

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 Elimination of Statement under “Significant Events Concerning Going Concern Assumption”

Sanyo Shokai Ltd. (“Sanyo”) has eliminated the statement under “Significant Events Concerning Going Concern Assumption” in the "Summary of Consolidated Financial Results for the Year Ended February 28, 2023 (Based on Japanese GAAP)" announced today, and Sanyo hereby notifies you as follows.

Notes

Although Sanyo recorded net income for the first time in six fiscal years in the previous fiscal year, Sanyo did not achieve its target of achieving operating profitability, and has incurred negative cash flow from operating activities for the fourth consecutive fiscal year. Accordingly, Sanyo recognized that there was a situation in which there was substantial doubt about our ability to continue as a going concern.

In order to resolve this situation, Sanyo has recovered its core profitability in accordance with the Revitalization Plan announced on 14 April 2020, and Sanyo has resolutely reformed its business structure to achieve this. Sanyo has also implemented measures to improve KPIs and grow its business by continuing to implement restructuring measures in accordance with the Medium-term Business Plan to the Financial Year ended February 2025 announced on 14 April 2022.

As a result, Sanyo recorded operating income of JPY2.23bn and net income attributable to owners of the parent company of JPY2.15bn for the fiscal year, and net cash provided by operating activities was also positive.

Accordingly, Sanyo has determined that the events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern have been resolved, and the statement under "Significant events Concerning Going Concern Assumption" has been eliminated.

Sanyo will continue to strive to increase its corporate value to meet the expectations of its shareholders and other stakeholders. Sanyo looks forward to your further support.