

Translation

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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2024 (Based on Japanese GAAP)

October 4, 2024

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 Semi-annual Securities Report: October 11, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for the press)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2024 (from March 1, 2024 to August 31, 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 August 31, 2024	27,902	(0.9)	599	(16.5)	678	(13.8)	457	(38.5)
Six months ended August 31, 2023	28,155	10.6	718	–	787	–	744	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2024	39.21		–	
Six months ended August 31, 2023	63.84		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	57,924	40,339	69.6
As of February 29, 2024	58,758	41,258	70.2

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 29, 2024	–	0.00	–	88.00	88.00
Year ending February 28, 2025	–	0.00	–	–	–
Year ending February 28, 2025 (Forecast)	–	–	–	125.00	125.00

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 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	62,500	1.9	3,300	8.3	3,400	6.8	3,100	11.2	265.64

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended August 31, 2024: No
- (2) Application of special accounting methods for preparing interim 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 August 31, 2024	12,622,934 shares	As of February 29, 2024	12,622,934 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	942,955 shares	As of February 29, 2024	952,952 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2024	11,674,162 shares	Six months ended August 31, 2023	11,662,981 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	23,283	22,997
Accounts receivable - trade	3,311	2,615
Merchandise and finished goods	7,298	8,215
Other	2,320	2,339
Allowance for doubtful accounts	(5)	(4)
Total current assets	36,209	36,163
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,130	3,087
Land	4,309	4,309
Other, net	1,159	1,260
Total property, plant and equipment	8,598	8,657
Intangible assets		
Trademark right	2,197	2,042
Other	910	856
Total intangible assets	3,108	2,899
Investments and other assets		
Investment securities	9,580	9,171
Leasehold and guarantee deposits	978	1,010
Retirement benefit asset	11	9
Other	278	20
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	10,842	10,204
Total non-current assets	22,548	21,761
Total assets	58,758	57,924

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,435	4,593
Current portion of long-term borrowings	2,870	2,140
Accrued expenses	1,935	1,917
Accrued consumption taxes	222	161
Income taxes payable	412	174
Provision for bonuses	482	461
Provision for bonuses for directors (and other officers)	21	3
Other	503	497
Total current liabilities	10,883	9,948
Non-current liabilities		
Long-term borrowings	3,930	4,860
Long-term accounts payable - other	58	53
Deferred tax liabilities	1,543	1,514
Deferred tax liabilities for land revaluation	540	540
Retirement benefit liability	244	257
Other	299	409
Total non-current liabilities	6,616	7,636
Total liabilities	17,499	17,584
Net assets		
Shareholders' equity		
Share capital	15,002	15,002
Capital surplus	9,631	9,640
Retained earnings	11,051	10,482
Treasury shares	(1,587)	(1,571)
Total shareholders' equity	34,097	33,554
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,783	5,485
Deferred gains or losses on hedges	15	(57)
Revaluation reserve for land	1,224	1,224
Foreign currency translation adjustment	121	115
Total accumulated other comprehensive income	7,145	6,767
Non-controlling interests	16	17
Total net assets	41,258	40,339
Total liabilities and net assets	58,758	57,924

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Net sales	28,155	27,902
Cost of sales	10,687	10,358
Gross profit	17,468	17,543
Selling, general and administrative expenses	16,750	16,944
Operating profit	718	599
Non-operating income		
Interest income	0	0
Dividend income	105	119
Share of profit of entities accounted for using equity method	11	20
Other	12	6
Total non-operating income	128	145
Non-operating expenses		
Interest expenses	51	53
Other	7	12
Total non-operating expenses	59	66
Ordinary profit	787	678
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Impairment losses	44	36
Litigation settlement	–	20
Total extraordinary losses	44	57
Profit before income taxes	743	621
Income taxes - current	47	53
Income taxes - deferred	(49)	109
Total income taxes	(2)	162
Profit	745	458
Profit attributable to non-controlling interests	1	1
Profit attributable to owners of parent	744	457

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	745	458
Other comprehensive income		
Valuation difference on available-for-sale securities	1,561	(298)
Deferred gains or losses on hedges	5	(73)
Foreign currency translation adjustment	0	(5)
Total other comprehensive income	1,567	(377)
Comprehensive income	2,312	81
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,311	80
Comprehensive income attributable to non-controlling interests	1	1