

Translation

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

July 29, 2022

Company name: SUN-WA TECHNOS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8137 URL <https://www.sunwa.co.jp/>
 Representative: Chairman, President and Representative: Hiroyuki Tanaka
 Director
 Executive Officer and General Manager
 Inquiries: Administration Headquarters Katsuya Tamaki TEL 03-5202-4011
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	39,108	16.8	1,341	37.7	1,596	57.8	1,134	59.8
Three months ended June 30, 2021	33,489	19.9	974	–	1,011	609.1	709	615.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	73.47		–	
Three months ended June 30, 2021	45.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	89,414	39,257	43.9
As of March 31, 2022	93,078	38,023	40.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	17.00	–	20.00	37.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00

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
Six months ending September 30, 2022	83,100	17.1	2,600	23.3	2,700	23.0	1,900	22.5	123.03
Full year	164,700	6.7	5,000	4.1	5,200	0.1	3,600	0.6	233.11

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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: 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: Yes
- Changes in accounting policies due to other reasons: Yes
- 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 June 30, 2022	16,044,000 shares	As of March 31, 2022	16,044,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	600,439 shares	As of March 31, 2022	600,439 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	15,443,561 shares	Three months ended June 30, 2021	15,776,681 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	14,049	10,366
Notes and accounts receivable - trade, and contract assets	43,146	40,341
Electronically recorded monetary claims - operating	8,851	8,932
Merchandise	12,006	14,456
Work in process	0	1
Other	4,310	5,209
Allowance for doubtful accounts	(155)	(149)
Total current assets	82,209	79,157
Non-current assets		
Property, plant and equipment	2,230	2,249
Intangible assets	226	250
Investments and other assets	8,411	7,757
Total non-current assets	10,868	10,257
Total assets	93,078	89,414
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,472	20,339
Electronically recorded obligations - operating	17,204	17,561
Short-term borrowings	5,405	7,175
Current portion of long-term borrowings	2,400	–
Income taxes payable	1,244	578
Provisions	–	21
Other	3,070	2,484
Total current liabilities	52,797	48,160
Non-current liabilities		
Long-term accounts payable - other	177	52
Provision for retirement benefits for directors (and other officers)	114	116
Retirement benefit liability	955	971
Other	1,010	856
Total non-current liabilities	2,257	1,996
Total liabilities	55,054	50,157
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,549	3,549
Retained earnings	26,867	27,693
Treasury shares	(867)	(867)
Total shareholders' equity	33,277	34,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,721	3,359
Foreign currency translation adjustment	1,024	1,795
Total accumulated other comprehensive income	4,746	5,154
Total net assets	38,023	39,257
Total liabilities and net assets	93,078	89,414

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	33,489	39,108
Cost of sales	29,411	34,240
Gross profit	4,077	4,868
Selling, general and administrative expenses	3,103	3,526
Operating profit	974	1,341
Non-operating income		
Interest income	3	2
Dividend income	40	61
Purchase discounts	9	9
Rental income from buildings	33	34
Foreign exchange gains	–	124
Other	36	63
Total non-operating income	124	297
Non-operating expenses		
Interest expenses	11	19
Loss on sale of trade receivables	10	12
Foreign exchange losses	61	–
Other	4	10
Total non-operating expenses	87	42
Ordinary profit	1,011	1,596
Profit before income taxes	1,011	1,596
Income taxes	301	461
Profit	709	1,134
Profit attributable to owners of parent	709	1,134

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	709	1,134
Other comprehensive income		
Valuation difference on available-for-sale securities	(12)	(362)
Foreign currency translation adjustment	537	770
Total other comprehensive income	525	408
Comprehensive income	1,235	1,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,235	1,542
Comprehensive income attributable to non-controlling interests	—	—