

Translation

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

January 12, 2024

Company name: Shochiku Co., Ltd.
 Stock exchange listing: Tokyo, Sapporo, Fukuoka
 Stock code: 9601 URL <https://www.shochiku.co.jp>
 Representative: President and CEO Toshihiro Takahashi
 Inquiries: Senior Executive Officer Hiroshige Osaki TEL 03-5550-1699
 Scheduled date to file Quarterly Securities Report: January 12, 2024
 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 November 30, 2023 (from March 1, 2023 to November 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	%
Nine months ended November 30, 2023	62,464	8.5	1,848	–	847	(26.8)	2,505	(60.0)
Nine months ended November 30, 2022	57,596	11.6	(1,166)	–	1,158	–	6,258	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2023	182.40	–
Nine months ended November 30, 2022	455.63	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2023	199,889	90,683	45.3	6,592.00
As of February 28, 2023	178,803	86,482	48.3	6,289.19

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, 2023	–	0.00	–	30.00	30.00
Year ending February 29, 2024	–	0.00	–		
Year ending February 29, 2024 (Forecast)				30.00	30.00

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 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
Full year	87,730	12.2	1,300	–	130	(90.4)	1,870	(65.9)	136.10

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 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: 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 November 30, 2023	13,937,857 shares	As of February 28, 2023	13,937,857 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	198,509 shares	As of February 28, 2023	201,406 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	13,738,347 shares	Nine months ended November 30, 2022	13,735,336 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	16,113	21,732
Notes and accounts receivable - trade and contract assets	7,469	6,541
Merchandise and finished goods	1,701	1,633
Work in process	3,953	4,686
Raw materials and supplies	117	115
Other	2,420	4,871
Allowance for doubtful accounts	(2)	(4)
Total current assets	31,772	39,577
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,836	39,805
Facilities, net	9,712	8,959
Land	39,688	51,965
Other, net	3,799	3,691
Total property, plant and equipment	93,036	104,421
Intangible assets		
Other	1,914	1,918
Total intangible assets	1,914	1,918
Investments and other assets		
Investment securities	33,467	35,487
Retirement benefit asset	159	268
Other	18,539	18,326
Allowance for doubtful accounts	(86)	(109)
Total investments and other assets	52,079	53,972
Total non-current assets	147,030	160,312
Total assets	178,803	199,889

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,116	6,483
Short-term borrowings	4,871	4,921
Current portion of long-term borrowings	17,404	19,801
Income taxes payable	865	750
Provision for bonuses	527	206
Provision for loss on litigation	–	192
Other	7,776	9,397
Total current liabilities	37,561	41,752
Non-current liabilities		
Long-term borrowings	33,887	45,773
Provision for retirement benefits for directors (and other officers)	212	232
Retirement benefit liability	1,767	1,857
Asset retirement obligations	1,512	1,454
Other	17,380	18,135
Total non-current liabilities	54,759	67,452
Total liabilities	92,320	109,205
Net assets		
Shareholders' equity		
Share capital	33,018	33,018
Capital surplus	30,157	30,174
Retained earnings	13,576	15,668
Treasury shares	(1,464)	(1,444)
Total shareholders' equity	75,288	77,417
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,426	13,432
Foreign currency translation adjustment	(63)	(63)
Remeasurements of defined benefit plans	(259)	(215)
Total accumulated other comprehensive income	11,102	13,152
Non-controlling interests	91	114
Total net assets	86,482	90,683
Total liabilities and net assets	178,803	199,889

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Net sales	57,596	62,464
Cost of sales	34,470	36,401
Gross profit	23,125	26,063
Selling, general and administrative expenses	24,291	24,215
Operating profit (loss)	(1,166)	1,848
Non-operating income		
Interest income	8	13
Dividend income	368	423
Subsidies for employment adjustment	72	5
Cooperation money income	238	–
Subsidy income	2,570	72
Other	269	140
Total non-operating income	3,527	655
Non-operating expenses		
Interest expenses	414	412
Loan fees	102	151
Share of loss of entities accounted for using equity method	567	977
Other	118	114
Total non-operating expenses	1,202	1,656
Ordinary profit	1,158	847
Extraordinary income		
Gain on sale of non-current assets	6,985	–
Gain on change in equity	321	–
Gain on reversal of asset retirement obligations	15	–
Gain on sale of investment securities	–	2,884
Gain on sale of businesses	–	200
Compensation income	–	505
Total extraordinary income	7,322	3,589
Extraordinary losses		
Loss on retirement of non-current assets	7	40
Loss on disaster	52	604
Loss on cancellation of performances	205	–
Impairment losses	–	46
Penalty cost	–	29
Provision for loss on litigation	–	192
Total extraordinary losses	266	913
Profit before income taxes	8,214	3,524
Income taxes - current	793	991
Income taxes - deferred	1,488	3
Total income taxes	2,281	995
Profit	5,933	2,528
Profit (loss) attributable to non-controlling interests	(325)	22
Profit attributable to owners of parent	6,258	2,505

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	5,933	2,528
Other comprehensive income		
Valuation difference on available-for-sale securities	1,094	2,003
Remeasurements of defined benefit plans, net of tax	(7)	43
Share of other comprehensive income of entities accounted for using equity method	(0)	2
Total other comprehensive income	1,087	2,049
Comprehensive income	7,020	4,578
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,345	4,555
Comprehensive income attributable to non-controlling interests	(325)	22