

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 9, 2024

Company name: Syuppin Co., Ltd.

Stock exchange listing: Tokyo

Code number: 3179

URL: <https://www.syuppin.co.jp>

Representative: Naohiko Ono

Contact: Risa Okabe

Phone: +81-3-3342-0088

Scheduled date of Annual General Meeting of Shareholders: June 28, 2024

Scheduled date of commencing dividend payments: July 1, 2024

Scheduled date of filing annual securities report: June 28, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

CEO and Representative Director

CFO, CHRO and Head of Corporate Strategy Division

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

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	48,841	7.1	3,343	35.7	3,344	37.1	2,322	36.8
March 31, 2023	45,618	5.0	2,463	(21.6)	2,439	(23.5)	1,697	(23.1)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	110.05	109.34	31.5	21.5	6.8
March 31, 2023	81.19	80.21	28.4	16.5	5.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	16,063	8,266	51.5	390.44
March 31, 2023	15,066	6,479	42.9	307.83

(Reference) Equity: As of March 31, 2024: ¥ 8,264 million
As of March 31, 2023: ¥ 6,477 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	2,362	(412)	(2,051)	1,321
March 31, 2023	1,243	(444)	(549)	1,423

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	0.00	-	30.00	30.00	631	37.2	10.6
March 31, 2024	-	0.00	-	36.00	36.00	762	32.7	10.3
Fiscal year ending								
March 31, 2025 (Forecast)	-	0.00	-	40.00	40.00		32.8	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	27,464	17.5	1,819	11.9	1,804	10.5	1,244	12.0	57.57
Full year	56,617	15.9	3,854	15.3	3,824	14.4	2,639	13.6	122.05

* Notes:

(1) 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

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024:	23,207,991 shares
March 31, 2023:	23,392,997 shares

2) Number of treasury shares at the end of the period:

March 31, 2024:	2,041,004 shares
March 31, 2023:	2,352,209 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	21,102,908 shares
Fiscal Year ended March 31, 2023:	20,905,167 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,423,525	1,321,305
Accounts receivable - trade	2,469,923	2,733,023
Merchandise	8,812,856	9,265,998
Prepaid expenses	211,515	190,591
Other	284,892	451,068
Total current assets	13,202,714	13,961,987
Non-current assets		
Property, plant and equipment		
Buildings	304,983	304,983
Accumulated depreciation	(85,467)	(102,127)
Buildings, net	219,516	202,856
Tools, furniture and fixtures	291,883	303,690
Accumulated depreciation	(191,228)	(216,089)
Tools, furniture and fixtures, net	100,655	87,600
Total property, plant and equipment	320,171	290,456
Intangible assets		
Trademark right	7,819	6,589
Software	352,297	353,967
Software in progress	264,062	532,702
Total intangible assets	624,179	893,260
Investments and other assets		
Guarantee and lease deposits	458,146	458,150
Shares of subsidiaries and associates	77,808	77,808
Long-term prepaid expenses	81,275	54,357
Deferred tax assets	296,067	305,894
Other	5,996	21,196
Total investments and other assets	919,293	917,406
Total non-current assets	1,863,644	2,101,123
Total assets	15,066,358	16,063,110

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,374,813	1,463,826
Short-term borrowings	1,200,000	1,400,000
Current portion of long-term borrowings	1,702,819	1,149,669
Accounts payable - other	490,881	501,493
Accrued expenses	65,365	136,873
Income taxes payable	280,916	681,218
Contract liabilities	232,014	333,924
Deposits received	71,774	65,102
Unearned revenue	191,598	206,810
Other	29,997	40,810
Total current liabilities	5,640,179	5,979,728
Non-current liabilities		
Long-term borrowings	2,903,923	1,754,254
Provision for performance-linked incentive compensation	4,368	16,564
Provision for share-based payments	2,150	9,984
Asset retirement obligations	36,248	36,335
Total non-current liabilities	2,946,690	1,817,139
Total liabilities	8,586,869	7,796,867
Net assets		
Shareholders' equity		
Share capital	535,262	541,912
Capital surplus		
Legal capital surplus	435,262	441,912
Total capital surplus	435,262	441,912
Retained earnings		
Other retained earnings		
Retained earnings brought forward	7,982,423	9,429,054
Total retained earnings	7,982,423	9,429,054
Treasury shares	(2,475,926)	(2,148,352)
Total shareholders' equity	6,477,022	8,264,527
Share acquisition rights	2,466	1,716
Total net assets	6,479,488	8,266,243
Total liabilities and net assets	15,066,358	16,063,110

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	45,618,523	48,841,841
Cost of sales		
Beginning merchandise inventory	8,329,494	8,812,856
Cost of purchased goods	38,368,032	40,206,405
Total	46,697,526	49,019,261
Transfer to other account	19,785	38,936
Ending merchandise inventory	9,161,292	9,328,341
Valuation loss on goods	348,436	62,442
Cost of goods sold	37,864,884	39,714,427
Gross profit	7,753,639	9,127,414
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	138,716	125,554
Payroll and allowances	1,286,916	1,433,971
Legal welfare expenses	219,988	235,204
Advertising expenses	36,895	73,529
Promotion expenses	939,963	1,069,074
Outsourcing expenses	370,464	389,474
Commission expenses	1,157,923	1,279,742
Depreciation	193,420	173,313
Rent expenses on land and buildings	352,675	354,071
Other	593,588	649,973
Total selling, general and administrative expenses	5,290,551	5,783,911
Operating profit	2,463,087	3,343,503
Non-operating income		
Interest income	13	15
Dividend income	-	8,596
Insurance claim income	2,707	2,492
Foreign exchange gains	12,796	10,321
Repayment income	-	7,390
Other	4,107	10,555
Total non-operating income	19,626	39,371
Non-operating expenses		
Interest expenses	24,031	18,401
Loss of theft etc	7,323	-
Loss on extinguishment share-based compensation expenses	-	16,715
Other	11,907	3,651
Total non-operating expenses	43,263	38,768
Ordinary profit	2,439,450	3,344,107
Extraordinary losses		
Loss on retirement of non-current assets	11,097	123
Total extraordinary losses	11,097	123
Profit before income taxes	2,428,353	3,343,983
Income taxes - current	777,388	1,031,443
Income taxes - deferred	(46,327)	(9,827)
Total income taxes	731,061	1,021,616
Profit	1,697,291	2,322,367

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings				
Balance at beginning of period	528,262	428,262	428,262	7,573,770	7,573,770	(3,065,086)	5,465,209	4,388	5,469,597
Changes during period									
Issuance of new shares	7,000	7,000	7,000				14,000		14,000
Dividends of surplus				(587,392)	(587,392)		(587,392)		(587,392)
Profit				1,697,291	1,697,291		1,697,291		1,697,291
Purchase of treasury shares						(420,000)	(420,000)		(420,000)
Disposal of treasury shares				(68,259)	(68,259)	376,174	307,914		307,914
Cancellation of treasury shares				(632,985)	(632,985)	632,985	-		-
Net changes in items other than shareholders' equity								(1,922)	(1,922)
Total changes during period	7,000	7,000	7,000	408,653	408,653	589,159	1,011,813	(1,922)	1,009,891
Balance at end of period	535,262	435,262	435,262	7,982,423	7,982,423	(2,475,926)	6,477,022	2,466	6,479,488

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
Balance at beginning of period	535,262	435,262	435,262	7,982,423	7,982,423	(2,475,926)	6,477,022	2,466	6,479,488
Changes during period									
Issuance of new shares	6,649	6,649	6,649				13,299		13,299
Dividends of surplus				(631,223)	(631,223)		(631,223)		(631,223)
Profit				2,322,367	2,322,367		2,322,367		2,322,367
Purchase of treasury shares						(9)	(9)		(9)
Disposal of treasury shares				(33,993)	(33,993)	117,064	83,070		83,070
Cancellation of treasury shares				(210,519)	(210,519)	210,519	-		-
Net changes in items other than shareholders' equity								(749)	(749)
Total changes during period	6,649	6,649	6,649	1,446,630	1,446,630	327,573	1,787,504	(749)	1,786,754
Balance at end of period	541,912	441,912	441,912	9,429,054	9,429,054	(2,148,352)	8,264,527	1,716	8,266,243

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,428,353	3,343,983
Depreciation	193,420	173,313
Interest and dividend income	(17)	(8,615)
Interest expenses	24,031	18,401
Loss on retirement of non-current assets	11,097	123
Decrease (increase) in trade receivables	131,609	(263,100)
Decrease (increase) in inventories	(483,361)	(453,142)
Increase (decrease) in trade payables	(110,880)	89,012
Increase (decrease) in contract liabilities	(12,060)	101,910
Increase (decrease) in provision for provision for performance-linked incentive compensation	4,368	12,196
Increase (decrease) in provision for share-based payments	2,150	7,834
Other, net	393,425	(2,877)
Subtotal	2,582,136	3,019,040
Interest and dividends received	13	8,611
Interest paid	(24,009)	(18,450)
Income taxes paid	(1,314,209)	(646,823)
Net cash provided by (used in) operating activities	1,243,930	2,362,378
Cash flows from investing activities		
Purchase of property, plant and equipment	(64,989)	(15,941)
Purchase of intangible assets	(379,666)	(381,516)
Other	(33)	(15,200)
Net cash provided by (used in) investing activities	(444,688)	(412,657)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	250,000	200,000
Proceeds from long-term borrowings	2,300,000	-
Repayments of long-term borrowings	(2,303,743)	(1,702,819)
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	212,012	82,101
Purchase of treasury shares	(420,000)	-
Dividends paid	(587,392)	(631,223)
Net cash provided by (used in) financing activities	(549,123)	(2,051,941)
Net increase (decrease) in cash and cash equivalents	250,118	(102,220)
Cash and cash equivalents at beginning of period	1,173,407	1,423,525
Cash and cash equivalents at end of period	1,423,525	1,321,305