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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]



May 11, 2018

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 22, 2018  
 Scheduled date of filing annual securities report: June 22, 2018  
 Scheduled date of commencing dividend payments: June 25, 2018  
 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, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2018	47,455	(10.6)	(3,160)	—	(3,145)	—	(4,260)	—
March 31, 2017	53,064	(0.5)	904	(57.4)	863	(50.6)	(2,446)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥(3,764) million [—%]

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

	Basic earnings per share	Diluted earnings per share	Return on equity	Rate of ordinary profit (loss) to total assets	Rate of operating profit (loss) to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	(130.77)	—	(27.7)	(4.6)	(6.7)
March 31, 2017	(75.11)	—	(13.5)	1.2	1.7

(Reference) Profit (loss) on equity method investments: Fiscal year ended March 31, 2018: ¥114 million

Fiscal year ended March 31, 2017: ¥107 million

(Note) No statement is made for diluted earnings per share as a net loss per share was posted.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	67,647	13,446	19.8	411.42
As of March 31, 2017	70,562	17,349	24.6	532.02

(Reference) Equity: As of March 31, 2018: ¥13,403 million

As of March 31, 2017: ¥17,330 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, 2018	8,800	(2,105)	(1,769)	22,224
March 31, 2017	(64)	(1,972)	(128)	17,301

### 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, 2017	—	0.00	—	5.00	5.00	162	—	0.9
March 31, 2018	—	0.00	—	5.00	5.00	162	—	1.1
Fiscal year ending March 31, 2019 (Forecast)	—	0.00	—	5.00	5.00		—	

(Note) Dividends for the fiscal year ended March 31, 2018 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, 2019 (April 1, 2018 to March 31, 2019)

(% 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	46,000	(3.1)	(800)	—	(800)	—	(800)	—	(24.56)

(Note 1) The exchange rate used for unfixed foreign currency items in assuming the Company’s earnings forecast is 105 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, 2019 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: No

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, 2018: 32,600,600 shares

March 31, 2017: 32,600,000 shares

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

March 31, 2018: 20,715 shares

March 31, 2017: 26,110 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2018: 32,579,423 shares

Fiscal Year ended March 31, 2017: 32,576,903 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 2018 that were paid out of other capital surplus:

Record date for dividend: March 31, 2018

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, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	18,261	23,019
Notes and accounts receivable - trade	21,082	13,498
Electronically recorded monetary claims	564	736
Merchandise and finished goods	219	222
Work in process	1,158	1,330
Raw materials and supplies	719	654
Deferred tax assets	34	24
Other	2,169	3,040
Allowance for doubtful accounts	(20)	(23)
Total current assets	44,189	42,503
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,422	18,687
Accumulated depreciation	(12,641)	(12,821)
Buildings and structures, net	5,780	5,866
Docks and building berths	5,030	5,033
Accumulated depreciation	(3,505)	(3,559)
Docks and building berths, net	1,524	1,474
Machinery, vehicles, tools, furniture and fixtures	36,224	35,069
Accumulated depreciation	(32,154)	(31,711)
Machinery, vehicles, tools, furniture and fixtures, net	4,069	3,358
Land	5,011	4,980
Construction in progress	310	313
Total property, plant and equipment	16,696	15,993
Intangible assets		
Software	478	409
Goodwill	495	426
Other	33	31
Total intangible assets	1,007	868
Investments and other assets		
Investment securities	6,140	6,715
Long-term loans receivable	476	538
Deferred tax assets	215	190
Net defined benefit asset	253	273
Other	1,606	662
Allowance for doubtful accounts	(23)	(98)
Total investments and other assets	8,668	8,281
Total non-current assets	26,373	25,143
<b>Total assets</b>	<b>70,562</b>	<b>67,647</b>

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,290	11,278
Notes payable - facilities	263	765
Short-term loans payable	4,730	4,630
Current portion of long-term loans payable	3,845	4,231
Income taxes payable	573	72
Advances received	3,825	3,757
Provision for bonuses	459	464
Provision for construction warranties	127	253
Provision for loss on construction contracts	2,813	5,210
Provision for noncurrent assets removal cost	194	–
Provision for loss on business withdrawal	341	–
Lease obligations	1,292	95
Other	2,162	1,508
Total current liabilities	30,919	32,269
Non-current liabilities		
Long-term loans payable	14,303	13,689
Lease obligations	1,062	1,009
Deferred tax liabilities	2,367	2,373
Provision for noncurrent assets removal cost	–	59
Net defined benefit liability	4,063	4,309
Asset retirement obligations	445	445
Other	51	44
Total non-current liabilities	22,293	21,931
Total liabilities	53,212	54,201
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,538	2,538
Capital surplus	727	564
Retained earnings	11,616	7,356
Treasury shares	(6)	(5)
Total shareholders' equity	14,875	10,453
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,896	3,274
Deferred gains or losses on hedges	34	(1)
Foreign currency translation adjustment	(71)	(31)
Remeasurements of defined benefit plans	(405)	(290)
Total accumulated other comprehensive income	2,454	2,950
Subscription rights to shares	18	42
Non-controlling interests	0	–
Total net assets	17,349	13,446
Total liabilities and net assets	70,562	67,647

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	53,064	47,455
Cost of sales	47,166	45,736
Gross profit	5,897	1,719
Selling, general and administrative expenses	4,993	4,880
Operating profit (loss)	904	(3,160)
Non-operating income		
Interest income	18	19
Dividend income	98	113
Share of profit of entities accounted for using equity method	107	114
Other	133	109
Total non-operating income	357	356
Non-operating expenses		
Interest expenses	308	294
Foreign exchange losses	57	0
Other	32	46
Total non-operating expenses	398	341
Ordinary profit (loss)	863	(3,145)
Extraordinary income		
Insurance income	–	111
Reversal of provision for loss on business withdrawal	–	87
Gain on sales of investment securities	–	75
Total extraordinary income	–	274
Extraordinary losses		
Impairment loss	1,882	1,247
Provision for loss on business withdrawal	341	–
Loss on retirement of non-current assets	83	53
Provision for assets removal	33	59
Compensation for damage	47	–
Other	36	–
Total extraordinary losses	2,423	1,361
Profit (loss) before income taxes	(1,559)	(4,232)
Income taxes - current	881	140
Income taxes - deferred	5	(113)
Total income taxes	887	27
Profit (loss)	(2,447)	(4,260)
Loss attributable to non-controlling interests	(0)	–
Profit (loss) attributable to owners of parent	(2,446)	(4,260)

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	(1,559)	(4,232)
Depreciation	2,031	1,614
Impairment loss	1,882	1,247
Amortization of goodwill	69	69
Amortization of negative goodwill	(12)	—
Increase (decrease) in net defined benefit liability	(15)	246
Increase (decrease) in allowance for doubtful accounts	(9)	78
Increase (decrease) in provision for bonuses	(22)	5
Increase (decrease) in provision for construction warranties	(68)	126
Increase (decrease) in provision for loss on construction contracts	1,341	2,396
Increase (decrease) reserve for proposal of property and equipment	33	59
Increase (decrease) in provision for loss on business withdrawal	341	(341)
Interest and dividend income	(117)	(132)
Interest expenses	308	294
Foreign exchange losses (gains)	40	(2)
Insurance income	—	(111)
Compensation for damage	47	—
Loss on retirement of non-current assets	83	53
Loss (gain) on sales of investment securities	(0)	(75)
Decrease (increase) in notes and accounts receivable - trade	(1,668)	7,336
Decrease (increase) in inventories	14	(154)
Increase (decrease) in notes and accounts payable - trade	(133)	983
Increase (decrease) in advances received	(2,124)	19
Decrease (increase) in consumption taxes refund receivable	(133)	92
Other, net	126	10
Subtotal	454	9,584
Interest and dividend income received	115	132
Interest expenses paid	(308)	(292)
Compensation for damage paid	(47)	—
Insurance income received	—	111
Income taxes paid	(278)	(735)
Net cash provided by (used in) operating activities	(64)	8,800
Cash flows from investing activities		
Payments into time deposits	(629)	(490)
Proceeds from withdrawal of time deposits	416	654
Purchase of property, plant and equipment	(1,780)	(2,051)
Proceeds from sales of property, plant and equipment	9	2
Purchase of investment securities	(16)	(18)
Proceeds from sales of investment securities	230	121
Payments of loans receivable	(2)	(3)
Collection of loans receivable	3	4
Other, net	(202)	(326)
Net cash provided by (used in) investing activities	(1,972)	(2,105)

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,050	(100)
Proceeds from long-term loans payable	4,550	4,100
Repayments of long-term loans payable	(5,304)	(4,327)
Purchase of treasury shares	(1)	—
Cash dividends paid	(162)	(162)
Repayments of lease obligations	(260)	(1,279)
Net cash provided by (used in) financing activities	(128)	(1,769)
Effect of exchange rate change on cash and cash equivalents	58	(3)
Net increase (decrease) in cash and cash equivalents	(2,106)	4,922
Cash and cash equivalents at beginning of period	19,408	17,301
Cash and cash equivalents at end of period	17,301	22,224