

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 30, 2023

Company name: SUN-WA TECHNOS CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 8137 URL <https://www.sunwa.co.jp/>  
 Representative: President and Representative Director Akihiro matsuo  
 Executive Officer and General Manager Takamichi Matoba  
 Administration Headquarters TEL 03-5202-4011  
 Scheduled date to file Quarterly Securities Report: November 10, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	88,867	5.3	3,442	4.3	3,700	3.5	3,075	21.7
Six months ended September 30, 2022	84,356	18.8	3,299	56.5	3,575	62.9	2,528	63.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	201.75		-	
Six months ended September 30, 2022	163.50		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	105,671	46,188	43.7
As of March 31, 2023	106,581	44,484	41.7

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	-	20.00	-	70.00	90.00
Year ending March 31, 2024	-	45.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	45.00	90.00

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	166,500	(8.0)	5,510	(27.8)	5,860	(23.6)	4,570	(16.8)	299.74

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: Yes
- (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, 2023	16,044,000 shares	As of March 31, 2023	16,044,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	932,391 shares	As of March 31, 2023	562,331 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, 2023	15,246,437 shares	Six months ended September 30, 2022	15,462,672 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,145	15,040
Notes and accounts receivable - trade, and contract assets	48,455	46,290
Electronically recorded monetary claims - operating	10,467	10,784
Merchandise	17,488	19,188
Work in process	3	20
Other	3,871	3,076
Allowance for doubtful accounts	(167)	(163)
Total current assets	94,263	94,239
Non-current assets		
Property, plant and equipment	2,272	2,170
Intangible assets	221	196
Investments and other assets	9,824	9,066
Total non-current assets	12,318	11,432
Total assets	106,581	105,671
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,988	22,755
Electronically recorded obligations - operating	19,347	18,108
Short-term borrowings	9,557	9,368
Income taxes payable	1,378	1,174
Provisions	-	29
Other	3,598	3,043
Total current liabilities	59,870	54,481
Non-current liabilities		
Long-term borrowings	-	3,000
Long-term accounts payable - other	52	51
Provision for retirement benefits for directors (and other officers)	124	131
Retirement benefit liability	775	781
Other	1,274	1,037
Total non-current liabilities	2,227	5,001
Total liabilities	62,097	59,483
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,544	3,587
Retained earnings	31,742	33,735
Treasury shares	(812)	(1,679)
Total shareholders' equity	38,202	39,369
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,319	3,874
Foreign currency translation adjustment	1,962	2,944
Total accumulated other comprehensive income	6,282	6,819
Total net assets	44,484	46,188
Total liabilities and net assets	106,581	105,671

**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, 2022	Six months ended September 30, 2023
Net sales	84,356	88,867
Cost of sales	73,623	77,688
Gross profit	10,733	11,179
Selling, general and administrative expenses	7,433	7,736
Operating profit	3,299	3,442
Non-operating income		
Interest income	7	4
Dividend income	81	89
Purchase discounts	18	19
Rental income from buildings	69	74
Foreign exchange gains	84	106
Other	95	89
Total non-operating income	357	385
Non-operating expenses		
Interest expenses	47	94
Loss on sale of trade receivables	23	15
Other	10	17
Total non-operating expenses	81	127
Ordinary profit	3,575	3,700
Extraordinary income		
Gain on sale of non-current assets	–	8
Gain on sale of investment securities	12	557
Gain on sale of shares of subsidiaries and associates	21	–
Total extraordinary income	34	566
Profit before income taxes	3,610	4,266
Income taxes	1,081	1,190
Profit	2,528	3,075
Profit attributable to owners of parent	2,528	3,075

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,528	3,075
Other comprehensive income		
Valuation difference on available-for-sale securities	(474)	(444)
Foreign currency translation adjustment	1,662	981
Total other comprehensive income	1,187	536
Comprehensive income	3,715	3,612
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,715	3,612
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,610	4,266
Depreciation	182	173
Increase (decrease) in allowance for doubtful accounts	(0)	0
Interest and dividend income	(89)	(94)
Interest expenses	47	94
Foreign exchange losses (gains)	106	33
Loss (gain) on sale of investment securities	(12)	(557)
Decrease (increase) in trade receivables	(647)	2,880
Decrease (increase) in inventories	(3,515)	(1,154)
Increase (decrease) in trade payables	(995)	(5,442)
Other, net	1,732	367
Subtotal	419	568
Interest and dividends received	89	73
Interest paid	(54)	(96)
Income taxes paid	(1,351)	(1,413)
Net cash provided by (used in) operating activities	(897)	(868)
Cash flows from investing activities		
Purchase of property, plant and equipment	(52)	(64)
Proceeds from sale of property, plant and equipment	–	150
Purchase of investment securities	(228)	(8)
Proceeds from sale of investment securities	15	707
Other, net	30	(35)
Net cash provided by (used in) investing activities	(234)	749
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,906	(325)
Proceeds from long-term borrowings	–	3,000
Repayments of long-term borrowings	(2,400)	–
Repayments of lease liabilities	(59)	(63)
Purchase of treasury shares	(0)	(1,000)
Dividends paid	(308)	(1,083)
Net cash provided by (used in) financing activities	2,137	527
Effect of exchange rate change on cash and cash equivalents	949	486
Net increase (decrease) in cash and cash equivalents	1,955	894
Cash and cash equivalents at beginning of period	13,565	13,661
Cash and cash equivalents at end of period	15,521	14,556