

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 8, 2022

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  
 General Manager  
 Inquiries: Corporate Planning Division Hiroyuki Maruyama TEL 06-6321-0321  
 Operating Officer  
 Scheduled date to file Quarterly Securities Report: November 9, 2022  
 Scheduled date to commence dividend payments: December 2, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	12,904	21.2	307	(28.1)	252	(41.6)	134	(58.1)
Six months ended September 30, 2021	10,643	19.6	427	–	432	–	321	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	10.46		–	
Six months ended September 30, 2021	22.86		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	27,876	20,298	72.8	1,579.95
As of March 31, 2022	27,146	19,810	73.0	1,541.90

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, 2022	–	8.00	–	17.00	25.00
Year ending March 31, 2023	–	8.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

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
Full year	26,000	14.7	1,600	21.5	1,600	21.8	1,200	4.6	93.40

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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 September 30, 2022	14,950,000 shares	As of March 31, 2022	14,950,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,102,122 shares	As of March 31, 2022	2,102,122 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	12,847,878 shares	Six months ended September 30, 2021	14,047,878 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,026	4,665
Notes receivable - trade	838	778
Accounts receivable - trade	6,364	6,012
Electronically recorded monetary claims - operating	1,242	1,667
Merchandise and finished goods	2,634	2,985
Work in process	1,591	1,837
Raw materials and supplies	2,618	2,979
Other	562	673
Allowance for doubtful accounts	(59)	(35)
Total current assets	20,819	21,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,866	1,754
Machinery, equipment and vehicles, net	517	426
Land	2,238	2,238
Leased assets, net	295	261
Construction in progress	79	138
Other, net	262	262
Total property, plant and equipment	5,259	5,082
Intangible assets		
Goodwill	28	25
Other	114	113
Total intangible assets	143	138
Investments and other assets		
Investment securities	24	25
Deferred tax assets	255	283
Retirement benefit asset	508	551
Other	135	229
Total investments and other assets	924	1,089
Total non-current assets	6,326	6,310
Total assets	27,146	27,876

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,470	3,715
Electronically recorded obligations - operating	337	306
Accounts payable - other	913	946
Accrued expenses	609	624
Income taxes payable	195	228
Contract liabilities	388	322
Provision for bonuses	565	595
Provision for product warranties	57	52
Provision for loss on orders received	40	175
Other	326	198
<b>Total current liabilities</b>	<b>6,905</b>	<b>7,164</b>
<b>Non-current liabilities</b>		
Lease liabilities	101	100
Directors' retirement benefits payable	68	68
Deferred tax liabilities	161	131
Retirement benefit liability	52	56
Other	48	55
<b>Total non-current liabilities</b>	<b>431</b>	<b>412</b>
<b>Total liabilities</b>	<b>7,336</b>	<b>7,577</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,774	2,774
Capital surplus	2,698	2,698
Retained earnings	15,226	15,142
Treasury shares	(1,903)	(1,903)
<b>Total shareholders' equity</b>	<b>18,795</b>	<b>18,711</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5	7
Foreign currency translation adjustment	901	1,476
Remeasurements of defined benefit plans	107	103
<b>Total accumulated other comprehensive income</b>	<b>1,014</b>	<b>1,587</b>
<b>Total net assets</b>	<b>19,810</b>	<b>20,298</b>
<b>Total liabilities and net assets</b>	<b>27,146</b>	<b>27,876</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	10,643	12,904
Cost of sales	8,197	10,344
Gross profit	2,446	2,559
Selling, general and administrative expenses	2,018	2,252
Operating profit	427	307
Non-operating income		
Interest income	2	6
Dividend income	1	0
Rental income	7	7
Gain on valuation of derivatives	–	61
Other	11	22
Total non-operating income	23	98
Non-operating expenses		
Interest expenses	2	2
Loss on valuation of derivatives	1	–
Foreign exchange losses	14	150
Other	0	0
Total non-operating expenses	19	153
Ordinary profit	432	252
Profit before income taxes	432	252
Income taxes - current	91	169
Income taxes - deferred	19	(51)
Total income taxes	111	118
Profit	321	134
Profit attributable to owners of parent	321	134

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	321	134
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	1
Foreign currency translation adjustment	99	574
Remeasurements of defined benefit plans, net of tax	(17)	(3)
Total other comprehensive income	81	572
Comprehensive income	402	707
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	402	707

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	432	252
Depreciation	467	432
Amortization of goodwill	31	3
Increase (decrease) in allowance for doubtful accounts	(6)	(25)
Increase (decrease) in provision for bonuses	12	25
Increase (decrease) in provision for product warranties	4	(5)
Increase (decrease) in provision for loss on orders received	20	135
Decrease (increase) in retirement benefit asset	(26)	(47)
Increase (decrease) in retirement benefit liability	0	4
Interest and dividend income	(3)	(7)
Interest expenses	2	2
Decrease (increase) in trade receivables	412	238
Decrease (increase) in inventories	(482)	(745)
Increase (decrease) in trade payables	684	42
Increase (decrease) in accrued expenses	(28)	9
Increase (decrease) in Accrued Directors Retirement Benefits	(388)	–
Other, net	(282)	(140)
Subtotal	850	171
Interest and dividends received	3	7
Interest paid	(2)	(2)
Income taxes paid	(103)	(139)
Net cash provided by (used in) operating activities	748	37
Cash flows from investing activities		
Purchase of property, plant and equipment	(150)	(312)
Proceeds from sale of property, plant and equipment and intangible assets	1	1
Purchase of intangible assets	(6)	(25)
Net cash provided by (used in) investing activities	(155)	(336)
Cash flows from financing activities		
Repayments of lease liabilities	(55)	(53)
Dividends paid	(140)	(218)
Net cash provided by (used in) financing activities	(195)	(271)
Effect of exchange rate change on cash and cash equivalents	30	210
Net increase (decrease) in cash and cash equivalents	428	(360)
Cash and cash equivalents at beginning of period	5,870	5,026
Cash and cash equivalents at end of period	6,299	4,665