

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 1, 2022

Company name: SATOSHOJI CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8065 URL <http://www.satoshoji.co.jp>
 Representative: Representative Director, President Tetsuo Nozawa
 Inquiries: General Manager of Financial Dept. Yasuhiro Kii TEL 03-5218-5312
 Scheduled date to file Quarterly Securities Report: August 2, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	65,009	23.7	1,287	(1.7)	1,671	12.6	1,158	13.4
Three months ended June 30, 2021	52,554	–	1,309	785.2	1,484	501.5	1,020	197.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	54.93	53.63
Three months ended June 30, 2021	47.89	46.79

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	155,286	51,044	32.7
As of March 31, 2022	152,090	50,933	33.2

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, 2022	–	24.00	–	34.00	58.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		29.00	–	30.00	59.00

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	130,000	19.3	2,600	8.4	2,800	6.5	2,000	15.7	94.38
Full year	265,000	12.2	5,500	(4.1)	5,900	(5.8)	4,200	4.6	198.19

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(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: No
- (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 June 30, 2022	21,799,050 shares	As of March 31, 2022	21,799,050 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	654,137 shares	As of March 31, 2022	733,085 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	21,085,691 shares	Three months ended June 30, 2021	21,316,461 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,935	2,437
Notes receivable - trade	9,104	9,381
Electronically recorded monetary claims - operating	20,628	21,777
Accounts receivable - trade	50,647	51,635
Contract assets	253	358
Merchandise and finished goods	28,167	30,048
Other	6,326	6,868
Allowance for doubtful accounts	(211)	(326)
Total current assets	117,853	122,181
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,671	5,570
Land	8,860	8,866
Other, net	1,722	1,759
Total property, plant and equipment	16,254	16,197
Intangible assets	162	164
Investments and other assets		
Investment securities	15,862	14,812
Deferred tax assets	77	70
Retirement benefit asset	633	669
Other	1,392	1,344
Allowance for doubtful accounts	(130)	(132)
Allowance for investment loss	(14)	(20)
Total investments and other assets	17,820	16,744
Total non-current assets	34,237	33,105
Total assets	152,090	155,286

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	50,303	50,736
Electronically recorded obligations - operating	10,432	11,682
Short-term borrowings	21,981	22,741
Income taxes payable	1,467	815
Contract liabilities	210	791
Provision for bonuses	1,679	786
Other	2,020	3,662
Total current liabilities	88,095	91,217
Non-current liabilities		
Long-term borrowings	9,999	10,463
Deferred tax liabilities	2,509	2,001
Retirement benefit liability	135	140
Provision for retirement benefits for directors (and other officers)	66	68
Other	349	350
Total non-current liabilities	13,061	13,024
Total liabilities	101,157	104,241
Net assets		
Shareholders' equity		
Share capital	1,321	1,321
Capital surplus	862	838
Retained earnings	42,072	42,492
Treasury shares	(740)	(660)
Total shareholders' equity	43,516	43,992
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,325	5,591
Deferred gains or losses on hedges	8	16
Foreign currency translation adjustment	700	1,115
Total accumulated other comprehensive income	7,034	6,724
Share acquisition rights	374	318
Non-controlling interests	8	9
Total net assets	50,933	51,044
Total liabilities and net assets	152,090	155,286

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	52,554	65,009
Cost of sales	47,988	60,076
Gross profit	4,566	4,933
Selling, general and administrative expenses	3,256	3,646
Operating profit	1,309	1,287
Non-operating income		
Interest income	1	1
Dividend income	182	274
Rental income	38	37
Purchase discounts	14	17
Share of profit of entities accounted for using equity method	—	13
Subsidies for employment adjustment	5	2
Foreign exchange gains	4	105
Other	24	20
Total non-operating income	272	472
Non-operating expenses		
Interest expenses	32	57
Loss on sale of trade receivables	0	1
Rental expenses	13	12
Share of loss of entities accounted for using equity method	39	—
Other	12	16
Total non-operating expenses	98	88
Ordinary profit	1,484	1,671
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on sale of investment securities	—	62
Total extraordinary income	0	62
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Loss on valuation of investment securities	0	—
Provision of allowance for investment loss	1	5
Total extraordinary losses	1	6
Profit before income taxes	1,482	1,726
Income taxes - current	659	743
Income taxes - deferred	(197)	(175)
Total income taxes	461	568
Profit	1,021	1,158
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,020	1,158

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,021	1,158
Other comprehensive income		
Valuation difference on available-for-sale securities	256	(733)
Deferred gains or losses on hedges	(1)	8
Foreign currency translation adjustment	(38)	412
Share of other comprehensive income of entities accounted for using equity method	(7)	4
Total other comprehensive income	208	(309)
Comprehensive income	1,229	849
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,229	848
Comprehensive income attributable to non-controlling interests	(0)	0