

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

January 30, 2023

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: Katsuya Tamaki
 Administration Headquarters: TEL 03-5202-4011
 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	131,130	20.1	5,421	63.9	5,468	56.0	3,854	54.0
Nine months ended December 31, 2021	109,192	15.9	3,307	191.2	3,504	161.7	2,502	167.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	249.16		–	
Nine months ended December 31, 2021	158.99		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	102,206	42,754	41.8
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	–	20.00	–		
Year ending March 31, 2023 (Forecast)				70.00	90.00

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	174,000	12.7	6,500	35.3	6,650	28.0	4,650	30.0	300.60

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: 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 December 31, 2022	16,044,000 shares	As of March 31, 2022	16,044,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	562,307 shares	As of March 31, 2022	600,439 shares
-------------------------	----------------	----------------------	----------------

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

Nine months ended December 31, 2022	15,469,013 shares	Nine months ended December 31, 2021	15,741,795 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	14,049	12,047
Notes and accounts receivable - trade, and contract assets	43,146	45,513
Electronically recorded monetary claims - operating	8,851	11,307
Merchandise	12,006	19,922
Work in process	0	22
Other	4,310	3,146
Allowance for doubtful accounts	(155)	(168)
Total current assets	82,209	91,791
Non-current assets		
Property, plant and equipment	2,230	2,183
Intangible assets	226	234
Investments and other assets	8,411	7,996
Total non-current assets	10,868	10,414
Total assets	93,078	102,206
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,472	23,160
Electronically recorded obligations - operating	17,204	21,064
Short-term borrowings	5,405	9,325
Current portion of long-term borrowings	2,400	–
Income taxes payable	1,244	814
Provisions	–	59
Other	3,070	3,067
Total current liabilities	52,797	57,492
Non-current liabilities		
Long-term accounts payable - other	177	52
Provision for retirement benefits for directors (and other officers)	114	121
Retirement benefit liability	955	982
Other	1,010	802
Total non-current liabilities	2,257	1,958
Total liabilities	55,054	59,451
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,549	3,544
Retained earnings	26,867	30,103
Treasury shares	(867)	(812)
Total shareholders' equity	33,277	36,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,721	3,294
Foreign currency translation adjustment	1,024	2,897
Total accumulated other comprehensive income	4,746	6,192
Total net assets	38,023	42,754
Total liabilities and net assets	93,078	102,206

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	109,192	131,130
Cost of sales	95,816	114,370
Gross profit	13,376	16,759
Selling, general and administrative expenses	10,068	11,338
Operating profit	3,307	5,421
Non-operating income		
Interest income	14	17
Dividend income	104	141
Purchase discounts	30	30
Rental income from buildings	100	104
Other	79	119
Total non-operating income	330	413
Non-operating expenses		
Interest expenses	34	94
Loss on sale of trade receivables	29	33
Foreign exchange losses	57	220
Other	12	17
Total non-operating expenses	134	366
Ordinary profit	3,504	5,468
Extraordinary income		
Gain on sale of non-current assets	21	–
Gain on sale of investment securities	61	12
Gain on sale of shares of subsidiaries and associates	–	21
Total extraordinary income	82	34
Profit before income taxes	3,586	5,502
Income taxes	1,084	1,647
Profit	2,502	3,854
Profit attributable to owners of parent	2,502	3,854

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,502	3,854
Other comprehensive income		
Valuation difference on available-for-sale securities	183	(426)
Foreign currency translation adjustment	658	1,872
Total other comprehensive income	842	1,445
Comprehensive income	3,344	5,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,344	5,300
Comprehensive income attributable to non-controlling interests	—	—