

14 April 2023

Dear All

Company Name	SANYO SHOKAI LTD.
Name of Representative	Shinji Oe Representative Director President & Chief Operating Officer (Code: 8011 Tokyo Stock Exchange Prime)
Contact	Yoshihiro Taniuchi General Manager, Investor Relations Corporate Management Headquarters (TEL: 03-6380-5421)

## Notice of Difference between Forecast and Actual Results and Recording of Extraordinary Losses and Deferred Tax Assets

Sanyo Shokai LTD. ("Sanyo") hereby announces that there was a difference between the consolidated earnings forecasts for the fiscal year ended 28 February 2023 announced on 27 December 2022 and the actual results announced today, and that it recorded extraordinary losses and deferred tax assets in the fiscal year ended 28 February 2023 as follows.

### Notes

- Difference between Forecast and Actual Results
  - Difference between Consolidated FY 2023 Forecast and Actual Results  
(1 March 2022-28 February 2023)

	Net sales	Operating income	Ordinary income	Net profit attributable to owners of parent company	Net profit per share
Previously announced outlook (A)	JPY M 57,500	JPY M 1,900	JPY M 2,000	JPY M 1,550	Yen Sen 128.49
Actual Value (B)	58,273	2,235	2,437	2,155	178.68
Change (B-A)	773	335	437	605	
Change (%)	1.3	17.6	21.9	39.0	
(Reference) PY Results (FY2/2022)	38,642	△1,058	△735	661	54.59

\* As the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, 31 March 2020; hereinafter the "New Revenue Recognition Standard"), etc. from the current fiscal year, the previously announced forecasts and actual results above are the amounts after applying the new revenue recognition standard. Results for the previous fiscal year are actual values before the adoption of the New Revenue Recognition Standard.

### (2) Reasons for Differences

Net sales, operating income, and ordinary income each exceeded the previous forecasts due to the market recovery accompanying the calming down of COVID-19. Net income attributable to owners of the parent company exceeded the previous forecast due to factors such as the recording of deferred tax assets as described in 2 below in addition to the above.

## 2. Recording of Extraordinary Losses and Deferred Tax Assets

### (1) Recording of Extraordinary Losses

Under the policy of unwinding of cross-shareholdings, the loss on sale of investment securities due to the partial sale of securities held was recorded as JPY184m, and the loss on disposal of Ecoalf trademark was recorded as JPY425m (including the non-dominant share of the stockholder JPY125m), which was recorded as an extraordinary loss during the 4Q of FY2023. In addition, due to a decline in profitability at some stores, impairment losses on fixed assets (such as store facilities) at the relevant stores were recorded as JPY383m for the full fiscal year ended 28 February 2023, and an extraordinary loss.

### (2) Recording of Deferred Tax Assets

As a result of careful examination of the recoverability of deferred tax assets in consideration of the fiscal year ended 28 February 2023 and future performance trends, deferred tax assets were recorded in the fiscal year ended 28 February 2023. As a result, income taxes-deferred ( $\Delta$  shows income) for the year ended 28 February 2023 was  $\Delta$ JPY883m.