

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2022 (Based on Japanese GAAP)

January 13, 2023

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: January 13, 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 nine months ended November 30, 2022 (from March 1, 2022 to November 30, 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	%
Nine months ended November 30, 2022	57,596	11.6	(1,166)	–	1,158	–	6,258	–
Nine months ended November 30, 2021	51,620	40.6	(3,552)	–	(2,737)	–	(3,386)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2022	455.63	–
Nine months ended November 30, 2021	(246.60)	–

(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, 2022	181,705	87,131	47.9	6,336.45
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	–	0.00	–		
Year ending February 28, 2023 (Forecast)				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	79,540	–	(1,700)	–	350	–	4,850	–	353.07

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 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 November 30, 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 November 30, 2022	201,210 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)

Nine months ended November 30, 2022	13,735,336 shares	Nine months ended November 30, 2021	13,734,412 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	16,791	15,538
Notes and accounts receivable - trade	8,713	–
Notes and accounts receivable - trade, and contract assets	–	7,855
Merchandise and finished goods	1,648	1,813
Work in process	4,201	4,710
Raw materials and supplies	114	112
Other	2,942	2,166
Allowance for doubtful accounts	(14)	(2)
Total current assets	34,396	32,194
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,151	40,350
Facilities, net	11,254	10,291
Land	41,847	39,695
Other, net	5,051	4,358
Total property, plant and equipment	101,304	94,696
Intangible assets		
Other	2,005	1,925
Total intangible assets	2,005	1,925
Investments and other assets		
Investment securities	31,560	33,866
Retirement benefit asset	136	45
Other	19,475	19,077
Allowance for doubtful accounts	(98)	(100)
Total investments and other assets	51,074	52,889
Total non-current assets	154,384	149,510
Total assets	188,781	181,705

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,963	7,338
Short-term borrowings	4,871	4,791
Current portion of long-term borrowings	16,935	17,666
Income taxes payable	428	809
Provision for bonuses	479	198
Other	8,885	8,608
Total current liabilities	39,563	39,412
Non-current liabilities		
Long-term borrowings	48,791	35,018
Provision for retirement benefits for directors (and other officers)	886	206
Retirement benefit liability	1,675	1,731
Asset retirement obligations	1,483	1,505
Other	15,547	16,700
Total non-current liabilities	68,384	55,160
Total liabilities	107,947	94,573
Net assets		
Shareholders' equity		
Share capital	33,018	33,018
Capital surplus	30,136	30,157
Retained earnings	8,476	14,350
Treasury shares	(1,485)	(1,462)
Total shareholders' equity	70,145	76,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,297	11,392
Foreign currency translation adjustment	(63)	(63)
Remeasurements of defined benefit plans	(344)	(351)
Total accumulated other comprehensive income	9,889	10,977
Non-controlling interests	798	89
Total net assets	80,833	87,131
Total liabilities and net assets	188,781	181,705

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, 2021	Nine months ended November 30, 2022
Net sales	51,620	57,596
Cost of sales	32,934	34,470
Gross profit	18,686	23,125
Selling, general and administrative expenses	22,238	24,291
Operating loss	(3,552)	(1,166)
Non-operating income		
Interest income	9	8
Dividend income	314	368
Subsidies for employment adjustment	307	72
Cooperation money income	599	238
Subsidy income	278	2,570
Other	241	269
Total non-operating income	1,750	3,527
Non-operating expenses		
Interest expenses	470	414
Loan fees	147	102
Share of loss of entities accounted for using equity method	155	567
Other	162	118
Total non-operating expenses	935	1,202
Ordinary profit (loss)	(2,737)	1,158
Extraordinary income		
Gain on sale of non-current assets	–	6,985
Gain on change in equity	9	321
Gain on reversal of asset retirement obligations	–	15
Reversal of provision for loss on disaster	117	–
Total extraordinary income	127	7,322
Extraordinary losses		
Loss on retirement of non-current assets	60	7
Loss on disaster	35	52
Loss on cancellation of performances	526	205
Loss on temporary closure and other	340	–
Total extraordinary losses	962	266
Profit (loss) before income taxes	(3,573)	8,214
Income taxes - current	186	793
Income taxes for prior periods	(211)	–
Income taxes - deferred	(26)	1,488
Total income taxes	(51)	2,281
Profit (loss)	(3,521)	5,933
Loss attributable to non-controlling interests	(134)	(325)
Profit (loss) attributable to owners of parent	(3,386)	6,258

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Profit (loss)	(3,521)	5,933
Other comprehensive income		
Valuation difference on available-for-sale securities	916	1,094
Foreign currency translation adjustment	2	–
Remeasurements of defined benefit plans, net of tax	(24)	(7)
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	893	1,087
Comprehensive income	(2,628)	7,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,493)	7,345
Comprehensive income attributable to non-controlling interests	(134)	(325)