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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



January 31, 2024

Company name: Shinko Shoji Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 8141  
 URL: <http://www.shinko-sj.co.jp/>  
 Representative: Tatsuya Ogawa, President and Representative Director  
 Contact: Shuji Isshiki, Director  
 Phone: +81-3-6361-8111  
 Scheduled date of filing quarterly securities report: February 14, 2024  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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 December 31, 2023	133,208	0.0	4,878	(7.6)	4,751	(8.8)	3,212	(8.0)
December 31, 2022	133,174	44.7	5,280	162.1	5,211	150.2	3,493	145.2

(Note) Comprehensive income: Nine months ended December 31, 2023: 4,992 million yen [(1.8%)]  
 Nine months ended December 31, 2022: 5,085 million yen [162.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	97.08	—
December 31, 2022	101.31	—

The average number of shares during the period used for calculating basic earnings per share is calculated by excluding the number of shares held in own name as well as treasury shares held by the board benefit trust of 501,750 shares for the nine months ended December 31, 2022 and 475,620 shares for the nine months ended December 31, 2023 and treasury shares held by the employee benefit trust of 342,390 shares for the nine months ended December 31, 2022 and 319,030 shares for the nine months ended December 31, 2023.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	102,352	55,320	53.3
As of March 31, 2023	98,827	52,560	52.5

(Reference) Equity: As of December 31, 2023: 54,545 million yen

As of March 31, 2023: 51,860 million yen

## 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
Fiscal year ended March 31, 2023	-	29.00	-	40.0	69.00
Fiscal year ending March 31, 2024	-	26.50	-		
Fiscal year ending March 31, 2024 (Forecast)			-	26.50	53.00

\* Revisions to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Full year	170,000 (5.1)	5,000 (29.9)	5,000 (26.9)	3,500 (25.6)	105.81

\* Revisions to the financial results forecast announced most recently: No

**\* Notes:**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023: No  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes  
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the attached document.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the attached document.
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):  
December 31, 2023: 38,010,566 shares  
March 31, 2023: 38,010,566 shares
  - 2) Total number of treasury shares at the end of the period:  
December 31, 2023: 4,906,951 shares  
March 31, 2023: 4,933,439 shares
  - 3) Average number of shares during the period:  
Nine months ended December 31, 2023: 33,095,117 shares  
Nine months ended December 31, 2022: 34,478,286 shares
    1. The total number of treasury shares at the end of the period includes the Company’s shares held by the board benefit trust of 481,800 shares for the fiscal year ended March 31, 2023 and 471,500 shares for the nine months ended December 31, 2023 and the Company’s shares held by the employee benefit trust of 330,900 shares for the fiscal year ended March 31, 2023 and 314,600 shares for the nine months ended December 31, 2023.
    2. Treasury shares excluded for calculation of the average number of shares during the period includes the Company’s shares held by the board benefit trust of 501,750 shares for the nine months ended December 31, 2022 and 475,620 shares for the nine months ended December 31, 2023 and the Company’s shares held by the employee benefit trust of 342,390 shares for the nine months ended December 31, 2022 and 319,030 shares for the nine months ended December 31, 2023.

\* This quarterly financial report is outside the scope of audit by certified public accountants or audit firms

**\* Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. These statements are not intended as the Company’s commitment to achieve them, and actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results for the Period under Review .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information .....	3
2. Quarterly Consolidated Financial Statements and Primary Notes .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income .....	6
(3) Notes to Quarterly Consolidated Financial Statements .....	8
(Notes on going concern assumption) .....	8
(Notes in the case of significant changes in shareholders' equity) .....	8
(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements) .....	8
(Changes in accounting policies).....	8
(Changes in accounting estimates) .....	8
(Segment information).....	9
(Significant subsequent events) .....	10

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the nine months ended December 31, 2023, the Japanese economy remained highly uncertain due to the increased geopolitical risks, global inflation, slowdown of the Chinese economy, and other factors, although it gradually recovered due to the improvement of the employment and income situation.

In the electronics industry, there has been a continuous movement for inventory adjustment due to the recoil from the significant increase in demand caused by COVID-19, despite strong demand backed by the shift to EVs and promotion of DX.

Under these situations, our group (our Company and consolidated subsidiaries) posted overall results at the same level as in the same period of the previous year, as the businesses related to automotive electronic products and industrial products, which are our core businesses, remained flat year on year and the business related to amusement products posted strong results, while the business related to OA products was sluggish.

As a result, the business performances in the nine months ended December 31, 2023 were: net sales 133,208 million yen (0.03% increase compared with the same period of the previous year); operating profit 4,878 million yen (7.6% decrease); ordinary profit 4,751 million yen (8.8% decrease); and profit attributable to owners of parent 3,212 million yen (8.0% decrease). Business performances per segment are as follows.

#### Electronic Device Business

The business related to automotive electronic products remained robust, while the business related to industrial products remained flat and the business related to OA products was sluggish.

As a result of the above, net sales were: semiconductor 79,795 million yen (0.7% increase compared with the same period of the previous year), electronic devices 36,937 million yen (6.4% decrease), and overall 116,733 million yen (1.7% decrease).

#### Assembly Business

The businesses related to amusement products remained strong.

As a result of the above, net sales of assembly products were 13,401 million yen (19.8% increase compared with the same period of the previous year).

#### Other Businesses

Sales of electronic products were sluggish.

As a result of the above, net sales of electronic products and contract development of microcomputer software were 3,072 million yen (5.8% decrease compared with the same period of the previous year).

### (2) Explanation of Financial Position

#### (i) Status of assets, liabilities and net assets

##### (Assets)

Total assets at the end of the third quarter of the fiscal year under review increased by 3,524 million yen from the end of the previous period to 102,352 million yen. This is mainly attributable to increases in merchandise and finished goods, cash and deposits, accounts receivable - other, and investment securities of 6,680 million yen, 1,760 million yen, 707 million yen, and 460 million yen, respectively, despite a decrease in notes and accounts receivable - trade, and contract assets of 6,185 million yen.

##### (Liabilities)

Total liabilities at the end of the third quarter of the fiscal year under review increased by 765 million yen from the end of the previous period to 47,031 million yen. This is mainly attributable to increases in short-term borrowings and long-term borrowings of 2,508 million yen and 1,000 million yen, respectively, despite

decreases in accounts payable - other, current portion of long-term borrowings, and income taxes payable of 1,350 million yen, 1,000 million yen, and 827 million yen, respectively.

(Net assets)

Total net assets at the end of the third quarter of the fiscal year under review increased by 2,759 million yen from the end of the previous period to 55,320 million yen. This is mainly attributable to increases in foreign currency translation adjustment, retained earnings, and valuation difference on available-for-sale securities of 1,212 million yen, 959 million yen and 497 million yen, respectively.

This resulted in an equity ratio of 53.3% (52.5% at the end of the previous year).

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company projects consolidated financial results for the fiscal year ending March 31, 2024 of consolidated net sales of 170,000 million yen, operating profit of 5,000 million yen, ordinary profit of 5,000 million yen, and profit attributable to owners of parent of 3,500 million yen, as announced on May 15, 2023.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	10,929	12,689
Notes and accounts receivable - trade, and contract assets	38,531	32,345
Merchandise and finished goods	31,384	38,064
Work in process	48	90
Accounts receivable - other	11,679	12,387
Other	188	369
Allowance for doubtful accounts	(41)	(39)
Total current assets	92,720	95,907
Non-current assets		
Property, plant and equipment	771	703
Intangible assets	386	313
Investments and other assets		
Investment securities	3,458	3,919
Deferred tax assets	228	231
Other	1,262	1,279
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,949	5,428
Total non-current assets	6,107	6,445
Total assets	98,827	102,352
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,061	15,819
Electronically recorded obligations - operating	2,350	2,625
Short-term borrowings	9,025	11,534
Current portion of long-term borrowings	1,600	600
Income taxes payable	1,477	649
Accounts payable - other	3,621	2,270
Provision for bonuses	785	305
Provision for bonuses for directors	129	77
Other	1,901	2,370
Total current liabilities	36,952	36,252
Non-current liabilities		
Long-term borrowings	7,200	8,200
Deferred tax liabilities	398	759
Provision for share based awards for directors	108	122
Provision for share based awards for employees	322	432
Retirement benefit liability	815	806
Other	469	458
Total non-current liabilities	9,314	10,779
Total liabilities	46,266	47,031

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	9,501	9,501
Capital surplus	9,599	9,599
Retained earnings	33,577	34,536
Treasury shares	(4,608)	(4,587)
Total shareholders' equity	48,070	49,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,063	1,561
Deferred gains or losses on hedges	(0)	(0)
Revaluation reserve for land	(61)	(61)
Foreign currency translation adjustment	2,762	3,974
Remeasurements of defined benefit plans	25	21
Total accumulated other comprehensive income	3,789	5,495
Non-controlling interests	700	774
Total net assets	52,560	55,320
Total liabilities and net assets	98,827	102,352



(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	133,174	133,208
Cost of sales	120,757	120,906
Gross profit	12,416	12,301
Selling, general and administrative expenses	7,135	7,423
Operating profit	5,280	4,878
Non-operating income		
Interest income	5	43
Dividend income	91	107
Purchase discounts	4	7
Miscellaneous income	58	40
Total non-operating income	159	198
Non-operating expenses		
Interest expenses	109	132
Foreign exchange losses	103	178
Miscellaneous expenses	16	13
Total non-operating expenses	229	325
Ordinary profit	5,211	4,751
Extraordinary income		
Gain on sale of non-current assets	39	–
Gain on sale of investment securities	–	83
Gain on liquidation of subsidiaries and associates	–	76
Total extraordinary income	39	160
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	8
Total extraordinary losses	1	8
Profit before income taxes	5,248	4,903
Income taxes	1,667	1,620
Profit	3,581	3,282
Profit attributable to non-controlling interests	88	69
Profit attributable to owners of parent	3,493	3,212

Quarterly Consolidated Statements of Comprehensive Income

Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	3,581	3,282
Other comprehensive income		
Valuation difference on available-for-sale securities	54	498
Deferred gains or losses on hedges	(5)	(0)
Foreign currency translation adjustment	1,451	1,216
Remeasurements of defined benefit plans, net of tax	2	(4)
Total other comprehensive income	1,504	1,709
Comprehensive income	5,085	4,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,992	4,917
Comprehensive income attributable to non-controlling interests	92	74

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

Tax expenses were calculated by rationally estimating the effective tax rate after applying tax effect accounting for profit before income taxes for the fiscal year including the third quarter of the fiscal year under review and multiplying the profit before income taxes for the quarter by said estimated effective tax rate.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Segment information)

I. For the nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	118,724	11,186	3,262	133,174	–	133,174
Inter-segment sales and transfers	–	–	–	–	–	–
Total	118,724	11,186	3,262	133,174	–	133,174
Segment profit	6,401	308	170	6,880	(1,600)	5,280

(Notes) 1. The adjustment amount for segment profit of (1,600) million yen includes corporate expenses of (1,600) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. For the nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	116,733	13,401	3,072	133,208	–	133,208
Inter-segment sales and transfers	–	–	–	–	–	–
Total	116,733	13,401	3,072	133,208	–	133,208
Segment profit	5,708	548	366	6,623	(1,745)	4,878

(Notes) 1. The adjustment amount for segment profit of (1,745) million yen includes corporate expenses of (1,745) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Significant subsequent events)

Not applicable.