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



January 31, 2024

Company name: Sanoyas Holdings Corporation

Stock exchange listing: Tokyo Stock Exchange

Code number: 7022

URL: <https://www.sanoyas.co.jp/>

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Scheduled date of filing quarterly securities report: February 9, 2024

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: –

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

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023 to December 31, 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 | |
|-------------------|-------------|------|-------------------------|---|------------------------|---|--|---|
| Nine months ended | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| December 31, 2023 | 15,277 | 14.8 | (416) | – | (289) | – | (410) | – |
| December 31, 2022 | 13,305 | 0.9 | (536) | – | (240) | – | (259) | – |

(Note) Comprehensive income: Third Quarter of fiscal year ended March 31, 2024: ¥122 million [–%]

Third Quarter of fiscal year ended March 31, 2023: ¥(191) million [–%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| December 31, 2023 | (12.23) | – |
| December 31, 2022 | (7.79) | – |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------|--------------|-------------|--------------|
| As of | Million yen | Million yen | % |
| December 31, 2023 | 28,360 | 7,999 | 28.0 |
| March 31, 2023 | 25,702 | 8,010 | 30.9 |

(Reference) Equity: As of December 31, 2023: ¥7,935 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, 2023 (April 1, 2024 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 | % | |
| Full year | 23,000 | 14.2 | 500 | 422.9 | 500 | 26.5 | 300 | (29.5) | Yen 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):
 - December 31, 2023: 33,786,282 shares
 - March 31, 2023: 33,473,786 shares
 - 2) Total number of treasury shares at the end of the period:
 - December 31, 2023: 47,236 shares
 - March 31, 2023: 47,215 shares
 - 3) Average number of shares during the period:
 - Nine months ended December 31, 2023: 33,603,976 shares
 - Nine months ended December 31, 2022: 33,294,125 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 December 31, 2023 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,389 | 3,379 |
| Notes and accounts receivable - trade | 5,119 | 3,820 |
| Contract assets | 300 | 688 |
| Electronically recorded monetary claims - operating | 1,003 | 1,112 |
| Merchandise and finished goods | 243 | 294 |
| Work in process | 1,565 | 2,533 |
| Raw materials and supplies | 1,179 | 1,376 |
| Other | 1,018 | 615 |
| Allowance for doubtful accounts | (13) | (11) |
| Total current assets | 11,807 | 13,809 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,275 | 3,186 |
| Machinery and equipment, net | 1,601 | 1,756 |
| Land | 2,831 | 2,831 |
| Other, net | 582 | 418 |
| Total property, plant and equipment | 8,292 | 8,193 |
| Intangible assets | | |
| Software | 353 | 448 |
| Goodwill | 679 | 611 |
| Other | 17 | 17 |
| Total intangible assets | 1,050 | 1,077 |
| Investments and other assets | | |
| Investment securities | 3,853 | 4,626 |
| Deferred tax assets | 222 | 171 |
| Net defined benefit asset | 278 | 280 |
| Other | 206 | 209 |
| Allowance for doubtful accounts | (8) | (8) |
| Total investments and other assets | 4,552 | 5,280 |
| Total non-current assets | 13,895 | 14,551 |
| Total assets | 25,702 | 28,360 |

(Million yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 2,575 | 1,850 |
| Electronically recorded monetary claims operating | 983 | 2,446 |
| Short-term loans payable | 2,250 | 5,450 |
| Current portion of long-term loans payable | 1,797 | 1,587 |
| Income taxes payable | 91 | 27 |
| Contract liabilities | 1,030 | 1,061 |
| Provision for bonuses | 370 | 151 |
| Provision for construction warranties | 69 | 100 |
| Provision for loss on construction contracts | 3 | 38 |
| Lease obligations | 222 | 229 |
| Other | 1,002 | 924 |
| Total current liabilities | 10,395 | 13,867 |
| Non-current liabilities | | |
| Long-term loans payable | 3,660 | 2,719 |
| Lease obligations | 575 | 412 |
| Deferred tax liabilities | 1,084 | 1,303 |
| Net defined benefit liability | 1,661 | 1,742 |
| Asset retirement obligations | 311 | 311 |
| Other | 2 | 4 |
| Total non-current liabilities | 7,296 | 6,493 |
| Total liabilities | 17,691 | 20,361 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,603 | 2,626 |
| Capital surplus abstract | 22 | 44 |
| Retained earnings abstract | 3,506 | 2,928 |
| Treasury shares | (9) | (9) |
| Total shareholders' equity | 6,122 | 5,589 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,619 | 2,150 |
| Deferred gains or losses on hedges | 1 | 8 |
| Foreign currency translation adjustment | 60 | 91 |
| Remeasurements of defined benefit plans | 130 | 95 |
| Total accumulated other comprehensive income | 1,812 | 2,345 |
| Subscription rights to shares | 75 | 64 |
| Total net assets | 8,010 | 7,999 |
| Total liabilities and net assets | 25,702 | 28,360 |

(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, 2022 | Nine Months ended December 31, 2023 |
|--|--|--|
| Net sales | 13,305 | 15,277 |
| Cost of sales | 10,228 | 12,091 |
| Gross profit | 3,076 | 3,185 |
| Selling, general and administrative expenses | 3,613 | 3,602 |
| Operating loss | (536) | (416) |
| Non-operating income | | |
| Interest income | 1 | 3 |
| Dividend income | 358 | 190 |
| Other | 57 | 23 |
| Total non-operating income | 417 | 217 |
| Non-operating expenses | | |
| Interest expenses | 85 | 73 |
| Other | 35 | 15 |
| Total non-operating expenses | 120 | 89 |
| Ordinary loss | (240) | (289) |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 6 | 1 |
| Gain on sales of investment securities | — | 0 |
| Total extraordinary income | 6 | 2 |
| Loss before income taxes | (233) | (286) |
| Income taxes – current | 53 | 84 |
| Income taxes – deferred | (27) | 39 |
| Total income taxes | 26 | 124 |
| Loss | (259) | (410) |
| Loss attributable to owners of parent | (259) | (410) |

Quarterly Consolidated Statements of Comprehensive Income [Japanese GAAP]

(Million yen)

| | Nine Months ended December 31, 2022 | Nine Months ended December 31, 2023 |
|---|--|--|
| Profit (loss) | (259) | (410) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 15 | 530 |
| Deferred gain on hedges | 8 | 6 |
| Foreign currency translation adjustment | 40 | 30 |
| Remeasurements of defined benefit plans, net of tax | 3 | (35) |
| Total other comprehensive income | 67 | 532 |
| Comprehensive income | (191) | 122 |
| Comprehensive income (loss) attributable to | | |
| Owners of the parent | (191) | 122 |
| Non-controlling interests | — | — |

(Segment Information)

I Nine months Ended December 31, 2022 (April 1, 2022 to December 31, 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 | 5,906 | 2,508 | 1,972 | 10,387 | — | 10,387 |
| Goods transferred over time | 195 | 1,873 | 847 | 2,917 | — | 2,917 |
| Revenue from contracts with customers | 6,102 | 4,382 | 2,820 | 13,305 | — | 13,305 |
| External sales | 6,102 | 4,382 | 2,820 | 13,305 | — | 13,305 |
| Internal sales or transfers | — | 1 | — | 1 | (1) | — |
| Total | 6,102 | 4,384 | 2,820 | 13,306 | (1) | 13,305 |
| Segment profit (loss) | 293 | (398) | 640 | 536 | (1,072) | (536) |

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

Adjustments for the segment loss of ¥(1,072) million include corporate cost of ¥(1,086) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥12 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 Nine months Ended December 31, 2023 (April 1, 2023 to December 31, 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 | 6,202 | 3,792 | 1,813 | 11,808 | — | 11,808 |
| Goods transferred over time | 389 | 2,518 | 561 | 3,468 | — | 3,468 |
| Revenue from contracts with customers | 6,591 | 6,311 | 2,374 | 15,277 | — | 15,277 |
| External sales | 6,591 | 6,311 | 2,374 | 15,277 | — | 15,277 |
| Internal sales or transfers | — | — | — | — | — | — |
| Total | 6,591 | 6,311 | 2,374 | 15,277 | — | 15,277 |
| Segment profit (loss) | 432 | (150) | 383 | 665 | (1,081) | (416) |

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

Adjustments for the segment loss of ¥(1,081) million include corporate cost of ¥(1,095) million not allocated to each reportable segment, allowance for doubtful accounts of ¥0 million and elimination of inter-segment transaction of ¥13 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.