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Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2022 [Japanese GAAP]



January 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: February 8, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on annual financial results: Not available
 Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2022 (April 1, 2021 to December 31, 2021)

(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	%
Nine months ended								
December 31, 2021	13,191	(60.5)	(197)	–	(165)	–	92	–
December 31, 2020	33,392	(5.5)	(3,925)	–	(3,810)	–	(6,010)	–

(Note) Comprehensive income: Third Quarter of fiscal year ended March 31, 2022: ¥325 million [–%]
 Third Quarter of fiscal year ended March 31, 2021: ¥(7,271)million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	2.81	2.76
December 31, 2020	(183.58)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2021	27,252	7,309	26.5
March 31, 2021	26,401	7,098	26.5

(Reference) Equity: As of December 31, 2021: ¥7,219 million
 As of March 31, 2021: ¥7,009 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen –	Yen 0.00	Yen –	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2022	–	0.00	–		
Fiscal year ending March 31, 2022 (Forecast)				5.00	5.00

(Note) Revision to recently disclosed projected cash dividends: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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	20,000	(55.2)	600	–	500	–	300	–	9.16

(Note) Revision to recently disclosed projected consolidated financial results: None

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None
- (3) 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: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - December 31, 2021: 33,122,120 shares
 - March 31, 2021: 32,890,166 shares
 - 2) Total number of treasury shares at the end of the period:
 - December 31, 2021: 47,214 shares
 - March 31, 2021: 45,742 shares
 - 3) Average number of shares during the period:
 - Nine months ended December 31, 2021: 32,982,271 shares
 - Nine months ended December 31, 2020: 32,743,124 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	5,612	6,302
Notes and accounts receivable - trade	4,155	3,029
Contract assets	—	309
Electronically recorded monetary claims - operating	559	807
Merchandise and finished goods	162	197
Work in process	1,108	1,623
Raw materials and supplies	685	808
Other	1,364	513
Allowance for doubtful accounts	(9)	(9)
Total current assets	13,638	13,582
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,524	2,840
Machinery and equipment, net	1,497	1,642
Land	2,873	2,873
Other, net	476	392
Total property, plant and equipment	7,372	7,747
Intangible assets		
Software	114	307
Goodwill	806	735
Other	17	17
Total intangible assets	938	1,060
Investments and other assets		
Investment securities	3,728	4,153
Deferred tax assets	86	83
Net defined benefit asset	306	322
Other	339	310
Allowance for doubtful accounts	(9)	(8)
Total investments and other assets	4,451	4,861
Total non-current assets	12,762	13,669
Total assets	26,401	27,252

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,368	3,483
Short-term loans payable	1,800	2,950
Current portion of long-term loans payable	2,890	2,693
Income taxes payable	69	290
Advances received	661	—
Contract liabilities	—	444
Provision for bonuses	333	132
Provision for construction warranties	76	72
Provision for removal cost of property and equipment	23	—
Lease obligations	251	264
Other	683	783
Total current liabilities	10,157	11,116
Non-current liabilities		
Long-term loans payable	4,009	4,209
Lease obligations	1,093	980
Deferred tax liabilities	1,618	1,177
Net defined benefit liability	1,709	1,751
Asset retirement obligations	704	701
Other	8	5
Total non-current liabilities	9,145	8,826
Total liabilities	19,302	19,943
Net assets		
Shareholders' equity		
Capital stock	2,563	2,580
Capital surplus	263	—
Retained earnings	2,679	2,902
Treasury shares	(9)	(9)
Total shareholders' equity	5,496	5,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,566	1,760
Deferred gain (loss) on hedges	—	1
Foreign currency translation adjustment	(5)	22
Remeasurements of defined benefit plans	(48)	(39)
Total accumulated other comprehensive income	1,512	1,745
Share acquisition right	89	89
Total net assets	7,098	7,309
Total liabilities and net assets	26,401	27,252

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

Quarterly Consolidated Statements of Income [Japanese GAAP]

(Million yen)

	Nine Months ended December 31, 2020	Nine Months ended December 31, 2021
Net sales	33,392	13,191
Cost of sales	33,180	10,052
Gross profit	212	3,138
Selling, general and administrative expenses	4,137	3,336
Operating loss	(3,925)	(197)
Non-operating income		
Interest income	6	3
Dividend income	103	130
Foreign exchange gains	42	—
Share of profit of entities accounted for using equity method	31	—
Other	251	40
Total non-operating income	434	174
Non-operating expenses		
Interest expenses	260	102
Other	59	39
Total non-operating expenses	319	141
Ordinary loss	(3,810)	(165)
Extraordinary income		
Gain on sales of investment securities	4,204	40
Other	—	4
Total extraordinary income	4,204	45
Extraordinary loss		
Provision of allowance for loss on sales of shares of subsidiaries and associates	6,191	—
Loss on valuation of investment securities	—	9
Total extraordinary loss	6,191	9
Loss before income taxes	(5,797)	(130)
Income taxes – current	190	329
Income taxes – deferred	23	(552)
Total income taxes	213	(222)
Profit (loss)	(6,010)	92
Profit (loss) attributable to owners of parent	(6,010)	92

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

	Nine Months ended December 31, 2020	Nine Months ended December 31, 2021
Loss	(6,010)	92
Other comprehensive income loss (loss)		
Valuation difference on available-for-sale securities	(1,371)	194
Deferred gain (loss) on hedges	(13)	1
Foreign currency translation adjustment	78	28
Remeasurements of defined benefit plans, net of tax	42	8
Comprehensive loss (income) of affiliates accounted for by the equity method attributable to the company	3	—
Total other comprehensive income (loss)	(1,260)	233
Comprehensive income	(7,271)	325
Comprehensive income (loss) attributable to		
Owners of the parent	(7,271)	325
Non-controlling interests	—	—

(Segment Information)

I Nine months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

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)
	Shipbuilding & Engineering Business	Machinery / Equipment & Services for Manufacturing Industry	Machinery / Equipment & Services for Construction Industry	Leisure business			
Net sales							
External sales	21,369	6,095	4,542	1,385	33,392	—	33,392
Internal sales or transfers	117	—	2	—	120	(120)	—
Total	21,487	6,095	4,544	1,385	33,512	(120)	33,392
Segment profit (loss)	(3,034)	218	24	(363)	(3,156)	(769)	(3,925)

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

Adjustments for the segment profit or loss of ¥(769) million include corporate cost of ¥(791) million not allocated to each reportable segment, allowance for doubtful accounts of ¥2 million and elimination of inter-segment transaction of ¥19 million.

Corporate cost consists of general and administrative expenses which do not belong to the reporting segment.

(Note 2) Segment profit or loss is adjusted with operating loss recorded in the quarterly consolidated statements of income.

II Nine months Ended December 31, 2021 (April 1, 2021 to December 31, 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	6,253	2,938	1,678	10,869	—	10,869
Goods transferred over time	404	1,853	64	2,321	—	2,321
Revenue from contacts with customers	6,657	4,791	1,742	13,191	—	13,191
External sales	6,657	4,791	1,742	13,191	—	13,191
Internal sales or transfers	—	—	—	—	—	—
Total	6,657	4,791	1,742	13,191	—	13,191
Segment profit (loss)	549	58	151	760	(958)	(197)

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

Adjustments for the segment loss of ¥(958) million include corporate cost of ¥(969) million not allocated to each reportable segment, allowance for doubtful accounts of ¥(0) million and elimination of inter-segment transaction of ¥11 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.

(Note 3) We have changed our business segmentation from "M&T business" to "Machinery / Equipment & Services for Manufacturing Industry", "Machinery / Equipment & Services for Construction Industry", and "Leisure business" since the beginning of the first quarter of the current consolidated fiscal year due to the transfer of shares of Sanoyas Shipbuilding Corporation to SHIN KURUSHIMA DOCKYARD CO., LTD. The segment information for the previous period is restated to current period presentation.

3. Supplementary information

Status of sales and orders

Segmental sales

Segment	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)		Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	
	(Million yen)	Composition ratio (%)	(Million yen)	Composition ratio (%)
Shipbuilding & Engineering	21,369	64.0	–	–
Machinery / Equipment & Services for Manufacturing Industry	6,095	18.3	6,657	50.5
Machinery / Equipment & Services for Construction Industry	4,542	13.6	4,791	36.3
Leisure Business	1,385	4.1	1,742	13.2
Total	33,392	100.0	13,191	100.0

Order status and backlog of orders

Segment	Nine months ended December 31, 2020 (April 1, 2020 to December 31, 2020)		Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)	
	Orders (Million yen)	Backlog of orders (Million yen)	Orders (Million yen)	Backlog of orders (Million yen)
Shipbuilding & Engineering	15,514	31,265	–	–
Machinery / Equipment & Services for Manufacturing Industry	5,408	3,816	6,747	4,305
Machinery / Equipment & Services for Construction Industry	5,579	4,965	5,001	5,101
Leisure Business	528	319	1,654	1,348
Total	27,030	40,365	13,404	10,755

(Note) The amount of orders received and order backlogs for rental of temporary construction-use elevators are included in Machinery / Equipment & Services for Construction Industry Segment since the beginning of the first quarter of the current consolidated fiscal year. Following the change, the amounts for the previous period have been changed to include the amount of orders received and order backlogs for rental of temporary construction-use elevators.