling, general and administrative expenses	7,718	8,210
Operating profit	1,620	1,065
Non-operating income		
Interest income	0	1
Dividend income	1	4
Rental income	100	86
Foreign exchange gains	16	—
Reversal of allowance for doubtful accounts	17	2
Other	72	69
Total non-operating income	210	164
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	—	31
Rental costs on real estate	11	11
Other	8	7
Total non-operating expenses	20	50
Ordinary profit	1,809	1,178
Extraordinary income		
Surrender value of insurance policies	1	70
Total extraordinary income	1	70
Profit before income taxes	1,810	1,249
Income taxes	621	426
Profit	1,189	822
Profit attributable to non-controlling interests	2	0
Profit attributable to owners of parent	1,187	821

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,189	822
Other comprehensive income		
Valuation difference on available-for-sale securities	4	(61)
Deferred gains or losses on hedges	74	(89)
Remeasurements of defined benefit plans, net of tax	0	10
Total other comprehensive income	79	(140)
Comprehensive income	1,269	681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,266	680
Comprehensive income attributable to non-controlling interests	2	0

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,810	1,249
Depreciation	463	492
Amortization of goodwill	62	62
Loss (gain) on sale and retirement of non-current assets	1	–
Surrender value of insurance policies	(1)	(70)
Increase (decrease) in allowance for doubtful accounts	(18)	(4)
Increase (decrease) in retirement benefit liability	34	(7)
Increase (decrease) in provision for bonuses	28	9
Increase (decrease) in provision for bonuses for directors (and other officers)	(74)	(46)
Interest and dividend income	(2)	(6)
Interest expenses	0	0
Foreign exchange losses (gains)	(1)	11
Decrease (increase) in trade receivables	(91)	147
Decrease (increase) in inventories	(345)	(245)
Increase (decrease) in trade payables	1,554	(1,489)
Other, net	(330)	(364)
Subtotal	3,088	(262)
Interest and dividends received	2	6
Income taxes paid	(776)	(740)
Interest paid	(0)	(0)
Net cash provided by (used in) operating activities	2,314	(997)
Cash flows from investing activities		
Payments into time deposits	(0)	(1)
Proceeds from withdrawal of time deposits	–	4
Purchase of property, plant and equipment	(931)	(280)
Purchase of intangible assets	(151)	(100)
Purchase of investment securities	(100)	–
Loan advances	(6)	–
Proceeds from cancellation of insurance funds	31	219
Other, net	(38)	(57)
Net cash provided by (used in) investing activities	(1,196)	(215)
Cash flows from financing activities		
Proceeds from short-term borrowings	30	60
Repayments of short-term borrowings	–	(3)
Repayments of long-term borrowings	(3)	(4)
Repayments of lease liabilities	(53)	(69)
Purchase of treasury shares	(0)	(0)
Dividends paid	(253)	(932)
Net cash provided by (used in) financing activities	(280)	(949)
Effect of exchange rate change on cash and cash equivalents	0	(10)
Net increase (decrease) in cash and cash equivalents	837	(2,173)
Cash and cash equivalents at beginning of period	7,111	9,651
Cash and cash equivalents at end of period	7,948	7,477