

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 [Japanese GAAP]



May 12, 2017

Company name: Sanoyas Holdings Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 7022  
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 Scheduled date of Annual General Meeting of Shareholders: June 23, 2017  
 Scheduled date of filing annual securities report: June 23, 2017  
 Scheduled date of commencing dividend payments: June 26, 2017  
 Availability of supplementary briefing material on annual financial results: Not available

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	53,064	(0.5)	904	(57.4)	863	(50.6)	(2,446)	—
March 31, 2016	53,347	9.5	2,121	(6.6)	1,748	(20.1)	204	(88.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2017: ¥(1,459) million [—%]

Fiscal year ended March 31, 2016: ¥666 million [(49.2)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Rate of ordinary profit to total assets	Rate of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	(75.11)	—	(13.5)	1.2	1.7
March 31, 2016	6.29	—	1.1	2.5	4.0

(Reference) Profit (loss) on equity method investments: Fiscal year ended March 31, 2017: ¥107 million

Fiscal year ended March 31, 2016: ¥73 million

(Note) No statement is made for diluted earnings per share as a net loss per share was posted for the fiscal year ended March 31, 2017.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	70,562	17,349	24.6	532.02
As of March 31, 2016	70,891	18,954	26.7	581.81

(Reference) Equity: As of March 31, 2017: ¥17,330 million

As of March 31, 2016: ¥18,953 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2017	(64)	(1,972)	(128)	17,301
March 31, 2016	(2,735)	(2,309)	686	19,408

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2016	—	0.00	—	5.00	5.00	162	79.5	0.9
March 31, 2017	—	0.00	—	5.00	5.00	162	—	0.9
Fiscal year ending March 31, 2018 (Forecast)	—	0.00	—	5.00	5.00		162.9	

(Note) Dividends for the fiscal year ended March 31, 2017 is planned to be paid out of other capital surplus. For details, please refer to “Breakdown of dividends paid out of other capital surplus” below.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	47,000	(11.4)	300	(66.8)	200	(76.8)	100	3.07

(Note 1) The exchange rate used for unfixed foreign currency items in assuming the Company’s earnings forecast is 110 yen to the U.S dollar.

(Note 2) The statement for the consolidated financial results forecast for the first half of the fiscal year ending March 31, 2018 is omitted, as the Company sets its earnings goals at an annual base.

#### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2017: 32,600,000 shares

March 31, 2016: 32,600,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2017: 26,110 shares

March 31, 2016: 22,490 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2017: 32,576,903 shares

Fiscal Year ended March 31, 2016: 32,577,515 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.

Breakdown of dividends paid out of other capital surplus

The following provides the breakdown of dividends for the fiscal year ended March 2017 that were paid out of other capital surplus:

Record date for dividend: March 31, 2017

Dividend per share: ¥5.00

Total dividends: ¥162 million

(Note) The rate of decrease in net assets is presently being calculated, and will be disclosed as soon as it is determined.

# Consolidated Financial Statements [Japanese GAAP]

## (1) Consolidated Balance Sheets [Japanese GAAP]

(Million yen)

	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	20,155	18,261
Notes and accounts receivable - trade	19,981	21,646
Merchandise and finished goods	240	219
Work in process	1,139	1,158
Raw materials and supplies	739	719
Deferred tax assets	36	34
Other	2,674	2,169
Allowance for doubtful accounts	(19)	(20)
Total current assets	44,948	44,189
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,733	18,422
Accumulated depreciation	(12,338)	(12,641)
Buildings and structures, net	6,395	5,780
Docks and building berths	4,437	5,030
Accumulated depreciation	(3,674)	(3,505)
Docks and building berths, net	763	1,524
Machinery, vehicles, tools, furniture and fixtures	37,371	36,224
Accumulated depreciation	(31,598)	(32,154)
Machinery, vehicles, tools, furniture and fixtures, net	5,773	4,069
Land	5,031	5,011
Construction in progress	215	310
Total property, plant and equipment	18,177	16,696
Intangible assets		
Software	571	478
Goodwill	565	495
Other	32	33
Total intangible assets	1,169	1,007
Investments and other assets		
Investment securities	4,973	6,140
Long-term loans receivable	352	476
Deferred tax assets	229	215
Net defined benefit asset	243	253
Other	831	1,606
Allowance for doubtful accounts	(35)	(23)
Total investments and other assets	6,596	8,668
Total non-current assets	25,942	26,373
Total assets	70,891	70,562

(Million yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,691	10,553
Short-term loans payable	3,680	4,730
Current portion of long-term loans payable	4,625	3,845
Income taxes payable	131	573
Advances received	5,952	3,825
Provision for bonuses	481	459
Provision for construction warranties	196	127
Provision for loss on construction contracts	1,471	2,813
Provision for noncurrent assets removal cost	152	194
Provision for loss on business withdrawal	—	341
Lease obligations	267	1,292
Other	1,848	2,162
Total current liabilities	29,500	30,919
Non-current liabilities		
Long-term loans payable	14,262	14,303
Lease obligations	1,333	1,062
Deferred tax liabilities	2,027	2,367
Provision for noncurrent assets removal cost	164	—
Net defined benefit liability	4,078	4,063
Asset retirement obligations	490	445
Negative goodwill	12	—
Other	65	51
Total non-current liabilities	22,435	22,293
Total liabilities	51,936	53,212
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,538	2,538
Capital surplus	727	727
Retained earnings	14,226	11,616
Treasury shares	(5)	(6)
Total shareholders' equity	17,486	14,875
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,099	2,896
Deferred gains or losses on hedges	69	34
Foreign currency translation adjustment	(112)	(71)
Remeasurements of defined benefit plans	(588)	(405)
Total accumulated other comprehensive income	1,467	2,454
Subscription rights to shares	—	18
Non-controlling interests	1	0
Total net assets	18,954	17,349
Total liabilities and net assets	70,891	70,562

## (2) Consolidated Statements of Income [Japanese GAAP]

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net sales	53,347	53,064
Cost of sales	46,242	47,166
Gross profit	7,105	5,897
Selling, general and administrative expenses	4,983	4,993
Operating profit	2,121	904
Non-operating income		
Interest income	16	18
Dividend income	99	98
Amortization of negative goodwill	12	12
Share of profit of entities accounted for using equity method	73	107
Insurance premiums refunded cancellation	21	58
Other	40	61
Total non-operating income	264	357
Non-operating expenses		
Interest expenses	324	308
Commission for syndicate loan	120	—
Foreign exchange losses	106	57
Other	85	32
Total non-operating expenses	637	398
Ordinary profit	1,748	863
Extraordinary income		
Settlement received	330	—
Gain on sales of investment securities	171	—
Other	28	—
Total extraordinary income	531	—
Extraordinary losses		
Impairment loss	1,370	1,882
Provision for loss on business withdrawal	—	341
Provision for assets removal	319	33
Loss on retirement of non-current assets	29	83
Compensation for damage	—	47
Other	4	36
Total extraordinary losses	1,723	2,423
Profit (loss) before income taxes	556	(1,559)
Income taxes - current	341	881
Income taxes - deferred	9	5
Total income taxes	351	887
Profit (loss)	204	(2,447)
Loss attributable to non-controlling interests	(0)	(0)
Profit (loss) attributable to owners of parent	204	(2,446)

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

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	556	(1,559)
Depreciation	2,012	2,031
Impairment loss	1,370	1,882
Amortization of goodwill	69	69
Amortization of negative goodwill	(12)	(12)
Increase (decrease) in net defined benefit liability	176	(15)
Increase (decrease) in allowance for doubtful accounts	(0)	(9)
Increase (decrease) in provision for bonuses	34	(22)
Increase (decrease) in provision for construction warranties	39	(68)
Increase (decrease) in provision for loss on construction contracts	(473)	1,341
Increase (decrease) reserve for proposal of property and equipment	292	33
Increase (decrease) in provision for loss on business withdrawal	—	341
Interest and dividend income	(116)	(117)
Interest expenses	324	308
Foreign exchange losses (gains)	100	40
Settlement received	(330)	—
Surrender value of insurance	(21)	(58)
Compensation for damage	—	47
Loss on retirement of non-current assets	29	83
Loss (gain) on sales of investment securities	(171)	(0)
Decrease (increase) in notes and accounts receivable - trade	(6,478)	(1,668)
Decrease (increase) in inventories	(210)	14
Increase (decrease) in notes and accounts payable - trade	(150)	(133)
Increase (decrease) in advances received	1,042	(2,124)
Decrease (increase) in consumption taxes refund receivable	239	(133)
Other, net	(572)	185
Subtotal	(2,253)	454
Interest and dividend income received	117	115
Interest expenses paid	(338)	(308)
Settlement package received	330	—
Compensation for damage paid	—	(47)
Income taxes paid	(590)	(278)
Net cash provided by (used in) operating activities	(2,735)	(64)
Cash flows from investing activities		
Payments into time deposits	(406)	(629)
Proceeds from withdrawal of time deposits	1,113	416
Purchase of property, plant and equipment	(2,691)	(1,780)
Proceeds from sales of property, plant and equipment	101	9
Purchase of investment securities	(15)	(16)
Proceeds from sales of investment securities	98	230
Payments of loans receivable	(144)	(2)
Collection of loans receivable	5	3
Other, net	(369)	(202)
Net cash provided by (used in) investing activities	(2,309)	(1,972)

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(660)	1,050
Proceeds from long-term loans payable	13,150	4,550
Repayments of long-term loans payable	(12,805)	(5,304)
Purchase of treasury shares	(0)	(1)
Cash dividends paid	(162)	(162)
Proceeds from sales and leasebacks	1,309	—
Other, net	(145)	(260)
Net cash provided by (used in) financing activities	686	(128)
Effect of exchange rate change on cash and cash equivalents	(12)	58
Net increase (decrease) in cash and cash equivalents	(4,371)	(2,106)
Cash and cash equivalents at beginning of period	22,812	19,408
Increase in cash and cash equivalents from newly consolidated subsidiary	966	—
Cash and cash equivalents at end of period	19,408	17,301