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Consolidated Financial Results For the Second Quarter of Fiscal Year Ending March 31, 2024 [Japanese GAAP]



October 31, 2023

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, 2023

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, 2024 (April 1, 2023 to September 30, 2023)

(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, 2023	8,326	4.6	(877)	–	(788)	–	(812)	–
September 30, 2022	7,956	(3.5)	(699)	–	(568)	–	(555)	–

(Note) Comprehensive income: Second Quarter of fiscal year ended March 31, 2024: ¥(328) million [–%]

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

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	(24.23)	–
September 30, 2022	(16.71)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2023	27,867	7,549	26.8
March 31, 2023	25,702	8,010	30.9

(Reference) Equity: As of September 30, 2023: ¥7,478 million

As of March 31, 2023: ¥7,935 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2024	—	0.00			
Fiscal year ending March 31, 2024 (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, 2024 (April 1, 2023 to March 31, 2024)

(% 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	23,000	14.2	500	422.9	500	26.5	300	(29.5)	9.00

(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, 2023: 33,752,682 shares
 - March 31, 2023: 33,473,786 shares
 - 2) Total number of treasury shares at the end of the period:
 - September 30, 2023: 47,235 shares
 - March 31, 2023: 47,215 shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2023: 33,546,089 shares
 - Six months ended September 30, 2022: 33,243,019 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,389	4,050
Notes and accounts receivable - trade	5,119	2,774
Contract assets	300	715
Electronically recorded monetary claims - operating	1,003	791
Merchandise and finished goods	243	254
Work in process	1,565	2,906
Raw materials and supplies	1,179	1,333
Other	1,018	516
Allowance for doubtful accounts	(13)	(10)
Total current assets	11,807	13,332
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,275	3,216
Machinery and equipment, net	1,601	1,755
Land	2,831	2,831
Other, net	582	454
Total property, plant and equipment	8,292	8,258
Intangible assets		
Software	353	386
Goodwill	679	634
Other	17	17
Total intangible assets	1,050	1,037
Investments and other assets		
Investment securities	3,853	4,560
Deferred tax assets	222	197
Net defined benefit asset	278	282
Other	206	206
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	4,552	5,238
Total non-current assets	13,895	14,534
Total assets	25,702	27,867

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,575	1,694
Electronically recorded obligations - operating	983	2,044
Short-term loans payable	2,250	5,450
Current portion of long-term loans payable	1,797	1,669
Income taxes payable	91	34
Contract liabilities	1,030	1,406
Provision for bonuses	370	384
Provision for construction warranties	69	92
Provision for loss on construction contracts	3	39
Lease obligations	222	227
Other	1,002	662
Total current liabilities	10,395	13,707
Non-current liabilities		
Long-term loans payable	3,660	2,842
Lease obligations	575	470
Deferred tax liabilities	1,084	1,264
Net defined benefit liability	1,661	1,717
Asset retirement obligations	311	311
Other	2	4
Total non-current liabilities	7,296	6,610
Total liabilities	17,691	20,317
Net assets		
Shareholders' equity		
Capital stock	2,603	2,623
Capital surplus	22	41
Retained earnings	3,506	2,526
Treasury shares	(9)	(9)
Total shareholders' equity	6,122	5,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,619	2,103
Deferred gains or losses on hedges	1	8
Foreign currency translation adjustment	60	78
Remeasurements of defined benefit plans	130	106
Total accumulated other comprehensive income	1,812	2,296
Share acquisition right	75	70
Total net assets	8,010	7,549
Total liabilities and net assets	25,702	27,867

(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, 2022	Six Months ended September 30, 2023
Net sales	7,956	8,326
Cost of sales	6,189	6,765
Gross profit	1,767	1,560
Selling, general and administrative expenses	2,466	2,438
Operating loss	(699)	(877)
Non-operating income		
Interest income	2	2
Dividend income	185	126
Other	18	18
Total non-operating income	205	146
Non-operating expenses		
Interest expenses	59	50
Other	15	7
Total non-operating expenses	75	57
Ordinary loss	(568)	(788)
Extraordinary income		
Gain on sales of noncurrent assets	6	1
Gain on sales of investment securities	—	0
Total gain on sales of noncurrent assets	6	2
Loss before income taxes	(561)	(786)
Income taxes – current	41	35
Income taxes – deferred	(48)	(9)
Total income taxes	(6)	25
Loss	(555)	(812)
Loss attributable to owners of parent	(555)	(812)

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

	Six Months ended September 30, 2022	Six Months ended September 30, 2023
Loss	(555)	(812)
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(282)	483
Deferred gain (loss) on hedges	29	6
Foreign currency translation adjustment	48	17
Remeasurements of defined benefit plans, net of tax	2	(23)
Total other comprehensive income (loss)	(202)	484
Comprehensive income	(757)	(328)
Comprehensive income (loss) attributable to		
Owners of the parent	(757)	(328)
Non-controlling interests	—	—

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

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Loss before income taxes	(561)	(786)
Depreciation	316	354
Amortization of goodwill	53	44
Increase (decrease) in net defined benefit liability	(5)	56
Increase (decrease) in allowance for doubtful accounts	(2)	(3)
Increase (decrease) in provision for bonuses	28	13
Increase (decrease) in provision for construction warranties	2	23
Increase (decrease) in provision for loss on construction contracts	—	36
Interest and dividend income	(187)	(128)
Interest expenses	59	50
Loss (gain) on sales of noncurrent assets	(6)	(1)
Loss (gain) on sales of investment securities	—	(0)
Decrease (increase) in notes and accounts receivable - trade	1,779	2,151
Decrease (increase) in inventories	(1,102)	(1,494)
Decrease (increase) in advance payments	87	(9)
Increase (decrease) in notes and accounts payable - trade	(269)	230
Increase (decrease) in contract liabilities	156	364
Decrease (increase) in consumption taxes refund receivable	(57)	(81)
Other, net	(287)	(88)
Subtotal	4	730
Interest and dividend income received	187	128
Interest expenses paid	(60)	(50)
Income taxes (paid) refund	(314)	368
Net cash provided by (used in) operating activities	(182)	1,176

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from investing activities		
Payments into time deposits	(267)	(60)
Proceeds from withdrawal of time deposits	163	60
Purchase of property, plant and equipment	(448)	(417)
Proceeds from sales of property plant and equipment	97	3
Purchase of intangible assets	(57)	(82)
Purchase of investment securities	(10)	(11)
Proceeds from sales of investment securities	—	0
Proceeds from cancellation of insurance fund	(295)	—
Other, net	(10)	(7)
Net cash provided by (used in) investing activities	(828)	(514)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,240	3,200
Proceeds from long-term loans payable	900	700
Repayments of long-term loans payable	(1,515)	(1,645)
Cash dividends paid	(165)	(167)
Repayments of lease obligations	(195)	(99)
Other net	0	0
Net cash provided by (used in) financing activities	1,263	1,987
Effect of exchange rate change on cash and cash equivalents	33	12
Net increase (decrease) in cash and cash equivalents	285	2,661
Cash and cash equivalents at beginning of period	3,376	1,329
Cash and cash equivalents at end of period	3,661	3,990

(Segment Information)

I 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 contracts 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.

II Six months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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	3,080	2,148	1,228	6,457	—	6,457
Goods transferred over time	220	1,491	155	1,868	—	1,868
Revenue from contracts with customers	3,301	3,639	1,384	8,326	—	8,326
External sales	3,301	3,639	1,384	8,326	—	8,326
Internal sales or transfers	—	—	—	—	—	—
Total	3,301	3,639	1,384	8,326	—	8,326
Segment profit (loss)	(90)	(291)	249	(132)	(745)	(877)

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

Adjustments for the segment loss of ¥(745) million include corporate cost of ¥(754) 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.