

# Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 8, 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: November 9, 2022  
 Scheduled date to commence dividend payments: December 2, 2022  
 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 six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	134,713	23.6	2,777	15.8	3,223	22.6	2,138	23.7
Six months ended September 30, 2021	108,974	—	2,398	261.6	2,630	186.8	1,728	93.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	101.31		98.79	
Six months ended September 30, 2021	81.38		79.46	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	158,244	52,095	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	—	29.00			
Year ending March 31, 2023 (Forecast)			—	34.00	63.00

### 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
Full year	270,000	14.3	5,700	(0.6)	6,300	0.6	5,700	41.9	270.00

#### 4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2022	654,147 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)

Six months ended September 30, 2022	21,111,069 shares	Six months ended September 30, 2021	21,244,821 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,935	2,478
Notes receivable - trade	9,104	9,216
Electronically recorded monetary claims - operating	20,628	22,471
Accounts receivable - trade	50,647	55,651
Contract assets	253	—
Merchandise and finished goods	28,167	30,635
Other	6,326	4,994
Allowance for doubtful accounts	(211)	(222)
Total current assets	117,853	125,226
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,671	5,480
Land	8,860	8,865
Other, net	1,722	1,905
Total property, plant and equipment	16,254	16,250
Intangible assets	162	182
Investments and other assets		
Investment securities	15,862	14,623
Deferred tax assets	77	67
Retirement benefit asset	633	708
Other	1,392	1,700
Allowance for doubtful accounts	(130)	(491)
Allowance for investment loss	(14)	(25)
Total investments and other assets	17,820	16,584
Total non-current assets	34,237	33,017
Total assets	152,090	158,244

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	50,303	51,705
Electronically recorded obligations - operating	10,432	10,916
Short-term borrowings	21,981	21,356
Income taxes payable	1,467	1,097
Contract liabilities	210	809
Provision for bonuses	1,679	1,591
Other	2,020	2,855
Total current liabilities	88,095	90,332
Non-current liabilities		
Long-term borrowings	9,999	13,074
Deferred tax liabilities	2,509	2,180
Retirement benefit liability	135	147
Provision for retirement benefits for directors (and other officers)	66	69
Other	349	344
Total non-current liabilities	13,061	15,816
Total liabilities	101,157	106,148
Net assets		
Shareholders' equity		
Share capital	1,321	1,321
Capital surplus	862	838
Retained earnings	42,072	43,473
Treasury shares	(740)	(660)
Total shareholders' equity	43,516	44,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,325	5,455
Deferred gains or losses on hedges	8	(1)
Foreign currency translation adjustment	700	1,290
Total accumulated other comprehensive income	7,034	6,745
Share acquisition rights	374	367
Non-controlling interests	8	9
Total net assets	50,933	52,095
Total liabilities and net assets	152,090	158,244

# 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, 2021	Six months ended September 30, 2022
Net sales	108,974	134,713
Cost of sales	99,853	124,246
Gross profit	9,121	10,467
Selling, general and administrative expenses	6,723	7,689
Operating profit	2,398	2,777
Non-operating income		
Interest income	2	2
Dividend income	184	281
Rental income	73	74
Purchase discounts	29	28
Share of profit of entities accounted for using equity method	—	16
Subsidies for employment adjustment	7	6
Foreign exchange gains	10	184
Other	44	34
Total non-operating income	352	630
Non-operating expenses		
Interest expenses	68	125
Loss on sale of trade receivables	1	6
Rental expenses	27	27
Share of loss of entities accounted for using equity method	0	—
Other	23	25
Total non-operating expenses	120	183
Ordinary profit	2,630	3,223
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	8	62
Total extraordinary income	8	62
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	1
Loss on valuation of investment securities	0	—
Provision of allowance for investment loss	4	10
Total extraordinary losses	8	11
Profit before income taxes	2,629	3,275
Income taxes - current	909	1,061
Income taxes - deferred	(9)	74
Total income taxes	900	1,135
Profit	1,729	2,139
Profit attributable to non-controlling interests	0	1
Profit attributable to owners of parent	1,728	2,138

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,729	2,139
Other comprehensive income		
Valuation difference on available-for-sale securities	497	(869)
Deferred gains or losses on hedges	2	(9)
Foreign currency translation adjustment	(93)	587
Share of other comprehensive income of entities accounted for using equity method	(9)	3
Total other comprehensive income	396	(288)
Comprehensive income	2,126	1,851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,126	1,849
Comprehensive income attributable to non-controlling interests	0	1

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,629	3,275
Depreciation	483	479
Increase (decrease) in allowance for doubtful accounts	109	370
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	2
Decrease (increase) in retirement benefit asset	(68)	(74)
Increase (decrease) in retirement benefit liability	7	11
Interest and dividend income	(187)	(284)
Interest expenses	68	125
Share of loss (profit) of entities accounted for using equity method	0	(16)
Loss (gain) on sale of investment securities	(8)	(62)
Loss (gain) on sale and retirement of non-current assets	3	0
Decrease (increase) in trade receivables	(5,515)	(6,092)
Decrease (increase) in inventories	(5,180)	(2,042)
Increase (decrease) in trade payables	6,713	1,332
Other, net	(3,268)	2,393
Subtotal	(4,210)	(580)
Interest and dividends received	199	284
Interest paid	(70)	(118)
Income taxes paid	(786)	(1,432)
Net cash provided by (used in) operating activities	(4,869)	(1,847)
Cash flows from investing activities		
Purchase of property, plant and equipment	(148)	(450)
Proceeds from sale of property, plant and equipment	1	220
Purchase of intangible assets	(8)	(57)
Purchase of investment securities	(148)	(11)
Proceeds from sale of investment securities	14	62
Loan advances	(67)	(15)
Proceeds from collection of loans receivable	111	94
Other, net	17	57
Net cash provided by (used in) investing activities	(228)	(100)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,646	(2,205)
Proceeds from long-term borrowings	900	5,800
Repayments of long-term borrowings	(2,758)	(1,566)
Purchase of treasury shares	(399)	(0)
Dividends paid	(491)	(709)
Other, net	21	(5)
Net cash provided by (used in) financing activities	4,918	1,312
Effect of exchange rate change on cash and cash equivalents	14	177
Net increase (decrease) in cash and cash equivalents	(163)	(456)
Cash and cash equivalents at beginning of period	2,367	2,875
Cash and cash equivalents at end of period	2,203	2,418