Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

Company name: Pro-Ship Incorporated
Stock exchange listing: Tokyo
Stock code: 3763 URL https://www.proship.co.jp
Representative: President, COO Norihiro Yamaguchi
Inquiries: General Manager, Finance & Accounting Department Kiyoshi Hayakawa TEL 050-1791-3000
Scheduled date to file Quarterly Securities Report: February 10, 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 December 31, 2022 (from April 1, 2022 to December 31, 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 December 31, 2022	4,870	3.3	1,112	(27.8)	1,294	(18.1)	901	(18.8)
Nine months ended December 31, 2021	4,714	46.0	1,540	65.4	1,579	64.7	1,110	69.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	65.09	64.65
Nine months ended December 31, 2021	72.07	71.33

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	8,230	6,267	73.8
As of March 31, 2022	13,532	11,336	82.4

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 March 31, 2022	–	0.00	–	50.00	50.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				45.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 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	6,600	(1.3)	1,600	(27.5)	1,810	(20.3)	1,260	(20.8)	93.58

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 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: Yes

(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 December 31, 2022	15,605,800 shares	As of March 31, 2022	15,502,800 shares

Number of treasury shares at the end of the period

As of December 31, 2022	3,300,081 shares	As of March 31, 2022	2,081 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	13,843,927 shares	Nine months ended December 31, 2021	15,403,115 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	10,271,528	4,682,981
Accounts receivable - trade, and contract assets	1,326,597	1,552,584
Work in process	121,780	167,787
Supplies	584	664
Other	79,043	125,731
Total current assets	11,799,535	6,529,749
Non-current assets		
Property, plant and equipment	37,821	74,729
Intangible assets		
Software	220,980	206,742
Other	1,067	1,067
Total intangible assets	222,048	207,810
Investments and other assets		
Investment securities	1,069,576	1,063,428
Other	404,504	355,787
Allowance for doubtful accounts	(552)	(552)
Total investments and other assets	1,473,528	1,418,664
Total non-current assets	1,733,398	1,701,204
Total assets	13,532,933	8,230,953

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	232,000	212,080
Contract liabilities	608,046	864,108
Income taxes payable	477,500	47,513
Provision for bonuses	62,565	124,916
Provision for bonuses for directors (and other officers)	37,000	35,300
Provision for loss on orders received	22,623	7,268
Other	318,121	221,290
Total current liabilities	1,757,857	1,512,478
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	109,200	109,200
Retirement benefit liability	329,290	341,614
Total non-current liabilities	438,490	450,814
Total liabilities	2,196,347	1,963,293
Net assets		
Shareholders' equity		
Share capital	648,953	716,084
Capital surplus	642,512	709,642
Retained earnings	9,827,165	9,953,169
Treasury shares	(1,747)	(5,328,017)
Total shareholders' equity	11,116,884	6,050,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,399	24,129
Total accumulated other comprehensive income	36,399	24,129
Share acquisition rights	183,302	192,651
Total net assets	11,336,586	6,267,660
Total liabilities and net assets	13,532,933	8,230,953

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	4,714,039	4,870,946
Cost of sales	2,216,115	2,545,365
Gross profit	2,497,923	2,325,581
Selling, general and administrative expenses	956,957	1,213,458
Operating profit	1,540,965	1,112,122
Non-operating income		
Interest income	20,182	24,853
Dividend income	4,251	130,425
Foreign exchange gains	2,490	3,999
Gain on sale of investment securities	–	15,455
Other	11,869	7,452
Total non-operating income	38,794	182,187
Ordinary profit	1,579,759	1,294,310
Extraordinary income		
Gain on reversal of share acquisition rights	7,625	40,177
Gain on transfer from business divestitures	39,978	–
Total extraordinary income	47,604	40,177
Profit before income taxes	1,627,364	1,334,488
Income taxes	517,237	433,447
Profit	1,110,126	901,040
Profit attributable to owners of parent	1,110,126	901,040

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,110,126	901,040
Other comprehensive income		
Valuation difference on available-for-sale securities	9,005	(12,270)
Total other comprehensive income	9,005	(12,270)
Comprehensive income	1,119,132	888,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,119,132	888,770