

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: Sansha Electric Manufacturing Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 6882 URL <https://www.sansha.co.jp>
 Representative: Representative Director, President Hajimu Yoshimura
 Corporate Planning Department
 Inquiries: General Manager Hiroyuki Maruyama TEL 06-6321-0321
 Scheduled date to file Quarterly Securities Report: February 5, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	13,572	(18.5)	150	(26.8)	161	(12.3)	24	(86.1)
Nine months ended December 31, 2019	16,656	(7.7)	205	(85.6)	184	(86.8)	172	(83.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	1.71		–	
Nine months ended December 31, 2019	12.20		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	24,010	18,396	76.6	1,309.56
As of March 31, 2020	24,051	18,489	76.9	1,316.15

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2020	–	8.00	–	5.00	13.00
Year ending March 31, 2021	–	5.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	19,500	(10.9)	300	16.9	300	23.4	230	–	16.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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: No
- (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 December 31, 2020	14,950,000 shares	As of March 31, 2020	14,950,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	902,122 shares	As of March 31, 2020	902,122 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, 2020	14,047,878 shares	Nine months ended December 31, 2019	14,142,878 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	4,659	5,167
Notes and accounts receivable - trade	6,217	5,708
Electronically recorded monetary claims - operating	1,247	1,244
Merchandise and finished goods	2,906	3,021
Work in process	709	991
Raw materials and supplies	1,648	1,505
Other	247	336
Allowance for doubtful accounts	(24)	(25)
Total current assets	17,611	17,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,220	2,042
Machinery, equipment and vehicles, net	657	645
Land	2,090	2,090
Leased assets, net	247	217
Construction in progress	180	93
Other, net	314	291
Total property, plant and equipment	5,710	5,382
Intangible assets		
Goodwill	99	52
Other	183	135
Total intangible assets	282	188
Investments and other assets		
Investment securities	35	37
Deferred tax assets	165	143
Retirement benefit asset	109	179
Other	136	126
Total investments and other assets	446	488
Total non-current assets	6,440	6,058
Total assets	24,051	24,010

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,318	2,546
Electronically recorded obligations - operating	177	217
Accounts payable - other	799	809
Accrued expenses	557	536
Income taxes payable	106	55
Provision for bonuses	362	249
Provision for product warranties	63	51
Provision for loss on order received	24	14
Other	477	460
Total current liabilities	4,889	4,942
Non-current liabilities		
Lease obligations	96	48
Directors' retirement benefits payable	388	388
Deferred tax liabilities	90	132
Retirement benefit liability	48	44
Other	49	57
Total non-current liabilities	673	671
Total liabilities	5,562	5,613
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,698	2,698
Retained earnings	13,975	13,858
Treasury shares	(925)	(925)
Total shareholders' equity	18,522	18,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	5
Foreign currency translation adjustment	7	18
Remeasurements of defined benefit plans	(45)	(33)
Total accumulated other comprehensive income	(33)	(9)
Total net assets	18,489	18,396
Total liabilities and net assets	24,051	24,010

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, 2019	Nine months ended December 31, 2020
Net sales	16,656	13,572
Cost of sales	13,178	10,637
Gross profit	3,478	2,935
Selling, general and administrative expenses	3,272	2,784
Operating profit	205	150
Non-operating income		
Interest income	9	4
Dividend income	5	2
Rental income	10	10
Subsidy income	2	21
Other	16	28
Total non-operating income	44	67
Non-operating expenses		
Interest expenses	5	2
Commission expenses	4	-
Loss on valuation of derivatives	-	7
Foreign exchange losses	51	42
Other	4	4
Total non-operating expenses	66	56
Ordinary profit	184	161
Extraordinary income		
Gain on sales of investment securities	82	-
Total extraordinary income	82	-
Profit before income taxes	266	161
Income taxes - current	211	78
Income taxes - deferred	(117)	58
Total income taxes	93	137
Profit	172	24
Profit attributable to owners of parent	172	24

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	172	24
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	1
Foreign currency translation adjustment	(104)	10
Remeasurements of defined benefit plans, net of tax	(21)	11
Total other comprehensive income	(167)	23
Comprehensive income	5	47
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5	47