

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 30, 2023

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: February 3, 2023  
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	19,875	23.8	620	11.6	609	3.2	355	(15.6)
Nine months ended December 31, 2021	16,060	18.3	556	269.3	590	265.9	420	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	27.44		–	
Nine months ended December 31, 2021	29.95		–	

(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, 2022	28,916	20,212	69.9	1,519.74
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	27,000	19.1	1,100	(16.4)	1,100	(16.2)	850	(25.9)	65.28

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	1,650,022 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)

Nine months ended December 31, 2022	12,938,298 shares	Nine months ended December 31, 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 December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,026	4,128
Notes receivable - trade	838	625
Accounts receivable - trade	6,364	6,575
Electronically recorded monetary claims - operating	1,242	1,819
Merchandise and finished goods	2,634	3,382
Work in process	1,591	1,931
Raw materials and supplies	2,618	3,021
Other	562	853
Allowance for doubtful accounts	(59)	(31)
<b>Total current assets</b>	<b>20,819</b>	<b>22,304</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	1,866	1,875
Machinery, equipment and vehicles, net	517	421
Land	2,238	2,238
Leased assets, net	295	247
Construction in progress	79	314
Other, net	262	253
<b>Total property, plant and equipment</b>	<b>5,259</b>	<b>5,351</b>
<b>Intangible assets</b>		
Goodwill	28	23
Other	114	107
<b>Total intangible assets</b>	<b>143</b>	<b>131</b>
<b>Investments and other assets</b>		
Investment securities	24	32
Deferred tax assets	255	295
Retirement benefit asset	508	559
Other	135	240
<b>Total investments and other assets</b>	<b>924</b>	<b>1,129</b>
<b>Total non-current assets</b>	<b>6,326</b>	<b>6,611</b>
<b>Total assets</b>	<b>27,146</b>	<b>28,916</b>

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,470	4,490
Electronically recorded obligations - operating	337	453
Accounts payable - other	913	1,377
Accrued expenses	609	682
Income taxes payable	195	152
Contract liabilities	388	108
Provision for bonuses	565	362
Provision for product warranties	57	54
Provision for loss on orders received	40	116
Other	326	390
<b>Total current liabilities</b>	<b>6,905</b>	<b>8,188</b>
<b>Non-current liabilities</b>		
Lease liabilities	101	97
Directors' retirement benefits payable	68	68
Deferred tax liabilities	161	238
Retirement benefit liability	52	57
Other	48	54
<b>Total non-current liabilities</b>	<b>431</b>	<b>515</b>
<b>Total liabilities</b>	<b>7,336</b>	<b>8,703</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	15,147
Treasury shares	(1,903)	(1,540)
<b>Total shareholders' equity</b>	<b>18,795</b>	<b>19,079</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5	12
Foreign currency translation adjustment	901	1,018
Remeasurements of defined benefit plans	107	101
<b>Total accumulated other comprehensive income</b>	<b>1,014</b>	<b>1,133</b>
<b>Total net assets</b>	<b>19,810</b>	<b>20,212</b>
<b>Total liabilities and net assets</b>	<b>27,146</b>	<b>28,916</b>

**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, 2021	Nine months ended December 31, 2022
Net sales	16,060	19,875
Cost of sales	12,391	15,718
Gross profit	3,668	4,157
Selling, general and administrative expenses	3,112	3,536
Operating profit	556	620
Non-operating income		
Interest income	4	9
Dividend income	2	1
Rental income	10	10
Gain on valuation of derivatives	–	60
Other	41	28
Total non-operating income	58	111
Non-operating expenses		
Interest expenses	4	3
Loss on valuation of derivatives	0	–
Foreign exchange losses	14	117
Other	4	0
Total non-operating expenses	24	122
Ordinary profit	590	609
Extraordinary income		
Gain on sale of investment securities	7	–
Total extraordinary income	7	–
Profit before income taxes	597	609
Income taxes - current	115	217
Income taxes - deferred	61	37
Total income taxes	176	254
Profit	420	355
Profit attributable to owners of parent	420	355

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	420	355
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	7
Foreign currency translation adjustment	280	117
Remeasurements of defined benefit plans, net of tax	(25)	(5)
Total other comprehensive income	248	119
Comprehensive income	669	474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	669	474