

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 2023

Company name: SUNCALL CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 5985 URL <https://www.suncall.co.jp>
 Representative: Representative Director Tadao Otani
 Director and Senior Managing Executive Officer,
 Inquiries: Chief Operating Officer Management and Masatoshi Kanada TEL 075-881-5280
 General Manager of Division,
 Corporate Planning & Management Division
 Scheduled date to file Quarterly Securities Report: August 4, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	11,713	(8.6)	(878)	–	(563)	–	(509)	–
Three months ended June 30, 2022	12,821	9.3	398	23.2	666	65.0	437	61.9

Note: Comprehensive income For the three months ended June 30, 2023 ¥573 million [(34.3)%]

For the three months ended June 30, 2022 ¥872 million [141.5%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(16.94)	–
Three months ended June 30, 2022	14.58	14.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	65,711	38,343	58.3	1,274.36
As of March 31, 2023	63,735	38,038	59.7	1,264.63

Reference: Equity As of June 30, 2023 ¥38,325 million

As of March 31, 2023 ¥38,020 million

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 March 31, 2023	–	11.00	–	9.00	20.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		10.00	–	10.00	20.00

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

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	24,700	(7.9)	(1,500)	–	(900)	–	(720)	–	(23.94)
Full year	–	–	–	–	–	–	–	–	–

Note: Revisions to the forecast of financial results most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly 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 June 30, 2023	34,057,923 shares	As of March 31, 2023	34,057,923 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	3,983,436 shares	As of March 31, 2023	3,993,335 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	30,067,089 shares	Three months ended June 30, 2022	30,026,905 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 June 30, 2023	332,310 shares
	As of March 31, 2023	342,210 shares)

* Quarterly financial results reports are exempt from quarterly review 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.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	7,707	8,053
Notes and accounts receivable - trade, and contract assets	10,941	10,108
Merchandise and finished goods	3,840	4,624
Work in process	2,983	3,230
Raw materials and supplies	3,990	4,347
Other	1,986	1,336
Total current assets	31,449	31,700
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,844	5,843
Machinery, equipment and vehicles, net	10,840	10,699
Other, net	6,316	6,867
Total property, plant and equipment	23,001	23,411
Intangible assets	344	348
Investments and other assets		
Investment securities	6,761	8,040
Other	2,179	2,210
Total investments and other assets	8,940	10,251
Total non-current assets	32,286	34,011
Total assets	63,735	65,711
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,103	8,015
Short-term borrowings	7,952	8,469
Current portion of long-term borrowings	526	386
Income taxes payable	152	161
Provision for bonuses for directors (and other officers)	–	11
Provision for bonuses	433	287
Other	5,156	5,483
Total current liabilities	21,324	22,814
Non-current liabilities		
Long-term borrowings	2,123	2,153
Retirement benefit liability	1,132	1,140
Provision for share awards	125	147
Other	990	1,111
Total non-current liabilities	4,372	4,553
Total liabilities	25,696	27,367

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	2,833	2,833
Retained earnings	27,169	26,386
Treasury shares	(1,684)	(1,679)
Total shareholders' equity	33,126	32,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,761	3,648
Deferred gains or losses on hedges	10	23
Foreign currency translation adjustment	1,465	1,659
Remeasurements of defined benefit plans	656	645
Total accumulated other comprehensive income	4,894	5,977
Share acquisition rights	17	17
Total net assets	38,038	38,343
Total liabilities and net assets	63,735	65,711

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	12,821	11,713
Cost of sales	11,059	11,199
Gross profit	1,762	514
Selling, general and administrative expenses		
Transportation and storage costs	172	163
Remuneration, salaries and allowances	344	388
Provision for bonuses for directors (and other officers)	13	11
Provision for bonuses	44	44
Retirement benefit expenses	22	22
Other	766	761
Total selling, general and administrative expenses	1,364	1,392
Operating profit (loss)	398	(878)
Non-operating income		
Dividend income	77	73
Gain on sale of goods	42	40
Share of profit of entities accounted for using equity method	10	21
Foreign exchange gains	137	199
Other	23	32
Total non-operating income	291	366
Non-operating expenses		
Interest expenses	22	51
Other	0	1
Total non-operating expenses	23	52
Ordinary profit (loss)	666	(563)
Extraordinary income		
Profit on cancellation of leases	21	–
Insurance claim income	–	114
Other	2	0
Total extraordinary income	24	115
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	3	4
compensation expenses	–	114
Other	0	–
Total extraordinary losses	3	119
Profit (loss) before income taxes	687	(567)
Income taxes - current	139	206
Income taxes - deferred	110	(265)
Total income taxes	249	(58)
Profit (loss)	437	(509)
Profit (loss) attributable to owners of parent	437	(509)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	437	(509)
Other comprehensive income		
Valuation difference on available-for-sale securities	(284)	886
Deferred gains or losses on hedges	–	(0)
Foreign currency translation adjustment	715	243
Remeasurements of defined benefit plans, net of tax	(6)	(10)
Share of other comprehensive income of entities accounted for using equity method	10	(36)
Total other comprehensive income	434	1,082
Comprehensive income	872	573
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	872	573
Comprehensive income attributable to non-controlling interests	–	–