

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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: February 6, 2023  
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	205,403	19.8	4,514	10.9	5,122	13.3	3,486	26.1
Nine months ended December 31, 2021	171,517	–	4,071	150.9	4,519	113.9	2,764	46.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	165.08		161.18	
Nine months ended December 31, 2021	130.30		127.17	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	168,884	52,753	31.0
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 2022	654,291 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)

Nine months ended December 31, 2022	21,121,197 shares	Nine months ended December 31, 2021	21,216,155 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,935	3,150
Notes receivable - trade	9,104	10,132
Electronically recorded monetary claims - operating	20,628	28,807
Accounts receivable - trade	50,647	56,571
Contract assets	253	–
Merchandise and finished goods	28,167	30,413
Other	6,326	5,562
Allowance for doubtful accounts	(211)	(174)
Total current assets	117,853	134,462
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,671	5,395
Land	8,860	10,147
Other, net	1,722	1,910
Total property, plant and equipment	16,254	17,453
Intangible assets	162	184
Investments and other assets		
Investment securities	15,862	14,870
Deferred tax assets	77	60
Retirement benefit asset	633	709
Other	1,392	1,672
Allowance for doubtful accounts	(130)	(493)
Allowance for investment loss	(14)	(35)
Total investments and other assets	17,820	16,783
Total non-current assets	34,237	34,421
Total assets	152,090	168,884

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	50,303	58,457
Electronically recorded obligations - operating	10,432	14,435
Short-term borrowings	21,981	22,691
Income taxes payable	1,467	395
Contract liabilities	210	666
Provision for bonuses	1,679	958
Other	2,020	3,348
<b>Total current liabilities</b>	<b>88,095</b>	<b>100,953</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9,999	12,148
Deferred tax liabilities	2,509	2,467
Retirement benefit liability	135	151
Provision for retirement benefits for directors (and other officers)	66	71
Other	349	338
<b>Total non-current liabilities</b>	<b>13,061</b>	<b>15,176</b>
<b>Total liabilities</b>	<b>101,157</b>	<b>116,130</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,321	1,321
Capital surplus	862	838
Retained earnings	42,072	44,207
Treasury shares	(740)	(660)
<b>Total shareholders' equity</b>	<b>43,516</b>	<b>45,706</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,325	5,624
Deferred gains or losses on hedges	8	(20)
Foreign currency translation adjustment	700	1,064
<b>Total accumulated other comprehensive income</b>	<b>7,034</b>	<b>6,668</b>
Share acquisition rights	374	367
Non-controlling interests	8	10
<b>Total net assets</b>	<b>50,933</b>	<b>52,753</b>
<b>Total liabilities and net assets</b>	<b>152,090</b>	<b>168,884</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	171,517	205,403
Cost of sales	157,172	189,536
Gross profit	14,344	15,867
Selling, general and administrative expenses	10,272	11,352
Operating profit	4,071	4,514
Non-operating income		
Interest income	4	4
Dividend income	370	495
Rental income	114	108
Purchase discounts	47	40
Share of profit of entities accounted for using equity method	15	31
Subsidies for employment adjustment	6	3
Foreign exchange gains	11	145
Other	84	58
Total non-operating income	654	886
Non-operating expenses		
Interest expenses	116	194
Loss on sale of trade receivables	2	11
Rental expenses	50	38
Other	36	34
Total non-operating expenses	206	279
Ordinary profit	4,519	5,122
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	5	1
Loss on valuation of investment securities	20	0
Loss on sale of investment securities	294	–
Provision of allowance for investment loss	5	20
Total extraordinary losses	325	21
Profit before income taxes	4,203	5,163
Income taxes - current	1,295	1,358
Income taxes - deferred	142	315
Total income taxes	1,437	1,674
Profit	2,765	3,488
Profit attributable to non-controlling interests	0	1
Profit attributable to owners of parent	2,764	3,486

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,765	3,488
Other comprehensive income		
Valuation difference on available-for-sale securities	461	(700)
Deferred gains or losses on hedges	(3)	(29)
Foreign currency translation adjustment	40	362
Share of other comprehensive income of entities accounted for using equity method	(7)	2
Remeasurements of defined benefit plans, net of tax	(4)	–
Total other comprehensive income	486	(365)
Comprehensive income	3,251	3,122
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,251	3,121
Comprehensive income attributable to non-controlling interests	0	1