

Translation

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

October 30, 2024

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 Semi-annual Securities Report: November 12, 2024
 Scheduled date to commence dividend payments: December 2, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 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	69,426	(21.9)	1,650	(52.1)	1,681	(54.6)	1,271	(58.7)
Six months ended September 30, 2023	88,867	5.3	3,442	4.3	3,700	3.5	3,075	21.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	83.97		-	
Six months ended September 30, 2023	201.75		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	95,616	49,595	51.9
As of March 31, 2024	98,707	47,966	48.6

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	-	45.00	-	50.00	95.00
Year ending March 31, 2025	-	50.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	70.00	120.00

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	155,070	(6.7)	3,080	(50.4)	3,220	(51.4)	2,410	(51.9)	159.12

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: 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, 2024	16,044,000 shares	As of March 31, 2024	16,044,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	864,019 shares	As of March 31, 2024	932,459 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	15,145,738 shares	Six months ended September 30, 2023	15,246,437 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	19,081	23,431
Notes and accounts receivable - trade, and contract assets	38,487	35,803
Electronically recorded monetary claims - operating	8,930	7,931
Merchandise	17,417	15,305
Work in process	4	11
Other	2,570	2,418
Allowance for doubtful accounts	(141)	(130)
Total current assets	86,350	84,771
Non-current assets		
Property, plant and equipment	2,256	2,232
Intangible assets	166	153
Investments and other assets	9,933	8,459
Total non-current assets	12,356	10,845
Total assets	98,707	95,616
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,939	18,478
Electronically recorded obligations - operating	15,650	11,102
Short-term borrowings	9,007	7,683
Income taxes payable	898	599
Provisions	-	27
Other	2,628	2,952
Total current liabilities	45,124	40,845
Non-current liabilities		
Long-term borrowings	3,000	3,000
Long-term accounts payable - other	51	51
Provision for retirement benefits for directors (and other officers)	137	144
Retirement benefit liability	770	799
Other	1,655	1,180
Total non-current liabilities	5,615	5,176
Total liabilities	50,740	46,021
Net assets		
Shareholders' equity		
Share capital	3,727	3,727
Capital surplus	3,587	3,618
Retained earnings	34,986	35,502
Treasury shares	(1,680)	(1,556)
Total shareholders' equity	40,620	41,291
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,544	3,533
Foreign currency translation adjustment	2,801	4,771
Total accumulated other comprehensive income	7,346	8,304
Total net assets	47,966	49,595
Total liabilities and net assets	98,707	95,616

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	88,867	69,426
Cost of sales	77,688	59,990
Gross profit	11,179	9,436
Selling, general and administrative expenses	7,736	7,786
Operating profit	3,442	1,650
Non-operating income		
Interest income	4	19
Dividend income	89	74
Purchase discounts	19	12
Rental income from buildings	74	75
Foreign exchange gains	106	–
Other	89	83
Total non-operating income	385	266
Non-operating expenses		
Interest expenses	94	96
Loss on sale of trade receivables	15	15
Foreign exchange losses	–	113
Other	17	10
Total non-operating expenses	127	236
Ordinary profit	3,700	1,681
Extraordinary income		
Gain on sale of non-current assets	8	–
Gain on sale of investment securities	557	167
Total extraordinary income	566	167
Profit before income taxes	4,266	1,848
Income taxes	1,190	576
Profit	3,075	1,271
Profit attributable to owners of parent	3,075	1,271

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,075	1,271
Other comprehensive income		
Valuation difference on available-for-sale securities	(444)	(1,011)
Foreign currency translation adjustment	981	1,969
Total other comprehensive income	536	958
Comprehensive income	3,612	2,230
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,612	2,230
Comprehensive income attributable to non-controlling interests	—	—

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	4,266	1,848
Depreciation	173	188
Increase (decrease) in allowance for doubtful accounts	0	(16)
Interest and dividend income	(94)	(94)
Interest expenses	94	96
Foreign exchange losses (gains)	33	(42)
Loss (gain) on sale of investment securities	(557)	(167)
Decrease (increase) in trade receivables	2,880	5,115
Decrease (increase) in inventories	(1,154)	3,010
Increase (decrease) in trade payables	(5,442)	(4,115)
Other, net	367	643
Subtotal	568	6,467
Interest and dividends received	73	77
Interest paid	(96)	(96)
Income taxes paid	(1,413)	(889)
Net cash provided by (used in) operating activities	(868)	5,559
Cash flows from investing activities		
Purchase of property, plant and equipment	(64)	(35)
Proceeds from sale of property, plant and equipment	150	–
Purchase of investment securities	(8)	(6)
Proceeds from sale of investment securities	707	185
Other, net	(35)	(47)
Net cash provided by (used in) investing activities	749	95
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(325)	(1,351)
Proceeds from long-term borrowings	3,000	–
Repayments of lease liabilities	(63)	(54)
Purchase of treasury shares	(1,000)	(0)
Dividends paid	(1,083)	(755)
Net cash provided by (used in) financing activities	527	(2,161)
Effect of exchange rate change on cash and cash equivalents	486	837
Net increase (decrease) in cash and cash equivalents	894	4,331
Cash and cash equivalents at beginning of period	13,661	18,597
Cash and cash equivalents at end of period	14,556	22,929