

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

Company name: SUN-WA TECHNOS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8137 URL <https://www.sunwa.co.jp/>
 Representative: President and Representative Director Hiroyuki Tanaka
 Executive Officer and General Manager
 Inquiries: Administration Headquarters Katsuya Tamaki TEL 03-5202-4011
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	70,978	14.8	2,108	134.2	2,195	115.0	1,551	119.7
Six months ended September 30, 2020	61,813	(8.6)	900	(1.0)	1,020	(1.5)	705	2.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	98.23	—
Six months ended September 30, 2020	44.75	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	85,924	37,097	43.2
As of March 31, 2021	76,381	35,030	45.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	—	17.00	—	17.00	34.00
Year ending March 31, 2022	—	17.00			
Year ending March 31, 2022 (Forecast)			—	17.00	34.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	148,700	10.3	4,200	95.1	4,340	69.0	3,040	70.2	192.51

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	16,044,000 shares	As of March 31, 2021	16,044,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	237,332 shares	As of March 31, 2021	267,312 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	15,791,675 shares	Six months ended September 30, 2020	15,776,856 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	13,113	16,692
Notes and accounts receivable - trade	36,392	—
Notes and accounts receivable - trade, and contract assets	—	37,308
Electronically recorded monetary claims - operating	6,061	7,258
Merchandise	7,935	11,053
Work in process	0	9
Other	1,036	1,602
Allowance for doubtful accounts	(109)	(111)
Total current assets	64,430	73,813
Non-current assets		
Property, plant and equipment	2,590	2,552
Intangible assets	170	173
Investments and other assets	9,190	9,385
Total non-current assets	11,951	12,111
Total assets	76,381	85,924
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,554	19,579
Electronically recorded obligations - operating	12,901	15,950
Short-term borrowings	4,148	4,417
Current portion of long-term borrowings	500	2,900
Income taxes payable	393	571
Provisions	—	41
Other	1,873	2,742
Total current liabilities	36,372	46,203
Non-current liabilities		
Long-term borrowings	2,400	—
Long-term accounts payable - other	199	177
Provision for retirement benefits for directors (and other officers)	104	109
Retirement benefit liability	978	1,002
Other	1,295	1,333
Total non-current liabilities	4,978	2,623
Total liabilities	41,350	48,827
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,548	3,549
Retained earnings	23,827	25,110
Treasury shares	(300)	(267)
Total shareholders' equity	30,802	32,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,235	4,365
Foreign currency translation adjustment	(7)	612
Total accumulated other comprehensive income	4,228	4,978
Total net assets	35,030	37,097
Total liabilities and net assets	76,381	85,924

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	61,813	70,978
Cost of sales	55,093	62,229
Gross profit	6,719	8,749
Selling, general and administrative expenses	5,819	6,640
Operating profit	900	2,108
Non-operating income		
Interest income	6	8
Dividend income	60	51
Purchase discounts	17	20
Rental income from buildings	67	67
Other	48	53
Total non-operating income	200	201
Non-operating expenses		
Interest expenses	26	22
Loss on sale of trade receivables	15	20
Foreign exchange losses	27	64
Other	9	8
Total non-operating expenses	79	115
Ordinary profit	1,020	2,195
Extraordinary income		
Gain on sale of investment securities	7	—
Total extraordinary income	7	—
Extraordinary losses		
Loss on valuation of membership	9	—
Total extraordinary losses	9	—
Profit before income taxes	1,019	2,195
Income taxes	313	643
Profit	705	1,551
Profit attributable to owners of parent	705	1,551

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	705	1,551
Other comprehensive income		
Valuation difference on available-for-sale securities	1,104	129
Foreign currency translation adjustment	(230)	620
Total other comprehensive income	874	749
Comprehensive income	1,580	2,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,580	2,300
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,019	2,195
Depreciation	165	152
Increase (decrease) in allowance for doubtful accounts	(17)	(9)
Interest and dividend income	(66)	(60)
Interest expenses	26	22
Foreign exchange losses (gains)	(14)	(5)
Loss (gain) on sale of investment securities	(7)	–
Decrease (increase) in trade receivables	3,452	(1,496)
Decrease (increase) in inventories	(735)	(2,910)
Increase (decrease) in trade payables	(1,143)	5,604
Other, net	(533)	408
Subtotal	2,144	3,900
Interest and dividends received	66	60
Interest paid	(25)	(22)
Income taxes paid	(489)	(475)
Net cash provided by (used in) operating activities	1,696	3,462
Cash flows from investing activities		
Purchase of property, plant and equipment	(30)	(31)
Purchase of investment securities	(24)	(22)
Proceeds from sale of investment securities	17	–
Other, net	(25)	(36)
Net cash provided by (used in) investing activities	(62)	(90)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	252	247
Repayments of lease obligations	(59)	(50)
Purchase of treasury shares	–	(0)
Dividends paid	(268)	(268)
Net cash provided by (used in) financing activities	(75)	(71)
Effect of exchange rate change on cash and cash equivalents	(104)	278
Net increase (decrease) in cash and cash equivalents	1,454	3,579
Cash and cash equivalents at beginning of period	11,568	12,629
Cash and cash equivalents at end of period	13,022	16,208