

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 7, 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
 Managing Operating Officer
 Scheduled date to file Semi-annual Securities Report: November 8, 2024
 Scheduled date to commence dividend payments: December 3, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	11,628	(15.8)	209	(81.4)	323	(72.4)	126	(84.6)
Six months ended September 30, 2023	13,812	7.0	1,127	266.5	1,174	364.5	827	515.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	9.55		-	
Six months ended September 30, 2023	62.19		-	

(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, 2024	32,050	23,800	74.3	1,789.48
As of March 31, 2024	35,334	24,432	69.1	1,837.05

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, 2024	-	10.00	-	40.00	50.00
Year ending March 31, 2025	-	10.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	30.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	25,500	(17.8)	400	(88.3)	500	(85.6)	350	(88.2)	26.32

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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, 2024	14,950,000 shares	As of March 31, 2024	14,950,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,650,022 shares	As of March 31, 2024	1,650,022 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, 2024	13,299,978 shares	Six months ended September 30, 2023	13,299,978 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,825	5,713
Notes receivable - trade	457	346
Accounts receivable - trade	7,702	5,668
Electronically recorded monetary claims - operating	4,278	1,717
Merchandise and finished goods	3,997	4,154
Work in process	1,829	2,327
Raw materials and supplies	3,047	3,083
Other	284	490
Allowance for doubtful accounts	(31)	(15)
Total current assets	27,393	23,488
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,627	1,563
Machinery, equipment and vehicles, net	619	624
Land	2,238	2,256
Leased assets, net	339	470
Construction in progress	711	1,078
Other, net	233	260
Total property, plant and equipment	5,770	6,253
Intangible assets		
Goodwill	16	12
Other	195	533
Total intangible assets	211	546
Investments and other assets		
Investment securities	213	171
Deferred tax assets	689	562
Retirement benefit asset	797	815
Other	259	212
Total investments and other assets	1,959	1,762
Total non-current assets	7,941	8,562
Total assets	35,334	32,050

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,850	2,819
Electronically recorded obligations - operating	405	276
Short-term borrowings	1,000	1,000
Accounts payable - other	1,394	1,008
Accrued expenses	723	701
Income taxes payable	1,001	113
Contract liabilities	211	215
Provision for bonuses	895	770
Provision for product warranties	44	41
Provision for loss on orders received	73	98
Other	922	646
Total current liabilities	10,522	7,691
Non-current liabilities		
Lease liabilities	155	332
Directors' retirement benefits payable	68	68
Deferred tax liabilities	9	12
Provision for director's stock based compensation	33	33
Retirement benefit liability	58	57
Other	54	55
Total non-current liabilities	378	559
Total liabilities	10,901	8,250
Net assets		
Shareholders' equity		
Share capital	2,774	2,774
Capital surplus	2,755	2,755
Retained earnings	18,561	18,151
Treasury shares	(1,597)	(1,597)
Total shareholders' equity	22,493	22,083
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	28	26
Foreign currency translation adjustment	1,697	1,482
Remeasurements of defined benefit plans	213	206
Total accumulated other comprehensive income	1,939	1,716
Total net assets	24,432	23,800
Total liabilities and net assets	35,334	32,050

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, 2023	Six months ended September 30, 2024
Net sales	13,812	11,628
Cost of sales	10,247	8,869
Gross profit	3,564	2,758
Selling, general and administrative expenses	2,437	2,548
Operating profit	1,127	209
Non-operating income		
Interest income	6	14
Dividend income	0	1
Rental income	6	7
Compensation income for damage	–	109
Other	86	37
Total non-operating income	100	169
Non-operating expenses		
Interest expenses	11	8
Share of loss of entities accounted for using equity method	–	39
Loss on valuation of derivatives	–	5
Foreign exchange losses	39	0
Other	1	1
Total non-operating expenses	53	55
Ordinary profit	1,174	323
Profit before income taxes	1,174	323
Income taxes - current	395	66
Income taxes - deferred	(48)	129
Total income taxes	347	196
Profit	827	126
Profit attributable to owners of parent	827	126

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	827	126
Other comprehensive income		
Valuation difference on available-for-sale securities	9	(1)
Foreign currency translation adjustment	490	(214)
Remeasurements of defined benefit plans, net of tax	10	(6)
Total other comprehensive income	509	(222)
Comprehensive income	1,336	(95)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,336	(95)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,174	323
Depreciation	474	442
Amortization of goodwill	3	3
Increase (decrease) in allowance for doubtful accounts	4	(16)
Increase (decrease) in provision for bonuses	79	(122)
Increase (decrease) in provision for product warranties	(6)	(2)
Increase (decrease) in provision for loss on orders received	4	25
Decrease (increase) in retirement benefit asset	(14)	(27)
Increase (decrease) in retirement benefit liability	2	(1)
Interest and dividend income	(7)	(15)
Interest expenses	11	8
Share of loss (profit) of entities accounted for using equity method	–	39
Decrease (increase) in trade receivables	270	4,656
Decrease (increase) in inventories	(2,019)	(747)
Increase (decrease) in trade payables	527	(1,125)
Increase (decrease) in accrued expenses	63	(19)
Other, net	507	(890)
Subtotal	1,074	2,529
Interest and dividends received	6	15
Interest paid	(11)	(8)
Income taxes paid	(312)	(919)
Net cash provided by (used in) operating activities	757	1,616
Cash flows from investing activities		
Purchase of property, plant and equipment	(563)	(920)
Proceeds from sale of property, plant and equipment and intangible assets	–	0
Purchase of intangible assets	(8)	(315)
Other, net	–	12
Net cash provided by (used in) investing activities	(572)	(1,224)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000	–
Repayments of lease liabilities	(62)	(49)
Proceeds from sale and leaseback transactions	–	179
Dividends paid	(291)	(536)
Net cash provided by (used in) financing activities	646	(406)
Effect of exchange rate change on cash and cash equivalents	148	(102)
Net increase (decrease) in cash and cash equivalents	980	(115)
Cash and cash equivalents at beginning of period	3,959	5,825
Cash and cash equivalents at end of period	4,939	5,709