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Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 [Japanese GAAP]



July 29, 2022

Company name: Sanoyas Holdings Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7022
 URL: <http://www.sanoyas.co.jp/>
 Representative: Isao Kitatsuji, President
 Contact: Naoya Fukui, General Manager, Accounting Department
 Phone: +81-6-4803-6171
 Email: info@sanoyas.co.jp
 Scheduled date of filing quarterly securities report: August 10, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on annual financial results: available (Only in Japanese)
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 (April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit (loss) | | Ordinary profit (loss) | | Profit (loss) attributable to owners of parent | |
|--------------------|-------------|--------|-------------------------|---|------------------------|---|--|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended | | | | | | | | |
| June 30, 2022 | 3,140 | (18.0) | (545) | - | (396) | - | (387) | - |
| June 30, 2021 | 3,830 | (65.6) | (310) | - | (288) | - | 50 | - |

(Note) Comprehensive income: First Quarter of fiscal year ended March 31, 2023: ¥(481) million [-%]
 First Quarter of fiscal year ended March 31, 2022: ¥24 million [(36.7%)]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen | Yen |
| June 30, 2022 | (11.70) | - |
| June 30, 2021 | 1.53 | 1.51 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|----------------|--------------|-------------|--------------|
| As of | Million yen | Million yen | % |
| June 30, 2022 | 25,549 | 7,224 | 28.0 |
| March 31, 2022 | 25,428 | 7,871 | 30.6 |

(Reference) Equity: As of June 30, 2022: ¥7,143 million
 As of March 31, 2022: ¥7,784 million

2. Dividends

| | Annual dividends | | | | |
|--|------------------|-----------------|-----------------|-------------|-------------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| Fiscal year ended March 31, 2022 | Yen – | Yen 0.00 | Yen – | Yen 5.00 | Yen 5.00 |
| Fiscal year ending March 31, 2023 | – | | | | |
| Fiscal year ending March 31, 2023 (Forecast) | | – | – | 5.00 | 5.00 |

(Note) Revision to recently disclosed projected cash dividends: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit (loss) | | Ordinary profit (loss) | | Profit (loss) attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|-------------------------|-------|------------------------|-------|--|--------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 21,000 | 9.7 | 500 | 124.2 | 500 | 143.8 | 300 | (31.0) | 9.09 |

(Note) Revision to recently disclosed projected consolidated financial results: No

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - June 30, 2022: 33,170,820 shares
 - March 31, 2022: 33,137,420 shares
 - 2) Total number of treasury shares at the end of the period:
 - June 30, 2022: 47,214 shares
 - March 31, 2022: 47,214 shares
- 3) Average number of shares during the period:
 - Fiscal Year Ended June 30, 2022: 33,115,256 shares
 - Fiscal Year Ended June 30, 2021: 32,843,320 shares

* These consolidated financial results are outside the scope of audit

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

1. Quarterly Consolidated Financial Statements [Japanese GAAP]
(1) Quarterly Consolidated Balance Sheets [Japanese GAAP]

(Million yen)

| | As of March 31, 2022 | As of June 30, 2022 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,436 | 4,695 |
| Notes and accounts receivable - trade | 4,521 | 2,432 |
| Contract assets | 534 | 356 |
| Electronically recorded monetary claims - operating | 573 | 597 |
| Merchandise and finished goods | 189 | 216 |
| Work in process | 938 | 1,613 |
| Raw materials and supplies | 827 | 990 |
| Other | 497 | 869 |
| Allowance for doubtful accounts | (10) | (7) |
| Total current assets | 11,508 | 11,763 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 2,800 | 2,874 |
| Machinery and equipment, net | 1,677 | 1,614 |
| Land | 2,873 | 2,873 |
| Other, net | 443 | 496 |
| Total property, plant and equipment | 7,793 | 7,859 |
| Intangible assets | | |
| Software | 353 | 359 |
| Goodwill | 711 | 687 |
| Other | 17 | 17 |
| Total intangible assets | 1,081 | 1,064 |
| Investments and other assets | | |
| Investment securities | 4,384 | 4,187 |
| Long term loans receivable | 2 | 2 |
| Deferred tax assets | 166 | 195 |
| Net defined benefit asset | 293 | 286 |
| Other | 206 | 199 |
| Allowance for doubtful accounts | (8) | (8) |
| Total investments and other assets | 5,044 | 4,862 |
| Total non-current assets | 13,919 | 13,786 |
| Total assets | 25,428 | 25,549 |

(Million yen)

| | As of March 31, 2022 | As of June 30, 2022 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,003 | 2,703 |
| Short-term loans payable | 950 | 2,750 |
| Current portion of long-term loans payable | 2,007 | 1,893 |
| Income taxes payable | 289 | 17 |
| Contract liabilities | 481 | 570 |
| Provision for bonuses | 364 | 173 |
| Provision for construction warranties | 88 | 79 |
| Provision for loss on construction contracts | - | 7 |
| Lease obligations | 302 | 289 |
| Other | 1,087 | 1,082 |
| Total current liabilities | 8,573 | 9,568 |
| Non-current liabilities | | |
| Long-term loans payable | 4,878 | 4,726 |
| Lease obligations | 784 | 730 |
| Deferred tax liabilities | 1,232 | 1,189 |
| Net defined benefit liability | 1,773 | 1,794 |
| Asset retirement obligations | 309 | 309 |
| Other | 5 | 6 |
| Total non-current liabilities | 8,983 | 8,756 |
| Total liabilities | 17,557 | 18,325 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,581 | 2,584 |
| Capital surplus | - | 2 |
| Retained earnings | 3,246 | 2,693 |
| Treasury shares | (9) | (9) |
| Total shareholders' equity | 5,818 | 5,271 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,925 | 1,784 |
| Deferred gains or losses on hedges | 12 | 34 |
| Foreign currency translation adjustment | 39 | 64 |
| Remeasurements of defined benefit plans | (11) | (10) |
| Total accumulated other comprehensive income | 1,965 | 1,872 |
| Share acquisition right | 86 | 81 |
| Total net assets | 7,871 | 7,224 |
| Total liabilities and net assets | 25,428 | 25,549 |

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Japanese GAAP]

Quarterly Consolidated Statements of Income [Japanese GAAP]

(Million yen)

| | Three Months ended June 30, 2021 | Three Months ended June 30, 2022 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 3,830 | 3,140 |
| Cost of sales | 2,960 | 2,454 |
| Gross profit | 869 | 686 |
| Selling, general and administrative expenses | 1,180 | 1,231 |
| Operating loss | (310) | (545) |
| Non-operating income | | |
| Interest income | 2 | 3 |
| Dividend income | 52 | 179 |
| Other | 13 | 11 |
| Total non-operating income | 68 | 194 |
| Non-operating expenses | | |
| Interest expenses | 37 | 32 |
| Other | 8 | 13 |
| Total non-operating expenses | 46 | 46 |
| Ordinary loss | (288) | (396) |
| Loss before income taxes | (288) | (396) |
| Income taxes – current | 236 | 15 |
| Income taxes – deferred | (575) | (24) |
| Total income taxes | (338) | (9) |
| Profit (loss) | 50 | (387) |
| Profit (loss) attributable to owners of parent | 50 | (387) |

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

| | Three Months ended June 30, 2021 | Three Months ended June 30, 2022 |
|---|-------------------------------------|-------------------------------------|
| Profit (loss) | 50 | (387) |
| Other comprehensive income loss (loss) | | |
| Valuation difference on available-for-sale securities | (51) | (141) |
| Deferred gain (loss) on hedges | – | 21 |
| Foreign currency translation adjustment | 18 | 25 |
| Remeasurements of defined benefit plans, net of tax | 7 | 1 |
| Total other comprehensive income (loss) | (25) | (93) |
| Comprehensive income | 24 | (481) |
| Comprehensive income attributable to | | |
| Owners of the parent | 24 | (481) |
| Non-controlling interests | – | – |

(Segment Information)

I Three months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

Information concerning Net sales and Operating profit or loss by Reportable business segment

(Million yen)

| | Reportable segment | | | Total | Adjustments (Note 1) | Amount recorded in quarterly consolidated statements of income (Note 2) |
|--|---|--|------------------|-------|--------------------------|--|
| | Machinery / Equipment & Services for Manufacturing Industry | Machinery / Equipment & Services for Construction Industry | Leisure Business | | | |
| Net sales | | | | | | |
| Goods or Services transferred at a point in time | 1,943 | 770 | 460 | 3,173 | — | 3,173 |
| Goods or Services transferred over time | 86 | 531 | 38 | 656 | — | 656 |
| Revenue from contracts with customers | 2,029 | 1,302 | 498 | 3,830 | — | 3,830 |
| External sales | 2,029 | 1,302 | 498 | 3,830 | — | 3,830 |
| Internal sales or transfers | — | — | — | — | — | — |
| Total | 2,029 | 1,302 | 498 | 3,830 | — | 3,830 |
| Segment profit (loss) | 153 | (71) | (47) | 35 | (346) | (310) |

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment profit or loss of ¥(346) million include corporate cost of ¥(348) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥1 million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment profit or loss is adjusted with operating loss recorded in the quarterly consolidated statements of income.

II Three months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

Information concerning Net sales and Operating profit or loss by Reportable business segment

(Million yen)

| | Reportable segment | | | Total | Adjustments (Note 1) | Amount recorded in quarterly consolidated statements of income (Note 2) |
|--|---|--|------------------|-------|--------------------------|--|
| | Machinery / Equipment & Services for Manufacturing Industry | Machinery / Equipment & Services for Construction Industry | Leisure Business | | | |
| Net sales | | | | | | |
| Goods or Services transferred at a point in time | 1,290 | 525 | 716 | 2,532 | — | 2,532 |
| Goods or Services transferred over time | 23 | 469 | 116 | 608 | — | 608 |
| Revenue from contracts with customers | 1,313 | 994 | 832 | 3,140 | — | 3,140 |
| External sales | 1,313 | 994 | 832 | 3,140 | — | 3,140 |
| Internal sales or transfers | — | — | — | — | — | — |
| Total | 1,313 | 994 | 832 | 3,140 | — | 3,140 |
| Segment profit (loss) | (132) | (289) | 243 | (179) | (366) | (545) |

(Note 1) Details of “Adjustments” are as follows:

Adjustments for the segment loss of ¥(366) million include corporate cost of ¥(371) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥4million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment loss is adjusted with operating loss recorded in the quarterly consolidated statements of income.