

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 8, 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
 Administration Headquarters: Takamichi Matoba TEL 03-5202-4011
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 12, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	181,013	17.2	7,630	58.8	7,675	47.7	5,493	53.6
Year ended March 31, 2022	154,414	14.6	4,804	123.2	5,195	102.4	3,577	100.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	355.08	–	13.3	7.7	4.2
Year ended March 31, 2022	228.33	–	9.8	6.1	3.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	106,581	44,484	41.7	2,873.36
As of March 31, 2022	93,078	38,023	40.9	2,462.10

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(545)	(731)	906	13,661
Year ended March 31, 2022	792	244	(580)	13,565

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	17.00	–	20.00	37.00	577	16.2	1.6
Year ended March 31, 2023	–	20.00	–	70.00	90.00	1,393	25.3	3.4
Year ending March 31, 2024 (Forecast)	–	45.00	–	45.00	90.00		35.3	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	85,300	1.1	2,600	(21.2)	2,700	(24.5)	1,870	(26.0)	120.79
Full year	175,800	(2.9)	5,510	(27.8)	5,690	(25.9)	3,950	(28.1)	255.14

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	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 March 31, 2023	562,331 shares	As of March 31, 2022	600,439 shares
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Average number of shares during the period

Year ended March 31, 2023	15,472,177 shares	Year ended March 31, 2022	15,668,261 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	14,049	14,145
Notes and accounts receivable - trade, and contract assets	43,146	48,455
Electronically recorded monetary claims - operating	8,851	10,467
Merchandise	12,006	17,488
Work in process	0	3
Other	4,310	3,871
Allowance for doubtful accounts	(155)	(167)
Total current assets	82,209	94,263
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,359	1,379
Accumulated depreciation	(949)	(977)
Buildings and structures, net	409	402
Land	1,356	1,356
Leased assets	562	768
Accumulated depreciation	(345)	(447)
Leased assets, net	217	320
Other	656	715
Accumulated depreciation	(409)	(522)
Other, net	247	193
Total property, plant and equipment	2,230	2,272
Intangible assets		
Other	226	221
Total intangible assets	226	221
Investments and other assets		
Investment securities	7,215	8,324
Deferred tax assets	36	38
Other	1,281	1,571
Allowance for doubtful accounts	(122)	(110)
Total investments and other assets	8,411	9,824
Total non-current assets	10,868	12,318
Total assets	93,078	106,581

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,472	25,988
Electronically recorded obligations - operating	17,204	19,347
Short-term borrowings	5,405	9,557
Current portion of long-term borrowings	2,400	–
Lease liabilities	93	122
Income taxes payable	1,244	1,378
Accrued expenses	1,806	2,234
Other	1,171	1,240
Total current liabilities	52,797	59,870
Non-current liabilities		
Lease liabilities	150	228
Deferred tax liabilities	859	1,046
Long-term accounts payable - other	177	52
Provision for retirement benefits for directors (and other officers)	114	124
Retirement benefit liability	955	775
Total non-current liabilities	2,257	2,227
Total liabilities	55,054	62,097
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,549	3,544
Retained earnings	26,867	31,742
Treasury shares	(867)	(812)
Total shareholders' equity	33,277	38,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,721	4,319
Foreign currency translation adjustment	1,024	1,962
Total accumulated other comprehensive income	4,746	6,282
Total net assets	38,023	44,484
Total liabilities and net assets	93,078	106,581

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	154,414	181,013
Cost of sales	135,642	157,974
Gross profit	18,772	23,039
Selling, general and administrative expenses	13,967	15,408
Operating profit	4,804	7,630
Non-operating income		
Interest income	19	22
Dividend income	108	145
Purchase discounts	78	86
Rental income from buildings	134	140
Other	152	209
Total non-operating income	493	604
Non-operating expenses		
Interest expenses	45	137
Loss on sale of trade receivables	39	43
Foreign exchange losses	2	351
Other	14	27
Total non-operating expenses	102	560
Ordinary profit	5,195	7,675
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
Extraordinary losses		
Loss on sale of non-current assets	22	–
Impairment losses	32	–
Total extraordinary losses	54	–
Profit before income taxes	5,223	7,709
Income taxes - current	1,759	2,290
Income taxes - deferred	(113)	(74)
Total income taxes	1,646	2,215
Profit	3,577	5,493
Profit attributable to owners of parent	3,577	5,493

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,577	5,493
Other comprehensive income		
Valuation difference on available-for-sale securities	(514)	598
Foreign currency translation adjustment	1,032	937
Total other comprehensive income	517	1,535
Comprehensive income	4,095	7,029
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,095	7,029
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,727	3,548	23,827	(300)	30,802
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	3,727	3,548	23,827	(300)	30,801
Changes during period					
Dividends of surplus			(536)		(536)
Profit attributable to owners of parent			3,577		3,577
Purchase of treasury shares				(600)	(600)
Restricted stock payment		1		33	35
Net changes in items other than shareholders' equity					
Total changes during period	–	1	3,040	(566)	2,475
Balance at end of period	3,727	3,549	26,867	(867)	33,277

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	4,235	(7)	4,228	35,030
Cumulative effects of changes in accounting policies				(0)
Restated balance	4,235	(7)	4,228	35,030
Changes during period				
Dividends of surplus				(536)
Profit attributable to owners of parent				3,577
Purchase of treasury shares				(600)
Restricted stock payment				35
Net changes in items other than shareholders' equity	(514)	1,032	517	517
Total changes during period	(514)	1,032	517	2,993
Balance at end of period	3,721	1,024	4,746	38,023

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,727	3,549	26,867	(867)	33,277
Changes during period					
Dividends of surplus			(618)		(618)
Profit attributable to owners of parent			5,493		5,493
Purchase of treasury shares				(0)	(0)
Restricted stock payment		(5)		55	50
Net changes in items other than shareholders' equity					
Total changes during period	–	(5)	4,875	55	4,925
Balance at end of period	3,727	3,544	31,742	(812)	38,202

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	3,721	1,024	4,746	38,023
Changes during period				
Dividends of surplus				(618)
Profit attributable to owners of parent				5,493
Purchase of treasury shares				(0)
Restricted stock payment				50
Net changes in items other than shareholders' equity	598	937	1,535	1,535
Total changes during period	598	937	1,535	6,460
Balance at end of period	4,319	1,962	6,282	44,484

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,223	7,709
Depreciation	306	398
Impairment losses	32	–
Increase (decrease) in retirement benefit liability	(23)	(179)
Increase (decrease) in allowance for doubtful accounts	(11)	5
Interest and dividend income	(127)	(167)
Interest expenses	45	137
Foreign exchange losses (gains)	27	94
Loss (gain) on sale of investment securities	(61)	(12)
Loss (gain) on sale of property, plant and equipment	0	–
Decrease (increase) in trade receivables	(8,500)	(5,905)
Decrease (increase) in inventories	(3,711)	(5,017)
Decrease (increase) in other assets	(3,241)	508
Increase (decrease) in trade payables	10,431	3,638
Increase (decrease) in accrued consumption taxes	(18)	101
Increase (decrease) in other liabilities	1,212	349
Other, net	82	(46)
Subtotal	1,667	1,615
Interest and dividends received	127	167
Interest paid	(46)	(146)
Income taxes paid	(956)	(2,182)
Net cash provided by (used in) operating activities	792	(545)
Cash flows from investing activities		
Purchase of property, plant and equipment	(183)	(74)
Proceeds from sale of property, plant and equipment	482	–
Purchase of investment securities	(41)	(250)
Proceeds from sale of investment securities	140	15
Other, net	(153)	(422)
Net cash provided by (used in) investing activities	244	(731)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,158	4,066
Repayments of long-term borrowings	(500)	(2,400)
Repayments of lease liabilities	(101)	(140)
Purchase of treasury shares	(600)	(0)
Dividends paid	(536)	(618)
Net cash provided by (used in) financing activities	(580)	906
Effect of exchange rate change on cash and cash equivalents	478	466
Net increase (decrease) in cash and cash equivalents	935	95
Cash and cash equivalents at beginning of period	12,629	13,565
Cash and cash equivalents at end of period	13,565	13,661