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



October 31, 2022

Company name: Sanoyas Holdings Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7022
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 Scheduled date of filing quarterly securities report: November 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: Yes (for investment analysts and institutional investors)

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

1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2023 (April 1, 2022 to September 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	%
Six months ended								
September 30, 2022	7,956	(3.5)	(699)	–	(568)	–	(555)	–
September 30, 2021	8,249	(62.0)	(384)	–	(397)	–	(70)	–

(Note) Comprehensive income: Second Quarter of fiscal year ended March 31, 2023: ¥(757) million [–%]
 Second Quarter of fiscal year ended March 31, 2022: ¥175million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	(16.71)	–
September 30, 2021	(2.13)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2022	25,743	6,988	26.8
March 31, 2022	25,428	7,871	30.6

(Reference) Equity: As of September 30, 2022: ¥6,911 million
 As of March 31, 2022: ¥7,784million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	5.00	5.00
Fiscal year ending March 31, 2023	–	0.00			
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):
 - September 30, 2022: 33,460,586 shares
 - March 31, 2022: 33,137,420 shares
 - 2) Total number of treasury shares at the end of the period:
 - September 30, 2022: 47,215 shares
 - March 31, 2022: 47,214 shares
- 3) Average number of shares during the period:
 - Six months ended September 30, 2022: 33,243,019 shares
 - Six months ended September 30, 2021: 32,942,571 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.

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

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,436	3,825
Notes and accounts receivable - trade	4,521	2,668
Contract assets	534	575
Electronically recorded monetary claims - operating	573	642
Merchandise and finished goods	189	206
Work in process	938	1,804
Raw materials and supplies	827	1,076
Other	497	770
Allowance for doubtful accounts	(10)	(9)
Total current assets	11,508	11,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,800	2,957
Machinery and equipment, net	1,677	1,612
Land	2,873	2,842
Other, net	443	632
Total property, plant and equipment	7,793	8,044
Intangible assets		
Software	353	374
Goodwill	711	1,045
Other	17	17
Total intangible assets	1,081	1,436
Investments and other assets		
Investment securities	4,384	3,998
Long term loans receivable	2	2
Deferred tax assets	166	221
Net defined benefit asset	293	280
Other	206	206
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	5,044	4,701
Total non-current assets	13,919	14,183
Total assets	25,428	25,743

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,003	2,877
Short-term loans payable	950	3,190
Current portion of long-term loans payable	2,007	1,822
Income taxes payable	289	41
Contract liabilities	481	638
Provision for bonuses	364	406
Provision for construction warranties	88	91
Lease obligations	302	219
Other	1,087	875
Total current liabilities	8,573	10,163
Non-current liabilities		
Long-term loans payable	4,878	4,447
Lease obligations	784	687
Deferred tax liabilities	1,232	1,161
Net defined benefit liability	1,773	1,830
Asset retirement obligations	309	311
Other	5	153
Total non-current liabilities	8,983	8,591
Total liabilities	17,557	18,755
Net assets		
Shareholders' equity		
Capital stock	2,581	2,602
Capital surplus	—	21
Retained earnings	3,246	2,533
Treasury shares	(9)	(9)
Total shareholders' equity	5,818	5,147
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,925	1,642
Deferred gains or losses on hedges	12	42
Foreign currency translation adjustment	39	87
Remeasurements of defined benefit plans	(11)	(9)
Total accumulated other comprehensive income	1,965	1,763
Share acquisition right	86	77
Total net assets	7,871	6,988
Total liabilities and net assets	25,428	25,743

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

Quarterly Consolidated Statements of Income [Japanese GAAP]

(Million yen)

	Six Months ended September 30, 2021	Six Months ended September 30, 2022
Net sales	8,249	7,956
Cost of sales	6,378	6,189
Gross profit	1,871	1,767
Selling, general and administrative expenses	2,255	2,466
Operating loss	(384)	(699)
Non-operating income		
Interest income	5	2
Dividend income	56	185
Other	31	18
Total non-operating income	93	205
Non-operating expenses		
Interest expenses	73	59
Other	33	15
Total non-operating expenses	106	75
Ordinary loss	(397)	(568)
Extraordinary income		
Gain on sales of noncurrent assets	—	6
Total gain on sales of noncurrent assets	—	6
Loss before income taxes	(397)	(561)
Income taxes – current	298	41
Income taxes – deferred	(625)	(48)
Total income taxes	(327)	(6)
Loss	(70)	(555)
Loss attributable to owners of parent	(70)	(555)

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

	Three Months ended September 30, 2021	Three Months ended September 30, 2022
Loss	(70)	(555)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	210	(282)
Deferred gain (loss) on hedges	—	29
Foreign currency translation adjustment	23	48
Remeasurements of defined benefit plans, net of tax	11	2
Total other comprehensive income (loss)	245	(202)
Comprehensive income	175	(757)
Comprehensive income (loss) attributable to		
Owners of the parent	175	(757)
Non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows [Japanese GAAP]

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(397)	(561)
Depreciation	315	316
Amortization of goodwill	47	53
Increase (decrease) in net defined benefit liability	38	(5)
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Increase (decrease) in provision for bonuses	15	28
Increase (decrease) in provision for construction warranties	2	2
Interest and dividend income	(61)	(187)
Interest expenses	73	59
Loss (gains) on sales of noncurrent assets	—	(6)
Decrease (increase) in notes and accounts receivable - trade	958	1,779
Decrease (increase) in inventories	(468)	(1,102)
Decrease (increase) in advance payments	(0)	87
Increase (decrease) in notes and accounts payable - trade	(350)	(269)
Increase (decrease) in contract liabilities	(264)	156
Decrease (increase) in consumption taxes refund receivable	(174)	(57)
Other, net	233	(287)
Subtotal	(35)	4
Interest and dividend income received	62	187
Interest expenses paid	(73)	(60)
Income taxes (paid) refund	5	(314)
Net cash provided by (used in) operating activities	(39)	(182)

(Million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Payments into time deposits	(142)	(267)
Proceeds from withdrawal of time deposits	242	163
Purchase of property, plant and equipment	(494)	(448)
Proceeds from sales of property plant and equipment	0	97
Purchase of intangible assets	(101)	(57)
Purchase of investment securities	(9)	(10)
Proceeds from cancellation of insurance fund	—	(295)
Other, net	(13)	(10)
Net cash provided by (used in) investing activities	(518)	(828)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,950	2,240
Proceeds from long-term loans payable	200	900
Repayments of long-term loans payable	(1,101)	(1,515)
Cash dividends paid	(164)	(165)
Repayments of lease obligations	(128)	(195)
Other net	80	0
Net cash provided by (used in) financing activities	835	1,263
Effect of exchange rate change on cash and cash equivalents	18	33
Net increase (decrease) in cash and cash equivalents	296	285
Cash and cash equivalents at beginning of period	5,452	3,376
Cash and cash equivalents at end of period	5,749	3,661

(Segment Information)

I Six months Ended September 30, 2021 (April 1, 2021 to September 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 transferred at a point in time	4,071	1,785	915	6,772	—	6,772
Goods transferred over time	212	1,216	49	1,477	—	1,477
Revenue from contacts with customers	4,283	3,001	964	8,249	—	8,249
External sales	4,283	3,001	964	8,249	—	8,249
Internal sales or transfers	—	—	—	—	—	—
Total	4,283	3,001	964	8,249	—	8,249
Segment profit (loss)	347	(2)	(81)	263	(647)	(384)

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

Adjustments for the segment loss of ¥(647) million include corporate cost of ¥(654) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥6 million.

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.

II Six months Ended September 30, 2022 (April 1, 2022 to September 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 transferred at a point in time	3,605	1,345	1,396	6,346	—	6,346
Goods transferred over time	111	1,060	438	1,610	—	1,610
Revenue from contacts with customers	3,716	2,405	1,834	7,956	—	7,956
External sales	3,716	2,405	1,834	7,956	—	7,956
Internal sales or transfers	—	1	—	1	(1)	—
Total	3,716	2,407	1,834	7,958	(1)	7,956
Segment profit (loss)	73	(465)	443	51	(751)	(699)

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

Adjustments for the segment loss of ¥(751) million include corporate cost of ¥(760) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥8 million.

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.