

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 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
 Corporate Planning Department
 Inquiries: General Manager Hiroyuki Maruyama TEL 06-6321-0321
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 8, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	22,675	16.7	1,316	215.9	1,313	197.7	1,147	130.5
Year ended March 31, 2021	19,436	(11.2)	416	62.4	441	81.4	497	—

	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, 2022	83.30	—	5.9	5.1	5.8
Year ended March 31, 2021	35.42	—	2.6	1.8	2.1

(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, 2022	27,146	19,810	73.0	1,541.90
As of March 31, 2021	24,846	19,336	77.8	1,376.49

(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, 2022	940	(317)	(1,666)	5,026
Year ended March 31, 2021	1,729	(355)	(249)	5,870

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, 2021	—	5.00	—	10.00	15.00	210	42.3	1.1
Year ended March 31, 2022	—	8.00	—	17.00	25.00	330	30.0	1.7
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 year ended March 31, 2022

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

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, 2022	14,950,000 shares	As of March 31, 2021	14,950,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	2,102,122 shares	As of March 31, 2021	902,122 shares
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Average number of shares during the period

Year ended March 31, 2022	13,770,955 shares	Year ended March 31, 2021	14,047,878 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,870	5,026
Notes and accounts receivable - trade	6,606	–
Notes receivable - trade	–	838
Accounts receivable - trade	–	6,364
Electronically recorded monetary claims - operating	1,039	1,242
Merchandise and finished goods	2,464	2,634
Work in process	877	1,591
Raw materials and supplies	1,507	2,618
Other	283	562
Allowance for doubtful accounts	(55)	(59)
Total current assets	18,594	20,819
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,023	1,866
Machinery, equipment and vehicles, net	594	517
Land	2,090	2,238
Leased assets, net	217	295
Construction in progress	80	79
Other, net	274	262
Total property, plant and equipment	5,282	5,259
Intangible assets		
Goodwill	36	28
Other	120	114
Total intangible assets	156	143
Investments and other assets		
Investment securities	46	24
Deferred tax assets	168	255
Retirement benefit asset	462	508
Other	136	135
Total investments and other assets	812	924
Total non-current assets	6,251	6,326
Total assets	24,846	27,146

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,220	3,470
Electronically recorded obligations - operating	191	337
Accounts payable - other	701	913
Accrued expenses	609	609
Income taxes payable	138	195
Contract liabilities	–	388
Provision for bonuses	442	565
Provision for product warranties	50	57
Provision for loss on orders received	19	40
Other	432	326
Total current liabilities	4,806	6,905
Non-current liabilities		
Lease liabilities	66	101
Directors' retirement benefits payable	388	68
Deferred tax liabilities	153	161
Retirement benefit liability	49	52
Other	46	48
Total non-current liabilities	703	431
Total liabilities	5,509	7,336
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,698	2,698
Retained earnings	14,332	15,226
Treasury shares	(925)	(1,903)
Total shareholders' equity	18,879	18,795
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	5
Foreign currency translation adjustment	291	901
Remeasurements of defined benefit plans	153	107
Total accumulated other comprehensive income	457	1,014
Total net assets	19,336	19,810
Total liabilities and net assets	24,846	27,146

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	19,436	22,675
Cost of sales	15,027	17,227
Gross profit	4,408	5,447
Selling, general and administrative expenses	3,992	4,131
Operating profit	416	1,316
Non-operating income		
Interest income	6	10
Dividend income	2	2
Rental income	14	14
Electricity sale income	7	6
Insurance claim income	–	22
Other	43	27
Total non-operating income	73	83
Non-operating expenses		
Interest expenses	4	10
Loss on valuation of derivatives	15	8
Foreign exchange losses	24	63
Other	5	4
Total non-operating expenses	49	87
Ordinary profit	441	1,313
Extraordinary income		
Gain on sale of investment securities	–	7
Gain on sale of non-current assets	171	–
Total extraordinary income	171	7
Profit before income taxes	612	1,320
Income taxes - current	140	228
Income taxes - deferred	(25)	(55)
Total income taxes	115	173
Profit	497	1,147
Profit attributable to owners of parent	497	1,147

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	497	1,147
Other comprehensive income		
Valuation difference on available-for-sale securities	7	(5)
Foreign currency translation adjustment	283	609
Remeasurements of defined benefit plans, net of tax	199	(46)
Total other comprehensive income	490	557
Comprehensive income	988	1,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	988	1,704

Consolidated statements of changes in equity

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 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 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

Fiscal year ended March 31, 2022

(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	14,332	(925)	18,879
Changes during period					
Dividends of surplus			(252)		(252)
Profit attributable to owners of parent			1,147		1,147
Purchase of treasury shares				(978)	(978)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	894	(978)	(83)
Balance at end of period	2,774	2,698	15,226	(1,903)	18,795

	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	11	291	153	457	19,336
Changes during period					
Dividends of surplus					(252)
Profit attributable to owners of parent					1,147
Purchase of treasury shares					(978)
Net changes in items other than shareholders' equity	(5)	609	(46)	557	557
Total changes during period	(5)	609	(46)	557	473
Balance at end of period	5	901	107	1,014	19,810

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	612	1,320
Depreciation	948	920
Amortization of goodwill	62	39
Increase (decrease) in allowance for doubtful accounts	28	0
Increase (decrease) in provision for bonuses	78	105
Increase (decrease) in provision for product warranties	(13)	7
Increase (decrease) in provision for loss on orders received	(5)	20
Decrease (increase) in retirement benefit asset	(66)	(114)
Increase (decrease) in retirement benefit liability	1	2
Interest and dividend income	(8)	(12)
Interest expenses	4	10
Loss (gain) on sale of investment securities	–	(7)
Loss (gain) on sale of property, plant and equipment	(171)	(1)
Decrease (increase) in trade receivables	(39)	(286)
Decrease (increase) in inventories	529	(1,662)
Increase (decrease) in trade payables	(176)	1,177
Increase (decrease) in accrued expenses	43	(23)
Increase (decrease) in Accrued Directors Retirement Benefits	–	(444)
Other, net	13	72
Subtotal	1,842	1,124
Interest and dividends received	8	11
Interest paid	(4)	(10)
Income taxes paid	(117)	(184)
Net cash provided by (used in) operating activities	1,729	940
Cash flows from investing activities		
Purchase of property, plant and equipment	(494)	(303)
Proceeds from sale of property, plant and equipment	172	1
Purchase of intangible assets	(33)	(35)
Proceeds from sale of intangible assets	–	0
Proceeds from sale of investment securities	–	21
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(0)
Net cash provided by (used in) investing activities	(355)	(317)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(9)
Repayments of long-term borrowings	–	(298)
Purchase of treasury shares	–	(978)
Dividends paid	(140)	(253)
Repayments of finance lease liabilities	(108)	(127)
Net cash provided by (used in) financing activities	(249)	(1,666)
Effect of exchange rate change on cash and cash equivalents	86	198
Net increase (decrease) in cash and cash equivalents	1,211	(844)
Cash and cash equivalents at beginning of period	4,659	5,870
Cash and cash equivalents at end of period	5,870	5,026