

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 28, 2023

Company name: SUN-WA TECHNOS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 8137 URL <https://www.sunwa.co.jp/>
 Representative: President and Representative Director Akihiro matsuo
 Executive Officer and General Manager
 Inquiries: Administration Headquarters Takamichi Matoba TEL 03-5202-4011
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	42,262	8.1	1,693	26.2	1,957	22.7	1,382	21.9
Three months ended June 30, 2022	39,108	16.8	1,341	37.7	1,596	57.8	1,134	59.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	89.97	–
Three months ended June 30, 2022	73.47	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	105,364	45,075	42.8
As of March 31, 2023	106,581	44,484	41.7

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, 2023	–	20.00	–	70.00	90.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		45.00	–	45.00	90.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	85,300	1.1	2,600	(21.2)	2,700	(24.5)	1,870	(26.0)	121.67
Full year	175,800	(2.9)	5,510	(27.8)	5,690	(25.9)	3,950	(28.1)	257.00

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: No
- 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 June 30, 2023	16,044,000 shares	As of March 31, 2023	16,044,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	858,691 shares	As of March 31, 2023	562,331 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	15,369,948 shares	Three months ended June 30, 2022	15,443,561 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	14,145	12,555
Notes and accounts receivable - trade, and contract assets	48,455	43,933
Electronically recorded monetary claims - operating	10,467	11,588
Merchandise	17,488	20,706
Work in process	3	9
Other	3,871	3,576
Allowance for doubtful accounts	(167)	(159)
Total current assets	94,263	92,211
Non-current assets		
Property, plant and equipment	2,272	2,095
Intangible assets	221	208
Investments and other assets	9,824	10,849
Total non-current assets	12,318	13,153
Total assets	106,581	105,364
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,988	22,194
Electronically recorded obligations - operating	19,347	19,479
Short-term borrowings	9,557	12,656
Income taxes payable	1,378	664
Provisions	–	13
Other	3,598	2,804
Total current liabilities	59,870	57,812
Non-current liabilities		
Long-term accounts payable - other	52	51
Provision for retirement benefits for directors (and other officers)	124	127
Retirement benefit liability	775	780
Other	1,274	1,516
Total non-current liabilities	2,227	2,476
Total liabilities	62,097	60,289
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,544	3,544
Retained earnings	31,742	32,042
Treasury shares	(812)	(1,467)
Total shareholders' equity	38,202	37,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,319	5,030
Foreign currency translation adjustment	1,962	2,199
Total accumulated other comprehensive income	6,282	7,229
Total net assets	44,484	45,075
Total liabilities and net assets	106,581	105,364

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	39,108	42,262
Cost of sales	34,240	36,817
Gross profit	4,868	5,444
Selling, general and administrative expenses	3,526	3,751
Operating profit	1,341	1,693
Non-operating income		
Interest income	2	1
Dividend income	61	66
Purchase discounts	9	11
Rental income from buildings	34	37
Foreign exchange gains	124	141
Other	63	68
Total non-operating income	297	326
Non-operating expenses		
Interest expenses	19	45
Loss on sale of trade receivables	12	8
Other	10	9
Total non-operating expenses	42	62
Ordinary profit	1,596	1,957
Extraordinary income		
Gain on sale of non-current assets	—	8
Total extraordinary income	—	8
Profit before income taxes	1,596	1,966
Income taxes	461	583
Profit	1,134	1,382
Profit attributable to owners of parent	1,134	1,382

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,134	1,382
Other comprehensive income		
Valuation difference on available-for-sale securities	(362)	710
Foreign currency translation adjustment	770	236
Total other comprehensive income	408	947
Comprehensive income	1,542	2,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,542	2,329
Comprehensive income attributable to non-controlling interests	—	—