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May 13, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Based on Japanese GAAP)

Company name: SANRITSU CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9366
 URL: <https://www.srt.co.jp/>
 Representative: Yasuhide Miura, President and Representative Director
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 Scheduled date to file Securities Report: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to one million yen, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	19,398	(4.6)	865	(15.1)	786	(34.7)	572	(41.6)
March 31, 2023	20,335	9.8	1,019	(3.9)	1,203	8.7	980	29.1

Note: Comprehensive income Fiscal year ended March 31, 2024: ¥763 million [(32.4) %]
 Fiscal year ended March 31, 2023: ¥1,129 million [25.6 %]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
March 31, 2024	103.28	100.76	5.5	3.7	4.5
March 31, 2023	175.00	170.56	10.1	5.8	5.0

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	yen
March 31, 2024	21,356	10,777	49.7	1,909.16
March 31, 2023	21,171	10,255	47.7	1,834.96

Reference: Equity
 As of March 31, 2024: ¥10,619 million
 As of March 31, 2023: ¥10,105 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	1,103	(976)	(677)	2,220
March 31, 2023	1,415	(904)	(678)	2,725

2. Cash dividends

	Annual dividends per share					Total dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	0.00	-	50.0	50.0	275	28.6	2.9
Fiscal year ending	-	0.00	-	31.0	31.0	172	30.0	1.7
March 31, 2024	-	0.00	-	34.0	34.0		30.4	
Fiscal year ending	-	0.00	-	34.0	34.0		30.4	
March 31, 2025 (Forecast)	-	0.00	-	34.0	34.0		30.4	

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Six months ending September 30, 2024	9,600	0.5	360	0.1	350	(23.9)	240	(23.6)	43.28
Fiscal year ending March 31, 2025	20,500	5.7	920	6.3	900	14.4	620	8.3	111.82

*** Notes**

- (1) Changes in significant subsidiaries during the period
(changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	6,006,373 shares
As of March 31, 2023	6,006,373 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	443,973 shares
As of March 31, 2023	499,117 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended March 31, 2024	5,544,776 shares
Fiscal year ended March 31, 2023	5,603,297 shares

* “Summary of Consolidated Financial Results” (the Japanese original and English translation) are outside the scope of quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts given in this document are based on the information currently available to the company and certain assumptions deemed reasonable by the company. Therefore, we may not be successful in achieving forecasted results. Actual results may differ significantly from these forecasts due to various factors.

Reference: Summary of Non-consolidated Financial Results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	16,707	(8.5)	618	(28.6)	514	(47.3)	345	(57.0)
March 31, 2023	18,263	9.5	866	(10.8)	976	(7.4)	803	9.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	62.23	60.71
March 31, 2023	143.37	139.74

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	yen
March 31, 2024	19,785	9,829	49.4	1,758.57
March 31, 2023	20,099	9,650	47.8	1,743.24

Reference: Equity

As of March 31, 2024: ¥9,781 million
As of March 31, 2023: ¥9,600 million

Consolidated Financial Statements
Consolidated Balance Sheets

(Unit: thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,725,777	2,220,135
Notes receivable - trade	207,838	31,299
Accounts receivable - trade	3,274,987	3,505,357
Income taxes refund receivable	-	59,228
Raw materials and supplies	395,317	447,369
Other	283,941	188,793
Allowance for doubtful accounts	(5,100)	(5,200)
Total current assets	6,882,762	6,446,983
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,056,914	8,486,098
Machinery, equipment and vehicles, net	327,070	330,153
Land	2,864,088	2,907,078
Leased assets, net	784,809	669,149
Construction in progress	943,418	75,910
Other, net	40,272	37,538
Total property, plant and equipment	12,016,573	12,505,928
Intangible assets		
Software	287,768	237,248
Software in progress	-	4,730
Other	783	645
Total intangible assets	288,551	242,623
Investments and other assets		
Investment securities	424,364	518,964
Deferred tax assets	809,381	764,597
Other	755,711	883,325
Allowance for doubtful accounts	(6,192)	(5,761)
Total investments and other assets	1,983,265	2,161,125
Total non-current assets	14,288,391	14,909,677
Total assets	21,171,153	21,356,661

(Unit: thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	820,660	818,699
Short-term loans payable	3,314,213	3,218,257
Lease obligations	245,746	277,382
Income taxes payable	271,385	13,373
Provision for bonuses	520,469	380,933
Other	1,032,956	1,036,803
Total current liabilities	6,205,431	5,745,450
Non-current liabilities		
Long-term loans payable	2,639,087	2,750,327
Lease obligations	468,258	316,691
Net defined benefit liability	879,108	890,176
Asset retirement obligations	477,285	488,750
Derivatives liabilities	37,966	99,080
Other	208,936	288,980
Total non-current liabilities	4,710,643	4,834,006
Total liabilities	10,916,074	10,579,456
Net assets		
Shareholders' equity		
Capital stock	2,523,866	2,523,866
Capital surplus	2,460,009	2,465,429
Retained earnings	5,068,188	5,365,511
Treasury shares	(283,840)	(252,489)
Total shareholders' equity	9,768,224	10,102,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	186,501	259,775
Deferred gains (losses) on hedges	(1,658)	—
Foreign currency translation adjustment	179,776	284,631
Remeasurements of defined benefit plans	(27,244)	(27,217)
Total accumulated other comprehensive income	337,374	517,189
Share acquisition rights	49,697	47,277
Non-controlling interests	99,782	110,420
Total net assets	10,255,079	10,777,204
Total liabilities and net assets	21,171,153	21,356,661

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Unit: thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	20,335,055	19,398,163
Cost of sales	16,192,473	15,024,521
Gross profit	4,142,581	4,373,641
Selling, general and administrative expenses		
Selling expenses	1,370,220	1,467,249
General and administrative expenses	1,753,312	2,040,881
Total selling, general and administrative expenses	3,123,532	3,508,131
Operating profit	1,019,048	865,510
Non-operating income		
Interest income	11,560	18,887
Dividend income	11,987	12,314
Insurance income	13,769	6,250
Foreign exchange gains	222,730	171,472
Compensation for damage received	—	17,606
Other	32,618	20,855
Total non-operating income	292,666	247,386
Non-operating expenses		
Interest expenses	81,495	72,293
Loss on valuation of derivatives	20,293	61,114
Fees for syndicated loans	—	192,000
Fees expenses	2,999	747
Other	3,276	213
Total non-operating expenses	108,064	326,368
Ordinary profit	1,203,650	786,528
Extraordinary income		
Gain on sale of non-current assets	131,797	429
Gain on sale of investment securities	39,206	—
Disaster insurance income	37,407	—
Total extraordinary income	208,411	429
Extraordinary losses		
Loss on retirement of non-current assets	755	18,324
Loss on disaster	29,220	—
Total extraordinary losses	29,975	18,324
Profit before income taxes	1,382,086	768,633
Income taxes—current	422,293	160,265
Income taxes for prior periods	13,191	—
Income taxes—deferred	(45,023)	25,045
Total income taxes	390,461	185,310
Profit	991,624	583,322
Profit attributable to non-controlling interests	11,064	10,637
Profit attributable to owners of parent	980,560	572,684

Consolidated Statements of Comprehensive Income

(Unit: thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	991,624	583,322
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,436)	73,273
Deferred gains or losses on hedges	6,472	1,658
Foreign currency translation adjustment	142,736	104,854
Remeasurements of defined benefit plans, net of tax	1,700	27
Total other comprehensive income	137,471	179,815
Comprehensive income	1,129,096	763,137
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,119,569	752,500
Comprehensive income attributable to non-controlling interests	9,526	10,637

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	2,523,866	2,451,719	4,313,148	(181,244)	9,107,489
Changes during the period					
Dividends of surplus			(225,519)		(225,519)
Profit attributable to owners of parent			980,560		980,560
Purchase of treasury shares		(64)		(127,635)	(127,699)
Disposal of treasury shares		8,355		25,039	33,394
Net changes in items other than shareholders' equity					
Total changes during the period	—	8,290	755,040	(102,595)	660,735
Balance at the end of the period	2,523,866	2,460,009	5,068,188	(283,840)	9,768,224

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	198,400	(8,130)	37,040	(28,944)	198,364	52,171	90,256	9,448,282
Changes during the period								
Dividends of surplus								(225,519)
Profit attributable to owners of parent								980,560
Purchase of treasury shares								(127,699)
Disposal of treasury shares								33,394
Net changes in items other than shareholders' equity	(11,898)	6,472	142,736	1,700	139,009	(2,474)	9,526	146,061
Total changes during the period	(11,898)	6,472	142,736	1,700	139,009	(2,474)	9,526	806,796
Balance at the end of the period	186,501	(1,658)	179,776	(27,244)	337,374	49,697	99,782	10,255,079

For the fiscal year ended March 31, 2024

(Unit: thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	2,523,866	2,460,009	5,068,188	(283,840)	9,768,224
Changes during the period					
Dividends of surplus			(275,362)		(275,362)
Profit attributable to owners of parent			572,684		572,684
Purchase of treasury shares				(41)	(41)
Disposal of treasury shares		5,419		31,391	36,811
Net changes in items other than shareholders' equity					
Total changes during the period	—	5,419	297,322	31,350	334,092
Balance at the end of the period	2,523,866	2,465,429	5,365,511	(252,489)	10,102,317

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	186,501	(1,658)	179,776	(27,244)	337,374	49,697	99,782	10,255,079
Changes during the period								
Dividends of surplus								(275,362)
Profit attributable to owners of parent								572,684
Purchase of treasury shares								(41)
Disposal of treasury shares								36,811
Net changes in items other than shareholders' equity	73,273	1,658	104,854	27	179,815	(2,420)	10,637	188,032
Total changes during the period	73,273	1,658	104,854	27	179,815	(2,420)	10,637	522,125
Balance at the end of the period	259,775	—	284,631	(27,217)	517,189	47,277	110,420	10,777,204

Consolidated Statements of Cash Flows

(Unit: thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,382,086	768,633
Depreciation	767,853	769,724
Share-based compensation expenses	30,636	33,514
Loss (gain) on sale of non-current assets	(131,797)	(429)
Loss on retirement of non-current assets	—	18,324
Increase (decrease) in net defined benefit liability	30,642	11,107
Loss (gain) on sale of investment securities	(39,206)	—
Increase (decrease) in provision for bonuses	15,887	(139,535)
Increase (decrease) in allowance for doubtful accounts	(219)	(330)
Interest and dividend income	(23,548)	(31,202)
Interest expenses	78,495	72,293
Fees for syndicated loans	—	192,000
Foreign exchange losses (gains)	(222,730)	(170,389)
Disaster insurance income	(37,407)	—
Loss on disaster	29,220	—
Decrease (increase) in notes and accounts receivable-trade	(61,611)	(35,646)
Decrease (increase) in inventories	(114,663)	(40,281)
Decrease (increase) in advances paid	(32,140)	103,611
Increase (decrease) in long-term deposits received	11,925	80,043
Increase (decrease) in notes and accounts payable-trade	73,579	(11,146)
Other	130,995	(14,716)
Subtotal	1,887,996	1,605,573
Interest and dividends income received	23,548	31,023
Interest paid	(79,150)	(69,718)
Income taxes paid	(424,600)	(463,653)
Proceeds from insurance income	44,354	—
Payments associated with disaster loss	(36,718)	—
Net cash provided by (used in) operating activities	1,415,430	1,103,224

(Unit: thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of investment securities	(2,198)	(2,221)
Proceeds from sale of investment securities	78,481	—
Purchase of property, plant and equipment	(1,158,482)	(856,064)
Proceeds from sale of property, plant and equipment	466,335	580
Purchase of intangible assets	(202,696)	(25,883)
Payments for guarantee deposits	(90,072)	(96,553)
Proceeds from collection of guarantee deposits	3,137	2,356
Other, net	530	819
Net cash provided by (used in) investing activities	(904,965)	(976,967)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	100,000	200,000
Proceeds from long-term loans payable	3,500,000	3,500,000
Repayments of long-term loans payable	(3,691,847)	(3,684,716)
Repayments of lease obligations	(230,494)	(223,695)
Proceeds from exercise of share options	7	8
Purchase of treasury shares	(127,635)	(41)
Cash dividends paid	(225,519)	(275,362)
Commitment fees paid	(2,999)	(747)
Fees for syndicated loans paid	—	(193,100)
Net cash provided by (used in) financing activities	(678,488)	(677,653)
Effect of exchange rate change on cash and cash equivalents	144,489	45,754
Net increase (decrease) in cash and cash equivalents	(23,534)	(505,641)
Cash and cash equivalents at the beginning of the period	2,749,312	2,725,777
Cash and cash equivalents at the end of the period	2,725,777	2,220,135