

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 11, 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 Semi-annual Securities Report: October 11, 2024
 Scheduled date to commence dividend payments: –
 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 six months ended August 31, 2024 (from March 1, 2024 to August 31, 2024)

(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	%
Six months ended August 31, 2024	39,587	(7.7)	715	(69.6)	(3,148)	–	(681)	–
Six months ended August 31, 2023	42,899	11.7	2,350	–	1,665	(34.9)	3,315	(56.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2024	(49.63)	–
Six months ended August 31, 2023	241.36	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	205,944	91,805	44.5	6,673.22
As of February 29, 2024	211,140	94,466	44.7	6,868.61

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 29, 2024	–	0.00	–	30.00	30.00
Year ending February 28, 2025	–	0.00			
Year ending February 28, 2025 (Forecast)			–	30.00	30.00

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 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
Full year	86,700	1.5	1,000	(72.1)	(2,850)	–	(580)	–	(42.21)

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended August 31, 2024: No
- (2) Application of special accounting methods for preparing interim 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 August 31, 2024	13,937,857 shares	As of February 29, 2024	13,937,857 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	195,734 shares	As of February 29, 2024	198,877 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2024	13,740,374 shares	Six months ended August 31, 2023	13,737,842 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	20,195	20,978
Notes and accounts receivable - trade and contract assets	10,714	8,155
Merchandise and finished goods	1,783	1,796
Work in process	4,155	6,386
Raw materials and supplies	117	113
Other	5,181	2,397
Allowance for doubtful accounts	(4)	(7)
Total current assets	42,142	39,821
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,353	38,281
Facilities, net	11,919	11,680
Land	52,011	52,011
Other, net	4,716	5,342
Total property, plant and equipment	108,001	107,315
Intangible assets		
Other	1,954	1,968
Total intangible assets	1,954	1,968
Investments and other assets		
Investment securities	40,852	38,706
Retirement benefit asset	185	368
Other	18,098	17,835
Allowance for doubtful accounts	(93)	(71)
Total investments and other assets	59,042	56,840
Total non-current assets	168,998	166,123
Total assets	211,140	205,944

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,501	6,636
Short-term borrowings	4,871	5,521
Current portion of long-term borrowings	18,971	16,825
Income taxes payable	1,146	934
Provision for bonuses	553	567
Other	9,472	8,152
Total current liabilities	43,516	38,636
Non-current liabilities		
Long-term borrowings	45,335	47,589
Provision for retirement benefits for directors (and other officers)	239	56
Retirement benefit liability	1,854	1,865
Asset retirement obligations	5,229	5,278
Other	20,498	20,711
Total non-current liabilities	73,158	75,502
Total liabilities	116,674	114,139
Net assets		
Shareholders' equity		
Share capital	33,018	33,018
Capital surplus	30,187	30,191
Retained earnings	16,178	15,082
Treasury shares	(1,447)	(1,421)
Total shareholders' equity	77,938	76,871
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,739	15,131
Foreign currency translation adjustment	(63)	(63)
Remeasurements of defined benefit plans	(246)	(235)
Total accumulated other comprehensive income	16,429	14,833
Non-controlling interests	98	101
Total net assets	94,466	91,805
Total liabilities and net assets	211,140	205,944

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Net sales	42,899	39,587
Cost of sales	24,620	22,240
Gross profit	18,279	17,347
Selling, general and administrative expenses	15,928	16,632
Operating profit	2,350	715
Non-operating income		
Interest income	5	6
Dividend income	356	454
Subsidies for employment adjustment	5	–
Subsidy income	72	–
Other	82	89
Total non-operating income	522	551
Non-operating expenses		
Interest expenses	259	397
Loan fees	133	69
Share of loss of entities accounted for using equity method	743	3,890
Other	71	56
Total non-operating expenses	1,207	4,414
Ordinary profit (loss)	1,665	(3,148)
Extraordinary income		
Gain on sale of investment securities	2,884	4,002
Gain on sale of businesses	200	–
Total extraordinary income	3,084	4,002
Extraordinary losses		
Loss on retirement of non-current assets	8	19
Loss on disaster	226	–
Impairment losses	46	–
Penalty cost	29	–
Total extraordinary losses	310	19
Profit before income taxes	4,438	834
Income taxes - current	933	644
Income taxes - deferred	179	868
Total income taxes	1,113	1,513
Profit (loss)	3,325	(678)
Profit attributable to non-controlling interests	9	3
Profit (loss) attributable to owners of parent	3,315	(681)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit (loss)	3,325	(678)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,011	(1,609)
Remeasurements of defined benefit plans, net of tax	29	11
Share of other comprehensive income of entities accounted for using equity method	2	2
Total other comprehensive income	3,042	(1,596)
Comprehensive income	6,368	(2,275)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,358	(2,278)
Comprehensive income attributable to non-controlling interests	9	3

Consolidated statements of cash flows

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,438	834
Depreciation	2,305	2,357
Increase (decrease) in provision for bonuses	(105)	14
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	(182)
Decrease (increase) in retirement benefit asset	(81)	(182)
Increase (decrease) in retirement benefit liability	63	11
Increase (decrease) in allowance for doubtful accounts	22	(20)
Interest and dividend income	(361)	(461)
Interest expenses	259	397
Share of loss (profit) of entities accounted for using equity method	743	3,890
Loss on retirement of non-current assets	8	19
Loss (gain) on sale of investment securities	(2,884)	(4,002)
Impairment losses	46	–
Loss (gain) on sale of businesses	(200)	–
Penalty costs	29	–
Loss on disaster	226	–
Decrease (increase) in trade receivables	(275)	2,578
Decrease (increase) in inventories	(585)	(2,240)
Increase (decrease) in trade payables	2,115	(1,864)
Other, net	689	(233)
Subtotal	6,467	914
Interest and dividends received	416	513
Interest paid	(255)	(378)
Income taxes paid	(740)	(953)
Income taxes refund	–	57
Net cash provided by (used in) operating activities	5,887	154
Cash flows from investing activities		
Payments into time deposits	(100)	(100)
Proceeds from withdrawal of time deposits	100	100
Purchase of property, plant and equipment	(559)	(1,724)
Purchase of intangible assets	(93)	(106)
Purchase of investment securities	(31)	(2,111)
Proceeds from sale of investment securities	4,179	5,994
Purchase of shares of subsidiaries and associates	(1,400)	(2,000)
Loan advances	(2,000)	(20)
Proceeds from collection of loans receivable	26	23
Proceeds from sale of businesses	200	–
Other, net	(17)	(4)
Net cash provided by (used in) investing activities	303	49

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	650
Proceeds from long-term borrowings	3,000	3,000
Repayments of long-term borrowings	(1,717)	(2,892)
Repayments of lease liabilities	(274)	(346)
Repayments of installment payables	(21)	(13)
Purchase of treasury shares	(11)	(5)
Proceeds from sale of treasury shares	1	0
Dividends paid	(413)	(411)
Net cash provided by (used in) financing activities	563	(18)
Net increase (decrease) in cash and cash equivalents	6,754	185
Cash and cash equivalents at beginning of period	16,013	20,692
Cash and cash equivalents at end of period	22,768	20,878