

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 2, 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: August 3, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	66,769	2.7	1,348	4.8	1,628	(2.6)	1,167	0.8
Three months ended June 30, 2022	65,009	23.7	1,287	(1.7)	1,671	12.6	1,158	13.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	55.38		54.12	
Three months ended June 30, 2022	54.93		53.63	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	161,623	58,403	35.9
As of March 31, 2023	163,743	56,102	34.0

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, 2023	–	29.00	–	38.00	67.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		32.00	–	33.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	132,000	(2.0)	2,600	(6.4)	2,850	(11.6)	1,950	(8.8)	92.34
Full year	277,000	0.7	6,200	1.0	6,500	(3.3)	4,500	(27.4)	213.08

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: No
- 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, 2023	21,799,050 shares	As of March 31, 2023	21,799,050 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	664,243 shares	As of March 31, 2023	725,891 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, 2023	21,088,558 shares	Three months ended June 30, 2022	21,085,691 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,346	3,411
Notes receivable - trade	7,610	7,166
Electronically recorded monetary claims - operating	25,445	25,901
Accounts receivable - trade	56,134	54,258
Merchandise and finished goods	30,349	29,033
Other	5,465	4,480
Allowance for doubtful accounts	(237)	(218)
Total current assets	128,114	124,033
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,295	5,227
Land	10,149	10,154
Other, net	2,234	2,302
Total property, plant and equipment	17,679	17,685
Intangible assets	177	168
Investments and other assets		
Investment securities	15,722	17,780
Deferred tax assets	76	79
Retirement benefit asset	798	791
Other	1,602	1,539
Allowance for doubtful accounts	(423)	(432)
Allowance for investment loss	(5)	(20)
Total investments and other assets	17,771	19,735
Total non-current assets	35,628	37,589
Total assets	163,743	161,623

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	53,234	50,132
Electronically recorded obligations - operating	12,080	11,788
Short-term borrowings	20,253	18,832
Income taxes payable	1,456	715
Contract liabilities	492	572
Provision for bonuses	1,669	814
Other	2,739	4,232
Total current liabilities	91,927	87,088
Non-current liabilities		
Long-term borrowings	12,546	12,478
Deferred tax liabilities	2,603	3,109
Retirement benefit liability	154	156
Provision for retirement benefits for directors (and other officers)	72	54
Other	336	331
Total non-current liabilities	15,713	16,131
Total liabilities	107,641	103,219
Net assets		
Shareholders' equity		
Share capital	1,321	1,321
Capital surplus	838	818
Retained earnings	46,915	47,282
Treasury shares	(760)	(696)
Total shareholders' equity	48,315	48,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,312	7,866
Deferred gains or losses on hedges	(6)	6
Foreign currency translation adjustment	1,101	1,469
Total accumulated other comprehensive income	7,408	9,341
Share acquisition rights	367	322
Non-controlling interests	11	12
Total net assets	56,102	58,403
Total liabilities and net assets	163,743	161,623

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, 2022	Three months ended June 30, 2023
Net sales	65,009	66,769
Cost of sales	60,076	61,761
Gross profit	4,933	5,007
Selling, general and administrative expenses	3,646	3,659
Operating profit	1,287	1,348
Non-operating income		
Interest income	1	1
Dividend income	274	307
Rental income	37	31
Purchase discounts	17	10
Share of profit of entities accounted for using equity method	13	10
Subsidies for employment adjustment	2	0
Foreign exchange gains	105	–
Other	20	20
Total non-operating income	472	382
Non-operating expenses		
Interest expenses	57	66
Loss on sale of trade receivables	1	6
Rental expenses	12	12
Foreign exchange losses	–	1
Other	16	15
Total non-operating expenses	88	102
Ordinary profit	1,671	1,628
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	62	17
Total extraordinary income	62	19
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Loss on sale of investment securities	–	3
Provision of allowance for investment loss	5	15
Total extraordinary losses	6	19
Profit before income taxes	1,726	1,627
Income taxes - current	743	643
Income taxes - deferred	(175)	(183)
Total income taxes	568	459
Profit	1,158	1,168
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,158	1,167

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,158	1,168
Other comprehensive income		
Valuation difference on available-for-sale securities	(733)	1,553
Deferred gains or losses on hedges	8	12
Foreign currency translation adjustment	412	362
Share of other comprehensive income of entities accounted for using equity method	4	5
Total other comprehensive income	(309)	1,934
Comprehensive income	849	3,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	848	3,101
Comprehensive income attributable to non-controlling interests	0	1