

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 28, 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: August 4, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	6,829	8.6	565	450.0	614	408.9	400	–
Three months ended June 30, 2022	6,287	25.6	102	31.6	120	54.2	12	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	30.11		–	
Three months ended June 30, 2022	0.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	30,552	21,490	70.3	1,615.82
As of March 31, 2023	29,083	21,065	72.4	1,583.87

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, 2023	–	8.00	–	22.00	30.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		10.00	–	30.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	30,500	8.6	2,000	22.7	2,000	21.1	1,400	12.8	105.26

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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 June 30, 2023	14,950,000 shares	As of March 31, 2023	14,950,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,650,022 shares	As of March 31, 2023	1,650,022 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	13,299,978 shares	Three months ended June 30, 2022	12,847,878 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,959	3,954
Notes receivable - trade	551	549
Accounts receivable - trade	7,735	7,567
Electronically recorded monetary claims - operating	1,568	1,988
Merchandise and finished goods	3,105	4,000
Work in process	1,789	2,035
Raw materials and supplies	3,181	3,286
Other	649	512
Allowance for doubtful accounts	(31)	(46)
Total current assets	22,510	23,846
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,846	1,780
Machinery, equipment and vehicles, net	694	669
Land	2,238	2,238
Leased assets, net	375	357
Construction in progress	110	283
Other, net	234	207
Total property, plant and equipment	5,499	5,535
Intangible assets		
Goodwill	22	20
Other	101	103
Total intangible assets	123	124
Investments and other assets		
Investment securities	32	35
Deferred tax assets	336	336
Retirement benefit asset	384	420
Other	196	253
Total investments and other assets	949	1,045
Total non-current assets	6,572	6,705
Total assets	29,083	30,552

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,875	4,025
Electronically recorded obligations - operating	375	416
Short-term borrowings	–	1,000
Accounts payable - other	1,169	1,005
Accrued expenses	679	803
Income taxes payable	345	214
Contract liabilities	58	70
Provision for bonuses	614	385
Provision for product warranties	58	54
Provision for loss on orders received	51	56
Other	289	444
Total current liabilities	7,519	8,478
Non-current liabilities		
Lease liabilities	190	189
Directors' retirement benefits payable	68	68
Deferred tax liabilities	133	194
Retirement benefit liability	54	79
Other	51	53
Total non-current liabilities	498	584
Total liabilities	8,017	9,062
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,698	2,698
Retained earnings	16,033	16,141
Treasury shares	(1,540)	(1,540)
Total shareholders' equity	19,965	20,073
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	14
Foreign currency translation adjustment	1,109	1,418
Remeasurements of defined benefit plans	(21)	(15)
Total accumulated other comprehensive income	1,100	1,417
Total net assets	21,065	21,490
Total liabilities and net assets	29,083	30,552

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	6,287	6,829
Cost of sales	5,029	5,036
Gross profit	1,257	1,792
Selling, general and administrative expenses	1,155	1,227
Operating profit	102	565
Non-operating income		
Interest income	2	3
Dividend income	0	0
Rental income	3	3
Subsidy income	–	24
Gain on valuation of derivatives	34	32
Other	10	6
Total non-operating income	51	70
Non-operating expenses		
Interest expenses	1	2
Foreign exchange losses	31	18
Other	0	0
Total non-operating expenses	33	20
Ordinary profit	120	614
Profit before income taxes	120	614
Income taxes - current	67	153
Income taxes - deferred	40	60
Total income taxes	108	214
Profit	12	400
Profit attributable to owners of parent	12	400

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	12	400
Other comprehensive income		
Valuation difference on available-for-sale securities	1	2
Foreign currency translation adjustment	439	309
Remeasurements of defined benefit plans, net of tax	(1)	5
Total other comprehensive income	439	317
Comprehensive income	451	717
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	451	717