

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: SUNCALL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 5985 URL <https://www.suncall.co.jp>
 Representative: Representative Director Tadao Otani
 Inquiries: Director and Managing Executive Officer, Masatoshi Kanada TEL +81-75-881-5280
 General Manager of Division,
 Corporate Planning & Management Division
 Scheduled date of ordinary general meeting of shareholders: June 23, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 26, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	53,399	12.6	304	(53.1)	848	(17.0)	557	(38.4)
Year ended March 31, 2022	47,438	18.2	649	–	1,022	–	904	–

Note: Comprehensive income For the fiscal year ended March 31, 2023 ¥1,524 million [(30.1)%]

For the fiscal year ended March 31, 2022 ¥2,180 million [112.5%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	18.57	18.53	1.5	1.4	0.6
Year ended March 31, 2022	29.34	29.25	2.5	1.8	1.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2023 ¥117 million

For the fiscal year ended March 31, 2022 ¥(4) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	63,735	38,038	59.7	1,264.63
As of March 31, 2022	57,932	37,182	64.1	1,237.07

Reference: Equity As of March 31, 2023 ¥38,020 million

As of March 31, 2022 ¥37,142 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	1,691	(4,946)	2,780	7,707
Year ended March 31, 2022	3,170	(4,822)	1,154	7,510

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	9.00	–	11.00	20.00	607	68.2	1.7
Year ended March 31, 2023	–	11.00	–	9.00	20.00	607	107.7	1.6
Year ending March 31, 2024 (Forecast)	–	10.00	–	10.00	20.00		75.2	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 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
Six months ending September 30, 2023	27,000	0.7	(460)	–	(340)	–	(240)	–	(7.98)
Full year	58,500	9.6	650	113.4	950	11.9	800	43.4	26.61

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2023	34,057,923 shares	As of March 31, 2022	34,057,923 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	3,993,335 shares	As of March 31, 2022	4,033,272 shares
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Average number of shares during the period

Year ended March 31, 2023	30,037,246 shares	Year ended March 31, 2022	30,842,072 shares
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Note: The number of treasury shares includes the Company's shares remained in the trust account related to the performance-linked and share-based remuneration plan.

(Number of treasury shares As of March 31, 2023 342,210 shares
As of March 31, 2022 342,210 shares)

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	35,051	8.7	(1,111)	–	1,356	25.8	979	(21.6)
Fiscal year ended March 31, 2022	32,250	21.4	(216)	–	1,078	–	1,249	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2023	32.60	32.54
Fiscal year ended March 31, 2022	40.50	40.39

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	53,323	33,975	63.7	1,129.48
As of March 31, 2022	49,113	33,883	68.9	1,127.18

Reference: Equity As of March 31, 2023 ¥33,957 million
As of March 31, 2022 ¥33,843 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,510	7,707
Notes receivable - trade	224	258
Accounts receivable - trade	10,842	10,681
Contract assets	9	1
Merchandise and finished goods	2,751	3,840
Work in process	2,339	2,983
Raw materials and supplies	3,371	3,990
Other	1,277	1,986
Total current assets	28,328	31,449
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,738	5,844
Machinery, equipment and vehicles, net	10,334	10,840
Land	1,772	1,810
Leased assets, net	677	562
Construction in progress	2,018	3,051
Other, net	876	892
Total property, plant and equipment	21,417	23,001
Intangible assets	396	344
Investments and other assets		
Investment securities	5,371	6,761
Long-term loans receivable	54	75
Retirement benefit asset	2,074	1,840
Deferred tax assets	15	17
Other	273	246
Total investments and other assets	7,790	8,940
Total non-current assets	29,604	32,286
Total assets	57,932	63,735

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,278	7,103
Short-term borrowings	5,325	7,952
Current portion of long-term borrowings	497	526
Lease liabilities	208	184
Accounts payable - other	2,644	3,871
Income taxes payable	153	152
Provision for bonuses	437	433
Other	926	1,099
Total current liabilities	17,471	21,324
Non-current liabilities		
Long-term borrowings	769	2,123
Lease liabilities	417	244
Deferred tax liabilities	690	471
Retirement benefit liability	1,118	1,132
Provision for share awards	73	125
Other	209	275
Total non-current liabilities	3,278	4,372
Total liabilities	20,750	25,696
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	2,827	2,833
Retained earnings	27,280	27,169
Treasury shares	(1,701)	(1,684)
Total shareholders' equity	33,214	33,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,978	2,761
Deferred gains or losses on hedges	–	10
Foreign currency translation adjustment	202	1,465
Remeasurements of defined benefit plans	747	656
Total accumulated other comprehensive income	3,928	4,894
Share acquisition rights	39	17
Total net assets	37,182	38,038
Total liabilities and net assets	57,932	63,735

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	47,438	53,399
Cost of sales	41,567	47,642
Gross profit	5,871	5,756
Selling, general and administrative expenses		
Transportation and storage costs	674	700
Remuneration for directors (and other officers)	197	266
Salaries and allowances	1,140	1,176
Bonuses	215	240
Provision for bonuses	100	88
Retirement benefit expenses	109	85
Outsourcing expenses	207	218
Depreciation	524	471
Travel and transportation expenses	38	57
Other	2,013	2,147
Total selling, general and administrative expenses	5,221	5,452
Operating profit	649	304
Non-operating income		
Interest income	16	20
Dividend income	117	155
Share of profit of entities accounted for using equity method	–	117
Foreign exchange gains	39	116
Rental income	19	21
Gain on sale of goods	237	181
Other	55	51
Total non-operating income	485	662
Non-operating expenses		
Interest expenses	101	110
Share of loss of entities accounted for using equity method	4	–
Other	6	8
Total non-operating expenses	112	118
Ordinary profit	1,022	848
Extraordinary income		
Gain on sale of non-current assets	23	2
Gain on sale of investment securities	401	625
Profit on cancellation of leases	–	4
Insurance claim income	–	1,318
Other	1	0
Total extraordinary income	426	1,950
Extraordinary losses		
Loss on sale of non-current assets	0	2
Loss on abandonment of non-current assets	17	22
Compensation expenses	–	1,838
Other	0	0
Total extraordinary losses	18	1,864

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit before income taxes	1,431	934
Income taxes - current	387	453
Income taxes - deferred	138	(75)
Total income taxes	526	377
Profit	904	557
Profit attributable to owners of parent	904	557

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	904	557
Other comprehensive income		
Valuation difference on available-for-sale securities	36	(218)
Deferred gains or losses on hedges	13	–
Foreign currency translation adjustment	912	1,255
Remeasurements of defined benefit plans, net of tax	295	(110)
Share of other comprehensive income of entities accounted for using equity method	17	40
Total other comprehensive income	1,275	966
Comprehensive income	2,180	1,524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,180	1,524
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	2,823	26,989	(1,008)	33,613
Cumulative effects of changes in accounting policies			10		10
Restated balance	4,808	2,823	27,000	(1,008)	33,623
Changes during period					
Dividends of surplus			(625)		(625)
Profit attributable to owners of parent			904		904
Purchase of treasury shares				(704)	(704)
Exercise of share acquisition rights		3		11	15
Net changes in items other than shareholders' equity					
Total changes during period	–	3	279	(692)	(409)
Balance at end of period	4,808	2,827	27,280	(1,701)	33,214

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,941	(13)	(728)	452	2,652	55	36,320
Cumulative effects of changes in accounting policies							10
Restated balance	2,941	(13)	(728)	452	2,652	55	36,331
Changes during period							
Dividends of surplus							(625)
Profit attributable to owners of parent							904
Purchase of treasury shares							(704)
Exercise of share acquisition rights							15
Net changes in items other than shareholders' equity	36	13	930	295	1,275	(15)	1,260
Total changes during period	36	13	930	295	1,275	(15)	850
Balance at end of period	2,978	–	202	747	3,928	39	37,182

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	2,827	27,280	(1,701)	33,214
Changes during period					
Dividends of surplus			(668)		(668)
Profit attributable to owners of parent			557		557
Purchase of treasury shares				(0)	(0)
Exercise of share acquisition rights		5		16	21
Net changes in items other than shareholders' equity					
Total changes during period	-	5	(110)	16	(88)
Balance at end of period	4,808	2,833	27,169	(1,684)	33,126

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,978	-	202	747	3,928	39	37,182
Changes during period							
Dividends of surplus							(668)
Profit attributable to owners of parent							557
Purchase of treasury shares							(0)
Exercise of share acquisition rights							21
Net changes in items other than shareholders' equity	(216)	10	1,263	(91)	966	(21)	944
Total changes during period	(216)	10	1,263	(91)	966	(21)	856
Balance at end of period	2,761	10	1,465	656	4,894	17	38,038

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,431	934
Depreciation	3,937	4,203
Increase (decrease) in provision for bonuses	25	(4)
Increase (decrease) in provision for share awards	–	51
Decrease (increase) in retirement benefit asset	(19)	57
Increase (decrease) in retirement benefit liability	69	22
Interest and dividend income	(134)	(176)
Interest expenses	101	110
Foreign exchange losses (gains)	22	(5)
Share of loss (profit) of entities accounted for using equity method	4	(117)
Loss (gain) on sale of non-current assets	(22)	0
Loss on abandonment of non-current assets	17	22
Loss (gain) on sale of investment securities	(401)	(625)
Decrease (increase) in trade receivables	(832)	394
Decrease (increase) in inventories	(1,708)	(1,799)
Increase (decrease) in trade payables	954	(363)
Other, net	(104)	(578)
Subtotal	3,340	2,127
Interest and dividends received	133	200
Interest paid	(106)	(90)
Income taxes paid	(282)	(546)
Income taxes refund	85	0
Net cash provided by (used in) operating activities	3,170	1,691
Cash flows from investing activities		
Purchase of non-current assets	(5,237)	(4,007)
Proceeds from sale of non-current assets	27	3
Proceeds from sale of investment securities	410	845
Purchase of shares of subsidiaries and associates	–	(1,719)
Loan advances	(23)	(69)
Proceeds from collection of loans receivable	0	0
Net cash provided by (used in) investing activities	(4,822)	(4,946)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,377	2,440
Proceeds from long-term borrowings	101	1,786
Repayments of long-term borrowings	(793)	(569)
Repayments of lease liabilities	(202)	(209)
Proceeds from disposal of treasury shares	0	0
Purchase of treasury shares	(704)	(0)
Dividends paid	(624)	(667)
Net cash provided by (used in) financing activities	1,154	2,780
Effect of exchange rate change on cash and cash equivalents	438	671
Net increase (decrease) in cash and cash equivalents	(60)	197
Cash and cash equivalents at beginning of period	7,570	7,510
Cash and cash equivalents at end of period	7,510	7,707