

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 28, 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 to file Quarterly Securities Report: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	109,192	15.9	3,307	191.2	3,504	161.7	2,502	167.8
Nine months ended December 31, 2020	94,184	(5.7)	1,135	11.3	1,338	7.7	934	6.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	158.99	–
Nine months ended December 31, 2020	59.23	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	86,730	37,273	43.0
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)				20.00	37.00

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	156,500	16.1	4,300	99.8	4,600	79.2	3,240	81.4	205.82

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2021	600,419 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)

Nine months ended December 31, 2021	15,741,795 shares	Nine months ended December 31, 2020	15,776,819 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	13,113	13,269
Notes and accounts receivable - trade	36,392	—
Notes and accounts receivable - trade, and contract assets	—	38,467
Electronically recorded monetary claims - operating	6,061	9,327
Merchandise	7,935	12,364
Work in process	0	5
Other	1,036	1,687
Allowance for doubtful accounts	(109)	(120)
Total current assets	64,430	75,003
Non-current assets		
Property, plant and equipment	2,590	2,120
Intangible assets	170	208
Investments and other assets	9,190	9,398
Total non-current assets	11,951	11,727
Total assets	76,381	86,730
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,554	17,129
Electronically recorded obligations - operating	12,901	18,310
Short-term borrowings	4,148	4,661
Current portion of long-term borrowings	500	2,900
Income taxes payable	393	642
Provisions	—	64
Other	1,873	3,100
Total current liabilities	36,372	46,807
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	111
Retirement benefit liability	978	1,008
Other	1,295	1,351
Total non-current liabilities	4,978	2,650
Total liabilities	41,350	49,457

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,548	3,549
Retained earnings	23,827	25,792
Treasury shares	(300)	(867)
Total shareholders' equity	30,802	32,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,235	4,418
Foreign currency translation adjustment	(7)	651
Total accumulated other comprehensive income	4,228	5,070
Total net assets	35,030	37,273
Total liabilities and net assets	76,381	86,730

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	94,184	109,192
Cost of sales	84,213	95,816
Gross profit	9,971	13,376
Selling, general and administrative expenses	8,835	10,068
Operating profit	1,135	3,307
Non-operating income		
Interest income	9	14
Dividend income	98	104
Purchase discounts	26	30
Rental income from buildings	101	100
Other	67	79
Total non-operating income	303	330
Non-operating expenses		
Interest expenses	37	34
Loss on sale of trade receivables	23	29
Foreign exchange losses	27	57
Other	11	12
Total non-operating expenses	100	134
Ordinary profit	1,338	3,504
Extraordinary income		
Gain on sale of investment securities	7	61
Gain on sale of non-current assets	—	21
Total extraordinary income	7	82
Extraordinary losses		
Loss on valuation of membership	9	—
Total extraordinary losses	9	—
Profit before income taxes	1,337	3,586
Income taxes	402	1,084
Profit	934	2,502
Profit attributable to owners of parent	934	2,502

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	934	2,502
Other comprehensive income		
Valuation difference on available-for-sale securities	1,892	183
Foreign currency translation adjustment	(197)	658
Total other comprehensive income	1,695	842
Comprehensive income	2,629	3,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,629	3,344
Comprehensive income attributable to non-controlling interests	—	—