

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 7, 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 of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 7, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	19,436	(11.2)	416	62.4	441	81.4	497	–
Year ended March 31, 2020	21,875	(10.2)	256	(86.0)	243	(86.5)	(680)	–

	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, 2021	35.42	–	2.6	1.8	2.1
Year ended March 31, 2020	(48.22)	–	(3.5)	0.9	1.2

(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, 2021	24,846	19,336	77.8	1,376.49
As of March 31, 2020	24,051	18,489	76.9	1,316.15

(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, 2021	1,729	(355)	(249)	5,870
Year ended March 31, 2020	36	(571)	(659)	4,659

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, 2020	–	8.00	–	5.00	13.00	183	–	1.0
Year ended March 31, 2021	–	5.00	–	10.00	15.00	210	42.3	1.1
Year ending March 31, 2022 (Forecast)	–	–	–	–	–	–	–	–

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	21,800	12.2	800	92.0	800	81.4	550	10.5	39.15

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: Yes

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, 2021	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 March 31, 2021	902,122 shares	As of March 31, 2020	902,122 shares
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Average number of shares during the period

Year ended March 31, 2021	14,047,878 shares	Year ended March 31, 2020	14,120,955 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	4,659	5,870
Notes and accounts receivable - trade	6,217	6,606
Electronically recorded monetary claims - operating	1,247	1,039
Merchandise and finished goods	2,906	2,464
Work in process	709	877
Raw materials and supplies	1,648	1,507
Other	247	283
Allowance for doubtful accounts	(24)	(55)
Total current assets	17,611	18,594
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,220	2,023
Machinery, equipment and vehicles, net	657	594
Land	2,090	2,090
Leased assets, net	247	217
Construction in progress	180	80
Other, net	314	274
Total property, plant and equipment	5,710	5,282
Intangible assets		
Goodwill	99	36
Other	183	120
Total intangible assets	282	156
Investments and other assets		
Investment securities	35	46
Deferred tax assets	165	168
Retirement benefit asset	109	462
Other	136	136
Total investments and other assets	446	812
Total non-current assets	6,440	6,251
Total assets	24,051	24,846

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,318	2,220
Electronically recorded obligations - operating	177	191
Accounts payable - other	799	701
Accrued expenses	557	609
Income taxes payable	106	138
Provision for bonuses	362	442
Provision for product warranties	63	50
Provision for loss on order received	24	19
Other	477	432
Total current liabilities	4,889	4,806
Non-current liabilities		
Lease obligations	96	66
Directors' retirement benefits payable	388	388
Deferred tax liabilities	90	153
Retirement benefit liability	48	49
Other	49	46
Total non-current liabilities	673	703
Total liabilities	5,562	5,509
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,698	2,698
Retained earnings	13,975	14,332
Treasury shares	(925)	(925)
Total shareholders' equity	18,522	18,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	11
Foreign currency translation adjustment	7	291
Remeasurements of defined benefit plans	(45)	153
Total accumulated other comprehensive income	(33)	457
Total net assets	18,489	19,336
Total liabilities and net assets	24,051	24,846

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	21,875	19,436
Cost of sales	17,281	15,027
Gross profit	4,594	4,408
Selling, general and administrative expenses	4,337	3,992
Operating profit	256	416
Non-operating income		
Interest income	12	6
Dividend income	5	2
Rental income	13	14
Electricity sale income	6	7
Subsidy income	17	23
Gain on valuation of derivatives	12	–
Other	14	19
Total non-operating income	82	73
Non-operating expenses		
Interest expenses	5	4
Commission expenses	4	–
Loss on valuation of derivatives	–	15
Foreign exchange losses	80	24
Other	5	5
Total non-operating expenses	95	49
Ordinary profit	243	441
Extraordinary income		
Gain on sale of investment securities	83	–
Gain on sale of non-current assets	–	171
Total extraordinary income	83	171
Extraordinary losses		
Loss on sale of non-current assets	30	–
Loss on valuation of investment securities	5	–
Total extraordinary losses	35	–
Profit before income taxes	290	612
Income taxes - current	210	140
Income taxes - deferred	761	(25)
Total income taxes	971	115
Profit (loss)	(680)	497
Profit (loss) attributable to owners of parent	(680)	497

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit (loss)	(680)	497
Other comprehensive income		
Valuation difference on available-for-sale securities	(47)	7
Foreign currency translation adjustment	(177)	283
Remeasurements of defined benefit plans, net of tax	(137)	199
Total other comprehensive income	(361)	490
Comprehensive income	(1,042)	988
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,042)	988

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,774	2,698	15,000	(849)	19,623
Changes during period					
Dividends of surplus			(367)		(367)
Profit (loss) attributable to owners of parent			(680)		(680)
Purchase of treasury shares				(75)	(75)
The net change in the total due to fiscal year-end change of consolidated subsidiaries			23		23
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,025)	(75)	(1,101)
Balance at end of period	2,774	2,698	13,975	(925)	18,522

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	51	185	92	328	19,952
Changes during period					
Dividends of surplus					(367)
Profit (loss) attributable to owners of parent					(680)
Purchase of treasury shares					(75)
The net change in the total due to fiscal year-end change of consolidated subsidiaries					23
Net changes in items other than shareholders' equity	(47)	(177)	(137)	(361)	(361)
Total changes during period	(47)	(177)	(137)	(361)	(1,463)
Balance at end of period	3	7	(45)	(33)	18,489

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	2,774	2,698	13,975	(925)	18,522
Changes during period					
Dividends of surplus			(140)		(140)
Profit (loss) attributable to owners of parent			497		497
Net changes in items other than shareholders' equity					
Total changes during period	–	–	357	–	357
Balance at end of period	2,774	2,698	14,332	(925)	18,879

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3	7	(45)	(33)	18,489
Changes during period					
Dividends of surplus					(140)
Profit (loss) attributable to owners of parent					497
Net changes in items other than shareholders' equity	7	283	199	490	490
Total changes during period	7	283	199	490	847
Balance at end of period	11	291	153	457	19,336

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	290	612
Depreciation	1,030	948
Amortization of goodwill	62	62
Increase (decrease) in allowance for doubtful accounts	(19)	28
Increase (decrease) in provision for bonuses	(252)	78
Increase (decrease) in provision for product warranties	(20)	(13)
Increase (decrease) in provision for loss on order received	10	(5)
Decrease (increase) in retirement benefit asset	(59)	(66)
Increase (decrease) in retirement benefit liability	4	1
Interest and dividend income	(18)	(8)
Interest expenses	5	4
Loss (gain) on sale of investment securities	(83)	–
Loss (gain) on valuation of investment securities	5	–
Loss (gain) on sale of property, plant and equipment	30	(171)
Decrease (increase) in trade receivables	20	(39)
Decrease (increase) in inventories	1,867	529
Increase (decrease) in trade payables	(2,217)	(176)
Increase (decrease) in accrued expenses	(278)	43
Other, net	(67)	13
Subtotal	312	1,842
Interest and dividends received	18	8
Interest paid	(5)	(4)
Income taxes paid	(291)	(117)
Income taxes refund	2	–
Net cash provided by (used in) operating activities	36	1,729
Cash flows from investing activities		
Purchase of property, plant and equipment	(654)	(494)
Proceeds from sale of property, plant and equipment	24	172
Purchase of intangible assets	(58)	(33)
Proceeds from sale of investment securities	117	–
Net cash provided by (used in) investing activities	(571)	(355)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100)	–
Purchase of treasury shares	(76)	–
Dividends paid	(366)	(140)
Repayments of finance lease obligations	(116)	(108)
Net cash provided by (used in) financing activities	(659)	(249)
Effect of exchange rate change on cash and cash equivalents	(34)	86
Net increase (decrease) in cash and cash equivalents	(1,228)	1,211
Increase (decrease) in cash and cash equivalents resulting from accounting term alterations of subsidiaries	(74)	–
Cash and cash equivalents at beginning of period	5,963	4,659
Cash and cash equivalents at end of period	4,659	5,870