

# Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2018 [Japanese GAAP]



October 31, 2017

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, 2017

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on annual financial results: Not available

Schedule of quarterly financial results briefing session: Scheduled (for securities 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, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Profit (loss) attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2017	23,529	(0.6)	196	—	203	—	280	—
September 30, 2016	23,671	(7.2)	(2,899)	—	(2,951)	—	(3,228)	—

(Note) Comprehensive income: Second Quarter of fiscal year ending March 31, 2018: ¥653 million [–%]

Second Quarter of fiscal year ended March 31, 2017: ¥(3,398) million [–%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2017	8.62	8.59
September 30, 2016	(99.11)	—

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2017	69,280	17,852	25.7
March 31, 2017	70,562	17,349	24.6

(Reference) Equity: As of September 30, 2017: ¥17,822 million

As of March 31, 2017: ¥17,330 million

## 2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	—	0.00	—	5.00	5.00
Year ending March 31, 2018	—	0.00			
Year ending March 31, 2018 (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, 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) Revision to recently disclosed projected consolidated financial results: No

### \* Notes:

- (1) Changes in significant subsidiaries during the current quarter (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 revision of accounting standards: No
  - 2) Changes in accounting policies other than 1): No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Number of issued shares (common shares)
  - 1) Number of issued shares at the end of the period (including treasury shares):  
As of September 30, 2017: 32,600,600 shares  
As of March 31, 2017: 32,600,000 shares
  - 2) Number of treasury shares at the end of the period:  
As of September 30, 2017: 20,715 shares  
As of March 31, 2017: 26,110 shares
  - 3) Average number of outstanding shares during the period:  
Six months ended September 30, 2017: 32,579,028 shares  
Six months ended September 30, 2016: 32,577,479 shares

\* These quarterly 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. Actual results may differ significantly from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements [Japanese GAAP]

(1) Quarterly Consolidated Balance Sheets [Japanese GAAP]

(Million yen)

	As of March 31, 2017	As of September 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	18,261	24,490
Notes and accounts receivable - trade	21,646	13,767
Merchandise and finished goods	219	201
Work in process	1,158	1,612
Raw materials and supplies	719	721
Deferred tax assets	34	37
Other	2,169	2,515
Allowance for doubtful accounts	(20)	(9)
Total current assets	44,189	43,338
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	3,664	3,471
Land	5,011	5,031
Other, net	8,021	8,357
Total property, plant and equipment	16,696	16,859
Intangible assets		
Software	478	467
Goodwill	495	461
Other	33	32
Total intangible assets	1,007	961
Investments and other assets		
Investment securities	6,140	6,537
Long-term loans receivable	476	540
Deferred tax assets	215	199
Net defined benefit asset	253	269
Other	1,606	598
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	8,668	8,122
Total non-current assets	26,373	25,942
Total assets	70,562	69,280

(Million yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,553	10,587
Short-term loans payable	4,730	4,280
Current portion of long-term loans payable	3,845	4,004
Income taxes payable	573	109
Advances received	3,825	2,843
Provision for bonuses	459	503
Provision for construction warranties	127	113
Provision for loss on construction contracts	2,813	2,651
Provision for noncurrent assets removal cost	194	11
Provision for loss on business withdrawal	341	341
Lease obligations	1,292	1,182
Other	2,162	1,549
Total current liabilities	30,919	28,179
Non-current liabilities		
Long-term loans payable	14,303	15,210
Lease obligations	1,062	1,043
Deferred tax liabilities	2,367	2,324
Net defined benefit liability	4,063	4,178
Asset retirement obligations	445	445
Other	51	45
Total non-current liabilities	22,293	23,248
Total liabilities	53,212	51,428
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,538	2,538
Capital surplus	727	564
Retained earnings	11,616	11,897
Treasury shares	(6)	(5)
Total shareholders' equity	14,875	14,994
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,896	3,166
Deferred gains or losses on hedges	34	5
Foreign currency translation adjustment	(71)	(14)
Remeasurements of defined benefit plans	(405)	(330)
Total accumulated other comprehensive income	2,454	2,827
Subscription rights to shares	18	30
Non-controlling interests	0	—
Total net assets	17,349	17,852
Total liabilities and net assets	70,562	69,280

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

(Million yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	23,671	23,529
Cost of sales	24,060	20,921
Gross profit (loss)	(389)	2,608
Selling, general and administrative expenses	2,510	2,411
Operating profit (loss)	(2,899)	196
Non-operating income		
Interest income	7	8
Dividend income	57	70
Share of profit of entities accounted for using equity method	44	54
Other	90	74
Total non-operating income	201	208
Non-operating expenses		
Interest expenses	161	156
Foreign exchange losses	77	2
Other	14	42
Total non-operating expenses	252	201
Ordinary profit (loss)	(2,951)	203
Extraordinary losses		
Compensation for damage	47	—
Loss on retirement of non-current assets	32	27
Provision for assets removal	29	—
Impairment loss	26	—
Total extraordinary losses	136	27
Profit (loss) before income taxes	(3,087)	175
Income taxes - current	129	43
Income taxes - deferred	12	(148)
Total income taxes	141	(104)
Profit (loss)	(3,228)	280
Loss attributable to non-controlling interests	(0)	—
Profit (loss) attributable to owners of parent	(3,228)	280

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

(Million yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	(3,087)	175
Depreciation	987	782
Impairment loss	26	—
Amortization of goodwill	34	34
Amortization of negative goodwill	(6)	—
Increase (decrease) in net defined benefit liability	16	115
Increase (decrease) in allowance for doubtful accounts	(9)	(10)
Increase (decrease) in provision for bonuses	(4)	44
Increase (decrease) in provision for construction warranties	(104)	(14)
Increase (decrease) in provision for loss on construction contracts	2,685	(161)
Increase (decrease) in provision for noncurrent assets removal cost	29	(182)
Interest and dividend income	(65)	(78)
Interest expenses	161	156
Foreign exchange losses (gains)	73	(0)
Compensation for damage	47	—
Surrender value of insurance	(58)	—
Loss (gain) on sales of property, plant and equipment	(0)	(0)
Loss on retirement of property, plant and equipment	32	27
Loss (gain) on sales of investment securities	(0)	(3)
Decrease (increase) in notes and accounts receivable - trade	4,799	7,878
Decrease (increase) in inventories	(725)	(438)
Decrease (increase) in advance payments	(251)	(29)
Increase (decrease) in notes and accounts payable - trade	(1,164)	(150)
Increase (decrease) in advances received	(451)	(980)
Decrease (increase) in consumption taxes refund receivable	737	707
Other, net	(352)	102
Subtotal	3,348	7,972
Interest and dividend income received	64	78
Interest expenses paid	(156)	(153)
Income taxes (paid) refund	(105)	(422)
Net cash provided by (used in) operating activities	3,150	7,474

(Million yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Cash flows from investing activities		
Payments into time deposits	(248)	(354)
Proceeds from withdrawal of time deposits	198	479
Purchase of property, plant and equipment	(1,007)	(1,438)
Proceeds from sales of property, plant and equipment	6	1
Purchase of intangible assets	(106)	(80)
Purchase of investment securities	(9)	(10)
Proceeds from sales of investment securities	230	3
Payments of loans receivable	(0)	(3)
Collection of loans receivable	1	2
Other, net	(68)	(37)
Net cash provided by (used in) investing activities	(1,002)	(1,436)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	400	(450)
Proceeds from long-term loans payable	1,450	3,100
Repayments of long-term loans payable	(1,915)	(2,032)
Purchase of treasury shares	(0)	—
Cash dividends paid	(162)	(162)
Other, net	(133)	(133)
Net cash provided by (used in) financing activities	(362)	320
Effect of exchange rate change on cash and cash equivalents	(61)	(4)
Net increase (decrease) in cash and cash equivalents	1,724	6,354
Cash and cash equivalents at beginning of period	19,408	17,301
Cash and cash equivalents at end of period	21,132	23,656