

Translation

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Summary of Consolidated Financial Results for the Three Months Ended May 31, 2022 (Based on Japanese GAAP)

July 11, 2022

Company name: Shochiku Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo, Fukuoka
 Stock code: 9601 URL <https://www.shochiku.co.jp>
 Representative: President and CEO Jay Sakomoto
 Inquiries: Director Hiroshige Osaki TEL 03-5550-1699
 Scheduled date to file Quarterly Securities Report: July 15, 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 May 31, 2022 (from March 1, 2022 to May 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	%
Three months ended May 31, 2022	18,697	30.5	(724)	–	829	–	6,128	–
Three months ended May 31, 2021	14,329	66.5	(1,112)	–	(1,221)	–	(2,046)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2022	446.26	–
Three months ended May 31, 2021	(148.99)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	193,377	86,406	44.3	6,244.20
As of February 28, 2022	188,781	80,833	42.4	5,827.78

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 February 28, 2022	–	0.00	–	0.00	0.00
Year ending February 28, 2023	–	–	–	–	–
Year ending February 28, 2023 (Forecast)	–	0.00	–	30.00	30.00

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 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	89,640	–	600	–	1,400	–	6,710	–	488.60

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 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 May 31, 2022	13,937,857 shares	As of February 28, 2022	13,937,857 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	204,797 shares	As of February 28, 2022	204,443 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2022	13,733,221 shares	Three months ended May 31, 2021	13,734,569 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	16,791	26,409
Notes and accounts receivable - trade	8,713	–
Notes and accounts receivable - trade, and contract assets	–	7,308
Merchandise and finished goods	1,648	2,321
Work in process	4,201	3,943
Raw materials and supplies	114	116
Other	2,942	3,224
Allowance for doubtful accounts	(14)	(2)
Total current assets	34,396	43,321
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,151	41,369
Facilities, net	11,254	10,969
Land	41,847	39,695
Other, net	5,051	4,894
Total property, plant and equipment	101,304	96,928
Intangible assets		
Other	2,005	2,039
Total intangible assets	2,005	2,039
Investments and other assets		
Investment securities	31,560	31,638
Retirement benefit asset	136	145
Other	19,475	19,404
Allowance for doubtful accounts	(98)	(100)
Total investments and other assets	51,074	51,088
Total non-current assets	154,384	150,056
Total assets	188,781	193,377

(Millions of yen)

	As of February 28, 2022	As of May 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,963	7,446
Short-term borrowings	4,871	5,021
Current portion of long-term borrowings	16,935	26,593
Income taxes payable	428	699
Provision for bonuses	479	385
Other	8,885	8,690
Total current liabilities	39,563	48,836
Non-current liabilities		
Long-term borrowings	48,791	38,026
Provision for retirement benefits for directors (and other officers)	886	192
Retirement benefit liability	1,675	1,703
Asset retirement obligations	1,483	1,490
Other	15,547	16,722
Total non-current liabilities	68,384	58,135
Total liabilities	107,947	106,971
Net assets		
Shareholders' equity		
Share capital	33,018	33,018
Capital surplus	30,136	30,136
Retained earnings	8,476	14,220
Treasury shares	(1,485)	(1,490)
Total shareholders' equity	70,145	75,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,297	10,276
Foreign currency translation adjustment	(63)	(63)
Remeasurements of defined benefit plans	(344)	(346)
Total accumulated other comprehensive income	9,889	9,866
Non-controlling interests	798	654
Total net assets	80,833	86,406
Total liabilities and net assets	188,781	193,377

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Net sales	14,329	18,697
Cost of sales	8,857	11,436
Gross profit	5,472	7,261
Selling, general and administrative expenses	6,584	7,986
Operating loss	(1,112)	(724)
Non-operating income		
Interest income	2	2
Dividend income	0	0
Share of profit of entities accounted for using equity method	–	29
Subsidies for employment adjustment	91	41
Subsidy income	13	1,367
Other	159	386
Total non-operating income	267	1,827
Non-operating expenses		
Interest expenses	158	150
Loan fees	55	45
Share of loss of entities accounted for using equity method	78	–
Other	83	77
Total non-operating expenses	376	273
Ordinary profit (loss)	(1,221)	829
Extraordinary income		
Gain on sale of non-current assets	–	6,985
Gain on reversal of asset retirement obligations	–	15
Gain on change in equity	9	–
Reversal of provision for loss on disaster	98	–
Total extraordinary income	108	7,000
Extraordinary losses		
Loss on retirement of non-current assets	0	5
Loss on disaster	31	52
Loss on cancellation of performances	528	–
Loss on temporary closure and other	360	–
Total extraordinary losses	921	58
Profit (loss) before income taxes	(2,034)	7,771
Income taxes - current	47	575
Income taxes for prior periods	(74)	–
Income taxes - deferred	79	1,412
Total income taxes	52	1,987
Profit (loss)	(2,086)	5,784
Loss attributable to non-controlling interests	(40)	(343)
Profit (loss) attributable to owners of parent	(2,046)	6,128

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended May 31, 2021	Three months ended May 31, 2022
Profit (loss)	(2,086)	5,784
Other comprehensive income		
Valuation difference on available-for-sale securities	452	(20)
Foreign currency translation adjustment	(8)	–
Remeasurements of defined benefit plans, net of tax	(8)	(2)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	434	(24)
Comprehensive income	(1,651)	5,760
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,611)	6,104
Comprehensive income attributable to non-controlling interests	(40)	(343)