

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 29, 2024

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 2, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	23,697	19.2	3,342	438.5	3,415	460.2	2,482	599.2
Nine months ended December 31, 2022	19,875	23.8	620	11.6	609	3.2	355	(15.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	186.68		–	
Nine months ended December 31, 2022	27.44		–	

(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, 2023	34,289	23,395	68.2	1,759.06
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	–	10.00	–		
Year ending March 31, 2024 (Forecast)				40.00	50.00

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	3,000	84.1	3,000	81.7	2,500	101.4	187.97

4. Notes

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

Nine months ended December 31, 2023	13,299,978 shares	Nine months ended December 31, 2022	12,938,298 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,959	5,054
Notes receivable - trade	551	403
Accounts receivable - trade	7,735	7,753
Electronically recorded monetary claims - operating	1,568	4,127
Merchandise and finished goods	3,105	4,781
Work in process	1,789	1,816
Raw materials and supplies	3,181	3,178
Other	649	405
Allowance for doubtful accounts	(31)	(36)
Total current assets	22,510	27,484
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,846	1,666
Machinery, equipment and vehicles, net	694	654
Land	2,238	2,238
Leased assets, net	375	351
Construction in progress	110	483
Other, net	234	217
Total property, plant and equipment	5,499	5,612
Intangible assets		
Goodwill	22	17
Other	101	132
Total intangible assets	123	149
Investments and other assets		
Investment securities	32	42
Deferred tax assets	336	337
Retirement benefit asset	384	437
Other	196	225
Total investments and other assets	949	1,042
Total non-current assets	6,572	6,805
Total assets	29,083	34,289

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,875	4,544
Electronically recorded obligations - operating	375	494
Short-term borrowings	–	1,000
Accounts payable - other	1,169	1,342
Accrued expenses	679	734
Income taxes payable	345	828
Contract liabilities	58	175
Provision for bonuses	614	485
Provision for product warranties	58	56
Provision for loss on orders received	51	57
Other	289	655
Total current liabilities	7,519	10,374
Non-current liabilities		
Lease liabilities	190	189
Directors' retirement benefits payable	68	68
Deferred tax liabilities	133	142
Retirement benefit liability	54	65
Other	51	52
Total non-current liabilities	498	519
Total liabilities	8,017	10,893
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,698	2,755
Retained earnings	16,033	18,089
Treasury shares	(1,540)	(1,597)
Total shareholders' equity	19,965	22,021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11	20
Foreign currency translation adjustment	1,109	1,359
Remeasurements of defined benefit plans	(21)	(5)
Total accumulated other comprehensive income	1,100	1,374
Total net assets	21,065	23,395
Total liabilities and net assets	29,083	34,289

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, 2022	Nine months ended December 31, 2023
Net sales	19,875	23,697
Cost of sales	15,718	16,550
Gross profit	4,157	7,146
Selling, general and administrative expenses	3,536	3,804
Operating profit	620	3,342
Non-operating income		
Interest income	9	12
Dividend income	1	1
Rental income	10	9
Subsidy income	–	26
Gain on valuation of derivatives	60	55
Other	28	22
Total non-operating income	111	129
Non-operating expenses		
Interest expenses	3	8
Foreign exchange losses	117	9
Loss on cancellation of rental contracts	–	35
Other	0	2
Total non-operating expenses	122	56
Ordinary profit	609	3,415
Profit before income taxes	609	3,415
Income taxes - current	217	923
Income taxes - deferred	37	9
Total income taxes	254	932
Profit	355	2,482
Profit attributable to owners of parent	355	2,482

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	355	2,482
Other comprehensive income		
Valuation difference on available-for-sale securities	7	8
Foreign currency translation adjustment	117	250
Remeasurements of defined benefit plans, net of tax	(5)	15
Total other comprehensive income	119	273
Comprehensive income	474	2,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	474	2,756