

## Consolidated Financial Results for the quarter ended June 30, 2022

(Consolidated financial information has been prepared in accordance with J-GAAP.)  
English translation from the original Japanese-language document

August 8, 2022

Company name	: Sanoh Industrial Co., Ltd.
Stock exchange listings	: Tokyo Stock Exchange, Japan
Code number	: 6584
URL	: <a href="https://www.sanoh.com/">https://www.sanoh.com/</a>
Representative	: Genya Takeda, Representative Director & President
Contact person	: Munetoshi Sasaki, Corporate Vice President and CFO, General Manager of Financial Headquarters Tel. 03-6879-2622
Reporting date of Quarterly Securities Report	: August 8, 2022
Payment date of Dividend	: NA
Supplemental material for Financial Statements	: Available
Schedule for Financial Results Briefing Session	: NA

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Results for FY2022 first quarter (April 1, 2022 to June 30, 2022)

#### (1) Consolidated Financial Results

(% are change from previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of the holding company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Quarter ended June 2022	31,054	5.3	133	(93.6)	387	(82.2)	(476)	—
Quarter ended June 2021	29,494	14.0	2,059	—	2,181	—	1,389	—

(Note) Comprehensive income: FY2022 Q1: 221 million yen | FY2021 Q1: 2,863 million yen

	Earnings per share	Diluted earnings per share
	Yen	Yen
Quarter ended June 2022	(13.17)	—
Quarter ended June 2021	38.44	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As on June 30, 2022	99,996	40,893	38.0	1,051.14
As on March 31, 2022	96,437	41,682	40.1	1,069.43

(Reference) Shareholders' Equity: FY2022 Q1: 37,982 million yen | FY2021 Q1: 38,643 million yen

### 2. Cash Dividends

	Annual cash dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 2022	—	12.50	—	12.50	25.00
Year ended March 2023	—	—	—	—	—
Year ended March 2023 (Forecast)	—	12.50	—	12.50	25.00

(Note) Modifications from most recent dividend forecast: —

### 3. Forecast of Consolidated Results for year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

(% are change from previous year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	128,000	10.4	2,500	14.5	2,400	(7.1)	1,000	(0.9)	27.68

#### Consolidated Operating Results

	For the Quarter ended				
	June 30, 2021		June 30, 2022		
	JPY in millions	YoY %	JPY in millions	YoY %	USD in thousands
Sales	¥29,494	14.0	¥31,054	5.3	\$227,205
Operating Income	2,059	—	133	(93.6)	972
Ordinary Income	2,181	—	387	(82.2)	2,834
Profit (Loss) Attributable to Owners of Parent	1,389	—	(476)	—	(3,483)
Net Income (Loss) per share	JPY		JPY		US\$
Basic Net Income (Loss)	¥38.44		¥13.17		(\$0.10)

(Note) Comprehensive income: FY2022 Q1: 221 million yen (92.3%) | FY2021 Q1: 2,863 million yen (—)

#### Segment Information

Sales	For the Quarter ended		
	June 30, 2021	June 30, 2022	
	JPY in millions	JPY in millions	USD in thousands
Japan	¥10,824	¥10,241	\$74,928
America	8,242	8,689	63,569
Europe	5,899	5,616	41,091
China	4,760	5,128	37,520
Asia	4,760	6,212	45,453
Adjs.	(4,991)	(4,832)	(35,353)
Consolidated	29,494	31,054	227,205

Operating Income	For the Quarter ended		
	June 30, 2021	June 30, 2022	
	JPY in millions	JPY in millions	USD in thousands
Japan	¥687	(42)	(310)
America	255	(916)	(6,700)
Europe	384	(2)	(12)
China	262	303	2,220
Asia	554	700	5,120
Adjs.	(82)	89	654
Consolidated	2,059	133	972

#### Notes:

- USD amounts are included solely for the convenience of the readers outside Japan and have been prepared at the rate USD 1.00 being equal to JPY 136.68, the approximate exchange rate prevailing on June 30, 2022.  
Such translation should not be construed as representations that the JPY amounts could be converted into USD amounts at that or any other rate.
- Amounts in JPY are rounded to the nearest million whereas amounts in USD are rounded to thousand.
- “Adjs.” of segment operating income for the year ended June 30, 2022 of 89 million yen includes inventory adjustment of 47 million yen and fixed assets adjustments of 42 million yen.  
“Adjs.” of segment operating income for the year ended June 30, 2021 of (82) million yen includes inventory adjustment of (127) million yen and fixed assets adjustments of 45 million yen.

## Consolidated Financial Statements

### 1. Consolidated Balance Sheet

(Amounts are rounded to the nearest million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	13,404	13,246
Notes and accounts receivable - trade, and contract assets	16,499	18,365
Electronically recorded monetary claims - operating	255	244
Finished goods	4,463	4,906
Work in process	5,051	5,595
Raw materials and supplies	11,954	11,594
Other	1,867	3,620
Allowance for doubtful accounts	△8	△8
<b>Total current assets</b>	<b>53,485</b>	<b>57,562</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,204	18,775
Machinery, equipment and vehicles	74,968	79,146
Tools, furniture and fixtures	12,755	13,334
Land	2,595	2,674
Leased assets	2,125	2,123
Construction in progress	3,408	3,054
Accumulated depreciation	△74,529	△78,343
Accumulated impairment	△9,479	△9,741
<b>Total property, plant and equipment</b>	<b>30,047</b>	<b>31,022</b>
Intangible assets		
Leased assets	52	46
Other	356	424
<b>Total intangible assets</b>	<b>408</b>	<b>471</b>
Investments and other assets		
Investment securities	10,671	9,081
Long-term loans receivable	—	2
Retirement benefit asset	99	123
Deferred tax assets	1,181	1,253
Other	545	483
<b>Total investments and other assets</b>	<b>12,496</b>	<b>10,942</b>
<b>Total non-current assets</b>	<b>42,952</b>	<b>42,434</b>
<b>Total assets</b>	<b>96,437</b>	<b>99,996</b>

(Amounts are rounded to the nearest million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,685	9,760
Electronically recorded obligations - operating	4,324	4,240
Short-term borrowings	16,760	18,715
Accounts payable - other	1,652	2,131
Lease liabilities	299	302
Income taxes payable	476	666
Accrued consumption taxes	234	494
Provision for bonuses	1,151	1,805
Provision for bonuses for directors (and other officers)	22	26
Provision for product warranties	127	127
Other	3,133	3,324
<b>Total current liabilities</b>	<b>36,863</b>	<b>41,590</b>
<b>Non-current liabilities</b>		
Long-term borrowings	10,945	10,709
Lease liabilities	673	668
Deferred tax liabilities	1,928	1,457
Provision for retirement benefits for directors (and other officers)	164	164
Retirement benefit liability	3,903	4,017
Other	278	497
<b>Total non-current liabilities</b>	<b>17,891</b>	<b>17,513</b>
<b>Total liabilities</b>	<b>54,754</b>	<b>59,103</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,481	3,481
Capital surplus	2,365	2,365
Retained earnings	30,382	29,451
Treasury shares	△646	△646
<b>Total shareholders' equity</b>	<b>35,582</b>	<b>34,651</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,845	4,724
Foreign currency translation adjustment	△2,530	△1,115
Remeasurements of defined benefit plans	△254	△278
<b>Total accumulated other comprehensive income</b>	<b>3,061</b>	<b>3,331</b>
Non-controlling interests	3,039	2,911
<b>Total net assets</b>	<b>41,682</b>	<b>40,893</b>
<b>Total liabilities and net assets</b>	<b>96,437</b>	<b>99,996</b>

## 2. Consolidated Income Statement and Consolidated Comprehensive Income Statement

### Consolidated Income Statement

(Amounts are rounded to the nearest million yen)

	Quarter ended June 30, 2021	Quarter ended June 30, 2022
Net sales	29,494	31,054
Cost of sales	24,435	27,656
Gross profit	5,059	3,399
Selling, general and administrative expenses	2,999	3,266
Operating profit	2,059	133
Non-operating income		
Interest income	25	22
Dividend income	65	68
Subsidy income	—	23
Foreign exchange gains	98	302
Other	74	26
Total non-operating income	262	441
Non-operating expenses		
Interest expenses	95	155
Other	45	31
Total non-operating expenses	140	186
Ordinary profit	2,181	387
Extraordinary income		
Gain on sale of non-current assets	3	15
Gain on sale of investment securities	53	—
Total extraordinary income	56	15
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	4	10
Provision for loss on litigation	—	189
Total extraordinary losses	4	200
Profit before income taxes	2,233	203
Income taxes - current	528	488
Income taxes - deferred	116	2
Total income taxes	644	490
Profit (loss)	1,589	△287
Profit attributable to non-controlling interests	201	189
Profit (loss) attributable to owners of parent	1,389	△476

### 3. Consolidated Comprehensive Income Statement

(Amounts are rounded to the nearest million yen)

	Quarter ended June 30, 2021	Quarter ended June 30, 2022
Profit (loss)	1,589	△287
Other comprehensive income		
Valuation difference on available-for-sale securities	△59	△1,121
Foreign currency translation adjustment	1,325	1,654
Remeasurements of defined benefit plans, net of tax	8	△24
Total other comprehensive income	1,274	509
Comprehensive income	2,863	221
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,588	△206
Comprehensive income attributable to non-controlling interests	275	427

#### 4. Consolidated Statement of Cash Flows

(Amounts are rounded to the nearest million yen)

	Quarter ended June 30, 2021	Quarter ended June 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,233	203
Depreciation	1,218	1,346
Loss on retirement of property, plant and equipment	4	10
Loss (gain) on sale of property, plant and equipment	△3	△15
Interest and dividend income	△90	△89
Interest expenses	95	155
Loss (gain) on sale of investment securities	△53	—
Provision for loss on litigation	—	189
Decrease (increase) in trade receivables	1,775	△793
Decrease (increase) in inventories	△1,298	904
Increase (decrease) in trade payables	84	25
Increase (decrease) in provision for bonuses	724	622
Increase (decrease) in accounts payable - other	△581	278
Increase (decrease) in accrued expenses	△105	△400
Increase (decrease) in retirement benefit liability	△19	△45
Other, net	486	△1,741
Subtotal	4,469	651
Interest and dividends received	90	89
Interest paid	△82	△163
Income taxes paid	△835	△294
Net cash provided by (used in) operating activities	3,642	283
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△897	△1,212
Proceeds from sale of property, plant and equipment	3	62
Purchase of investment securities	△5	△6
Proceeds from sale of investment securities	161	—
Other, net	53	△7
Net cash provided by (used in) investing activities	△686	△1,163
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	△74	1,433
Proceeds from long-term borrowings	149	19
Repayments of long-term borrowings	△885	△263
Dividends paid	△437	△455
Dividends paid to non-controlling interests	△272	△555
Repayments of lease liabilities	△74	△99
Purchase of treasury shares	—	△0
Net cash provided by (used in) financing activities	△1,592	79
Effect of exchange rate change on cash and cash equivalents	275	643
Net increase (decrease) in cash and cash equivalents	1,639	△158
Cash and cash equivalents at beginning of period	14,418	13,404
Cash and cash equivalents at end of period	16,056	13,246