

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 9, 2022

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 of ordinary general meeting of shareholders: June 24, 2022
 Scheduled date to file Securities Report: June 24, 2022
 Scheduled date to commence dividend payments: June 9, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	154,414	14.6	4,804	123.2	5,195	102.4	3,577	100.3
Year ended March 31, 2021	134,769	(2.3)	2,152	16.5	2,567	19.7	1,786	33.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	228.33	—	9.8	6.1	3.1
Year ended March 31, 2021	113.23	—	5.4	3.5	1.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	93,078	38,023	40.9	2,462.10
As of March 31, 2021	76,381	35,030	45.9	2,220.42

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	792	244	(580)	13,565
Year ended March 31, 2021	1,589	(141)	(309)	12,629

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	17.00	—	17.00	34.00	536	30.0	1.6
Year ended March 31, 2022	—	17.00	—	20.00	37.00	577	16.2	1.6
Year ending March 31, 2023 (Forecast)	—	20.00	—	20.00	40.00		17.2	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	83,100	17.1	2,600	23.3	2,700	23.0	1,900	22.5	123.03
Full year	164,700	6.7	5,000	4.1	5,200	0.1	3,600	0.6	233.11

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	600,439 shares	As of March 31, 2021	267,312 shares
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Average number of shares during the period

Year ended March 31, 2022	15,668,261 shares	Year ended March 31, 2021	15,776,786 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	13,113	14,049
Notes and accounts receivable - trade	36,392	—
Notes and accounts receivable - trade, and contract assets	—	43,146
Electronically recorded monetary claims - operating	6,061	8,851
Merchandise	7,935	12,006
Work in process	0	0
Other	1,036	4,310
Allowance for doubtful accounts	(109)	(155)
Total current assets	64,430	82,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,745	1,359
Accumulated depreciation	(1,193)	(949)
Buildings and structures, net	551	409
Land	1,730	1,356
Leased assets	545	562
Accumulated depreciation	(377)	(345)
Leased assets, net	168	217
Other	525	656
Accumulated depreciation	(385)	(409)
Other, net	140	247
Total property, plant and equipment	2,590	2,230
Intangible assets		
Other	170	226
Total intangible assets	170	226
Investments and other assets		
Investment securities	7,995	7,215
Deferred tax assets	36	36
Other	1,338	1,281
Allowance for doubtful accounts	(179)	(122)
Total investments and other assets	9,190	8,411
Total non-current assets	11,951	10,868
Total assets	76,381	93,078

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,554	23,472
Electronically recorded obligations - operating	12,901	17,204
Short-term borrowings	4,148	5,405
Current portion of long-term borrowings	500	2,400
Lease liabilities	93	93
Income taxes payable	393	1,244
Accrued expenses	1,269	1,806
Other	510	1,171
Total current liabilities	36,372	52,797
Non-current liabilities		
Long-term borrowings	2,400	—
Lease liabilities	91	150
Deferred tax liabilities	1,203	859
Long-term accounts payable - other	199	177
Provision for retirement benefits for directors (and other officers)	104	114
Retirement benefit liability	978	955
Total non-current liabilities	4,978	2,257
Total liabilities	41,350	55,054
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,548	3,549
Retained earnings	23,827	26,867
Treasury shares	(300)	(867)
Total shareholders' equity	30,802	33,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,235	3,721
Foreign currency translation adjustment	(7)	1,024
Total accumulated other comprehensive income	4,228	4,746
Total net assets	35,030	38,023
Total liabilities and net assets	76,381	93,078

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	134,769	154,414
Cost of sales	120,545	135,642
Gross profit	14,224	18,772
Selling, general and administrative expenses	12,071	13,967
Operating profit	2,152	4,804
Non-operating income		
Interest income	12	19
Dividend income	102	108
Purchase discounts	56	78
Foreign exchange gains	94	—
Rental income from buildings	134	134
Other	121	152
Total non-operating income	522	493
Non-operating expenses		
Interest expenses	48	45
Loss on sale of trade receivables	31	39
Foreign exchange losses	—	2
Other	27	14
Total non-operating expenses	107	102
Ordinary profit	2,567	5,195
Extraordinary income		
Gain on sale of non-current assets	—	21
Gain on sale of investment securities	7	61
Total extraordinary income	7	82
Extraordinary losses		
Loss on sale of non-current assets	10	22
Impairment losses	42	32
Loss on valuation of membership	9	—
Total extraordinary losses	62	54
Profit before income taxes	2,513	5,223
Income taxes - current	815	1,759
Income taxes - deferred	(88)	(113)
Total income taxes	726	1,646
Profit	1,786	3,577
Profit attributable to owners of parent	1,786	3,577

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,786	3,577
Other comprehensive income		
Valuation difference on available-for-sale securities	2,156	(514)
Foreign currency translation adjustment	(102)	1,032
Total other comprehensive income	2,054	517
Comprehensive income	3,840	4,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,840	4,095
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,727	3,548	22,577	(300)	29,552
Cumulative effects of changes in accounting policies					—
Restated balance	3,727	3,548	22,577	(300)	29,552
Changes during period					
Dividends of surplus			(536)		(536)
Profit attributable to owners of parent			1,786		1,786
Purchase of treasury shares				(0)	(0)
Restricted stock payment					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,249	(0)	1,249
Balance at end of period	3,727	3,548	23,827	(300)	30,802

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	2,079	95	2,174	31,726
Cumulative effects of changes in accounting policies				—
Restated balance	2,079	95	2,174	31,726
Changes during period				
Dividends of surplus				(536)
Profit attributable to owners of parent				1,786
Purchase of treasury shares				(0)
Restricted stock payment				—
Net changes in items other than shareholders' equity	2,156	(102)	2,054	2,054
Total changes during period	2,156	(102)	2,054	3,303
Balance at end of period	4,235	(7)	4,228	35,030

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,727	3,548	23,827	(300)	30,802
Cumulative effects of changes in accounting policies			(0)		(0)
Restated balance	3,727	3,548	23,827	(300)	30,801
Changes during period					
Dividends of surplus			(536)		(536)
Profit attributable to owners of parent			3,577		3,577
Purchase of treasury shares				(600)	(600)
Restricted stock payment		1		33	35
Net changes in items other than shareholders' equity					
Total changes during period	—	1	3,040	(566)	2,475
Balance at end of period	3,727	3,549	26,867	(867)	33,277

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	4,235	(7)	4,228	35,030
Cumulative effects of changes in accounting policies				(0)
Restated balance	4,235	(7)	4,228	35,030
Changes during period				
Dividends of surplus				(536)
Profit attributable to owners of parent				3,577
Purchase of treasury shares				(600)
Restricted stock payment				35
Net changes in items other than shareholders' equity	(514)	1,032	517	517
Total changes during period	(514)	1,032	517	2,993
Balance at end of period	3,721	1,024	4,746	38,023

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,513	5,223
Depreciation	326	306
Impairment losses	42	32
Increase (decrease) in retirement benefit liability	57	(23)
Increase (decrease) in allowance for doubtful accounts	(45)	(11)
Interest and dividend income	(115)	(127)
Interest expenses	48	45
Foreign exchange losses (gains)	(18)	27
Loss (gain) on sale of investment securities	(7)	(61)
Loss (gain) on sale of property, plant and equipment	10	0
Decrease (increase) in trade receivables	(2,726)	(8,500)
Decrease (increase) in inventories	2,019	(3,711)
Decrease (increase) in other assets	(114)	(3,241)
Increase (decrease) in trade payables	512	10,431
Increase (decrease) in accrued consumption taxes	(26)	(18)
Increase (decrease) in other liabilities	(54)	1,212
Other, net	42	82
Subtotal	2,462	1,667
Interest and dividends received	115	127
Interest paid	(46)	(46)
Income taxes paid	(941)	(956)
Net cash provided by (used in) operating activities	1,589	792
Cash flows from investing activities		
Purchase of property, plant and equipment	(53)	(183)
Proceeds from sale of property, plant and equipment	2	482
Purchase of investment securities	(42)	(41)
Proceeds from sale of investment securities	17	140
Other, net	(64)	(153)
Net cash provided by (used in) investing activities	(141)	244
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	339	1,158
Repayments of long-term borrowings	—	(500)
Repayments of lease liabilities	(112)	(101)
Purchase of treasury shares	(0)	(600)
Dividends paid	(536)	(536)
Net cash provided by (used in) financing activities	(309)	(580)
Effect of exchange rate change on cash and cash equivalents	(77)	478
Net increase (decrease) in cash and cash equivalents	1,061	935
Cash and cash equivalents at beginning of period	11,568	12,629
Cash and cash equivalents at end of period	12,629	13,565