

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 2024

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. Akihito Okeda TEL 03-5218-5312
 Scheduled date of ordinary general meeting of shareholders: June 19, 2024
 Scheduled date to file Securities Report: June 19, 2024
 Scheduled date to commence dividend payments: June 20, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	273,975	(0.4)	6,479	5.6	7,293	8.5	6,478	4.6
Year ended March 31, 2023	275,006	16.4	6,136	7.0	6,719	7.3	6,194	54.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	306.89	299.91	10.7	4.3	2.4
Year ended March 31, 2023	293.34	286.41	11.7	4.3	2.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	172,870	65,202	37.5	3,081.59
As of March 31, 2023	163,743	56,102	34.0	2,644.27

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	8,229	(2,727)	(5,788)	3,115
Year ended March 31, 2023	869	175	(876)	3,286

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	29.00	—	38.00	67.00	1,413	22.8	2.7
Year ended March 31, 2024	—	32.00	—	41.00	73.00	1,538	23.8	2.5
Year ending March 31, 2025 (Forecast)	—	34.00	—	34.00	68.00		26.8	

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
Six months ending September 30, 2024	136,000	0.4	2,650	(6.7)	2,850	(8.8)	2,550	(8.5)	120.85
Full year	285,000	4.0	6,550	1.1	6,850	(6.1)	5,350	(17.4)	253.55

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	764,743 shares	As of March 31, 2023	725,891 shares
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Average number of shares during the period

Year ended March 31, 2024	21,108,938 shares	Year ended March 31, 2023	21,118,350 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,346	3,175
Notes receivable - trade	7,610	6,298
Electronically recorded monetary claims - operating	25,445	31,395
Accounts receivable - trade	56,134	53,720
Merchandise and finished goods	30,349	28,956
Other	5,465	4,933
Allowance for doubtful accounts	(237)	(212)
Total current assets	128,114	128,267
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,191	16,436
Accumulated depreciation	(9,896)	(10,320)
Buildings and structures, net	5,295	6,115
Machinery, equipment and vehicles	8,135	8,180
Accumulated depreciation	(6,563)	(6,787)
Machinery, equipment and vehicles, net	1,571	1,393
Land	10,149	13,001
Construction in progress	399	838
Other	995	1,075
Accumulated depreciation	(731)	(762)
Other, net	264	312
Total property, plant and equipment	17,679	21,661
Intangible assets	177	186
Investments and other assets		
Investment securities	15,722	20,498
Deferred tax assets	76	90
Retirement benefit asset	798	1,079
Other	1,602	1,157
Allowance for doubtful accounts	(423)	(71)
Allowance for investment loss	(5)	–
Total investments and other assets	17,771	22,755
Total non-current assets	35,628	44,602
Total assets	163,743	172,870

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	53,234	55,178
Electronically recorded obligations - operating	12,080	13,127
Short-term borrowings	20,253	18,165
Income taxes payable	1,456	1,147
Contract liabilities	492	451
Provision for bonuses	1,669	1,489
Other	2,739	2,570
Total current liabilities	91,927	92,128
Non-current liabilities		
Long-term borrowings	12,546	10,657
Deferred tax liabilities	2,603	4,311
Retirement benefit liability	154	172
Provision for retirement benefits for directors (and other officers)	72	58
Other	336	338
Total non-current liabilities	15,713	15,538
Total liabilities	107,641	107,667
Net assets		
Shareholders' equity		
Share capital	1,321	1,321
Capital surplus	838	818
Retained earnings	46,915	51,919
Treasury shares	(760)	(872)
Total shareholders' equity	48,315	53,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,312	9,920
Deferred gains or losses on hedges	(6)	0
Foreign currency translation adjustment	1,101	1,711
Total accumulated other comprehensive income	7,408	11,632
Share acquisition rights	367	369
Non-controlling interests	11	14
Total net assets	56,102	65,202
Total liabilities and net assets	163,743	172,870

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	275,006	273,975
Cost of sales	253,747	253,125
Gross profit	21,258	20,849
Selling, general and administrative expenses	15,122	14,370
Operating profit	6,136	6,479
Non-operating income		
Interest income	5	13
Dividend income	507	838
Rental income	140	125
Purchase discounts	50	39
Share of profit of entities accounted for using equity method	48	47
Subsidies for employment adjustment	6	0
Foreign exchange gains	117	58
Other	87	64
Total non-operating income	965	1,187
Non-operating expenses		
Interest expenses	266	281
Loss on sale of trade receivables	19	22
Rental expenses	51	25
Other	44	43
Total non-operating expenses	382	373
Ordinary profit	6,719	7,293
Extraordinary income		
Gain on sale of non-current assets	2,146	3
Gain on sale of investment securities	68	1,622
Other	10	5
Total extraordinary income	2,225	1,631
Extraordinary losses		
Loss on retirement of non-current assets	5	2
Loss on sale of non-current assets	0	–
Loss on sale of investment securities	0	3
Loss on valuation of investment securities	0	19
Loss on valuation of shares of subsidiaries and associates	150	45
Provision of allowance for investment loss	0	–
Other	–	1
Total extraordinary losses	157	72
Profit before income taxes	8,787	8,851
Income taxes - current	2,461	2,259
Income taxes - deferred	129	111
Total income taxes	2,590	2,371
Profit	6,197	6,480
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	6,194	6,478

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,197	6,480
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	3,607
Deferred gains or losses on hedges	(15)	7
Foreign currency translation adjustment	396	601
Share of other comprehensive income of entities accounted for using equity method	6	9
Total other comprehensive income	374	4,224
Comprehensive income	6,571	10,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,568	10,702
Comprehensive income attributable to non-controlling interests	2	3

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,321	862	42,072	(740)	43,516
Changes during period					
Dividends of surplus			(1,330)		(1,330)
Profit attributable to owners of parent			6,194		6,194
Purchase of treasury shares				(100)	(100)
Disposal of treasury shares		(23)		79	56
Other			(21)		(21)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(23)	4,843	(20)	4,798
Balance at end of period	1,321	838	46,915	(760)	48,315

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	6,325	8	700	7,034	374	8	50,933
Changes during period							
Dividends of surplus							(1,330)
Profit attributable to owners of parent							6,194
Purchase of treasury shares							(100)
Disposal of treasury shares							56
Other							(21)
Net changes in items other than shareholders' equity	(12)	(15)	401	373	(6)	2	369
Total changes during period	(12)	(15)	401	373	(6)	2	5,168
Balance at end of period	6,312	(6)	1,101	7,408	367	11	56,102

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,321	838	46,915	(760)	48,315
Changes during period					
Dividends of surplus			(1,477)		(1,477)
Profit attributable to owners of parent			6,478		6,478
Purchase of treasury shares				(176)	(176)
Disposal of treasury shares		(19)		64	45
Other			2		2
Net changes in items other than shareholders' equity					
Total changes during period	–	(19)	5,003	(112)	4,871
Balance at end of period	1,321	818	51,919	(872)	53,186

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	6,312	(6)	1,101	7,408	367	11	56,102
Changes during period							
Dividends of surplus							(1,477)
Profit attributable to owners of parent							6,478
Purchase of treasury shares							(176)
Disposal of treasury shares							45
Other							2
Net changes in items other than shareholders' equity	3,607	7	609	4,224	1	2	4,228
Total changes during period	3,607	7	609	4,224	1	2	9,100
Balance at end of period	9,920	0	1,711	11,632	369	14	65,202

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,787	8,851
Depreciation	998	1,051
Increase (decrease) in allowance for doubtful accounts	318	(377)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5	(13)
Decrease (increase) in retirement benefit asset	(164)	(281)
Increase (decrease) in retirement benefit liability	17	16
Interest and dividend income	(513)	(851)
Interest expenses	266	281
Share of loss (profit) of entities accounted for using equity method	(48)	(47)
Loss (gain) on sale of investment securities	(68)	(1,619)
Loss (gain) on sale and retirement of property, plant and equipment	(2,140)	(0)
Decrease (increase) in trade receivables	(8,191)	(1,513)
Decrease (increase) in inventories	(1,869)	1,756
Increase (decrease) in trade payables	4,140	2,523
Other, net	1,583	429
Subtotal	3,122	10,206
Interest and dividends received	511	853
Interest paid	(258)	(286)
Income taxes paid	(2,505)	(2,544)
Net cash provided by (used in) operating activities	869	8,229
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,383)	(4,864)
Proceeds from sale of property, plant and equipment	2,369	20
Purchase of intangible assets	(82)	(107)
Purchase of investment securities	(23)	(26)
Proceeds from sale of investment securities	19	1,877
Proceeds from sale of shares of subsidiaries and associates	62	160
Loan advances	(49)	(12)
Proceeds from collection of loans receivable	136	91
Other, net	127	135
Net cash provided by (used in) investing activities	175	(2,727)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,514)	(2,601)
Proceeds from long-term borrowings	7,300	3,000
Repayments of long-term borrowings	(4,240)	(4,560)
Purchase of treasury shares	(100)	(176)
Dividends paid	(1,319)	(1,475)
Other, net	(1)	25
Net cash provided by (used in) financing activities	(876)	(5,788)
Effect of exchange rate change on cash and cash equivalents	242	117
Net increase (decrease) in cash and cash equivalents	410	(170)
Cash and cash equivalents at beginning of period	2,875	3,286
Cash and cash equivalents at end of period	3,286	3,115