

Translation

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

December 27, 2023

Company name: SANYO SHOKAI LTD.
 Stock exchange listing: Tokyo
 Stock code: 8011 URL <https://www.sanyo-shokai.co.jp/>
 Representative: Representative Director, President & Chief Shinji Oe
 Operating Officer
 General Manager of Accounting
 Inquiries: Department, Accounting & Finance Tatsuji Tsuchida TEL 03-6380-5346
 Headquarters
 Scheduled date to file Quarterly Securities Report: January 12, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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 November 30, 2023 (from March 1, 2023 to November 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	%
Nine months ended November 30, 2023	44,603	6.4	1,727	68.0	1,773	52.4	1,696	72.2
Nine months ended November 30, 2022	41,937	–	1,028	–	1,163	–	985	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2023	145.41		–	
Nine months ended November 30, 2022	81.11		77.98	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	57,157	39,025	68.3
As of February 28, 2023	54,413	36,435	66.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2023	–	0.00	–	55.00	55.00
Year ending February 29, 2024	–	0.00	–		
Year ending February 29, 2024 (Forecast)				88.00	88.00

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 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	61,500	5.5	3,100	38.6	3,200	31.3	2,800	29.9	240.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 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 November 30, 2023	12,622,934 shares	As of February 28, 2023	12,622,934 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	952,521 shares	As of February 28, 2023	965,730 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	11,665,244 shares	Nine months ended November 30, 2022	12,144,692 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	20,896	19,328
Accounts receivable - trade	3,360	5,207
Merchandise and finished goods	8,024	8,997
Other	2,449	2,191
Allowance for doubtful accounts	(5)	(8)
Total current assets	34,725	35,717
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,383	3,260
Land	4,136	4,309
Other, net	1,039	1,184
Total property, plant and equipment	8,559	8,753
Intangible assets		
Trademark right	2,512	2,275
Other	714	958
Total intangible assets	3,226	3,233
Investments and other assets		
Investment securities	5,748	7,959
Leasehold and guarantee deposits	1,081	1,022
Retirement benefit asset	3	-
Other	1,074	477
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	7,902	9,452
Total non-current assets	19,687	21,440
Total assets	54,413	57,157

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,265	5,304
Current portion of convertible bond-type bonds with share acquisition rights	553	–
Short-term borrowings	3,000	–
Current portion of long-term borrowings	–	2,835
Accrued expenses	2,110	2,714
Accrued consumption taxes	359	40
Income taxes payable	354	262
Provision for bonuses	510	272
Provision for bonuses for directors (and other officers)	20	21
Other	565	640
Total current liabilities	12,738	12,090
Non-current liabilities		
Long-term borrowings	3,800	3,965
Long-term accounts payable - other	61	58
Deferred tax liabilities	506	953
Deferred tax liabilities for land revaluation	540	540
Retirement benefit liability	201	235
Other	129	288
Total non-current liabilities	5,239	6,041
Total liabilities	17,978	18,131
Net assets		
Shareholders' equity		
Share capital	15,002	15,002
Capital surplus	9,631	9,631
Retained earnings	8,930	9,960
Treasury shares	(1,608)	(1,586)
Total shareholders' equity	31,955	33,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,132	4,655
Deferred gains or losses on hedges	13	2
Revaluation reserve for land	1,199	1,224
Foreign currency translation adjustment	119	119
Total accumulated other comprehensive income	4,465	6,003
Non-controlling interests	13	15
Total net assets	36,435	39,025
Total liabilities and net assets	54,413	57,157

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Net sales	41,937	44,603
Cost of sales	15,779	16,604
Gross profit	26,157	27,999
Selling, general and administrative expenses	25,129	26,271
Operating profit	1,028	1,727
Non-operating income		
Interest income	0	0
Dividend income	90	105
Share of profit of entities accounted for using equity method	–	15
Foreign exchange gains	66	–
Subsidy income	46	–
Other	26	14
Total non-operating income	229	135
Non-operating expenses		
Interest expenses	72	77
Share of loss of entities accounted for using equity method	20	–
Other	0	12
Total non-operating expenses	93	89
Ordinary profit	1,163	1,773
Extraordinary income		
Gain on sale of non-current assets	–	44
Subsidy income	67	–
Total extraordinary income	67	44
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	33	–
Impairment losses	28	44
Loss on liquidation of subsidiaries and associates	117	–
Total extraordinary losses	179	44
Profit before income taxes	1,051	1,773
Income taxes - current	69	295
Income taxes - deferred	9	(220)
Total income taxes	79	75
Profit	972	1,697
Profit (loss) attributable to non-controlling interests	(13)	1
Profit attributable to owners of parent	985	1,696

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
Profit	972	1,697
Other comprehensive income		
Valuation difference on available-for-sale securities	1,133	1,523
Deferred gains or losses on hedges	(3)	(10)
Foreign currency translation adjustment	23	0
Total other comprehensive income	1,152	1,512
Comprehensive income	2,124	3,210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,137	3,208
Comprehensive income attributable to non-controlling interests	(13)	1