

**SANSEI TECHNOLOGIES, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2021**

## Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,568,802	12,147,701
Notes and accounts receivable - trade	20,721,996	21,191,461
Electronically recorded monetary claims - operating	315,129	205,001
Securities	100,580	-
Work in process	675,265	612,611
Raw materials and supplies	2,405,385	2,378,629
Other	1,655,752	1,168,566
Allowance for doubtful accounts	△ 113,052	△ 83,655
<b>Total current assets</b>	<b>36,329,860</b>	<b>37,620,314</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures	7,658,659	7,618,538
Accumulated depreciation	△ 2,336,022	△ 2,583,792
Buildings and structures, net	5,322,637	5,034,746
Machinery, equipment and vehicles	3,970,283	4,120,684
Accumulated depreciation	△ 3,121,739	△ 3,397,512
Machinery, equipment and vehicles, net	848,543	723,172
Land	4,332,688	4,332,388
Construction in progress	109,125	143,477
Other	1,510,380	1,649,262
Accumulated depreciation	△ 1,020,350	△ 1,204,247
Other, net	490,029	445,015
Total property, plant and equipment	11,103,024	10,678,798
Intangible assets		
Goodwill	8,941,646	8,699,406
Other	2,529,137	1,607,412
Total intangible assets	11,470,784	10,306,819
Investments and other assets		
Investment securities	4,529,244	5,911,195
Long-term loans receivable	42,286	32,272
Deferred tax assets	607,647	899,024
Other	897,883	991,038
Allowance for doubtful accounts	△ 1,251	△ 856
Total investments and other assets	6,075,811	7,832,673
<b>Total non-current assets</b>	<b>28,649,620</b>	<b>28,818,291</b>
<b>Total assets</b>	<b>64,979,481</b>	<b>66,438,606</b>

## Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	2,929,550	2,174,905
Short-term loans payable	1,440,451	6,257,525
Current portion of long-term loans payable	2,294,470	1,355,383
Income taxes payable	480,347	398,091
Accrued consumption taxes	402,986	115,540
Advances received	6,324,759	5,587,605
Provision for bonuses	577,614	504,624
Provision for directors' bonuses	36,750	33,672
Provision for loss on construction contracts	1,446,109	265,589
Other	2,439,358	1,588,517
<b>Total current liabilities</b>	<b>18,372,398</b>	<b>18,281,454</b>
<b>Non-current liabilities</b>		
Long-term loans payable	13,474,703	13,225,232
Deferred tax liabilities	741,066	834,376
Net defined benefit liability	2,199,631	2,372,302
Other	75,238	46,004
<b>Total non-current liabilities</b>	<b>16,490,640</b>	<b>16,477,915</b>
<b>Total liabilities</b>	<b>34,863,039</b>	<b>34,759,370</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,432,895	2,442,954
Retained earnings	24,134,456	24,284,998
Treasury shares	△ 435,953	△ 416,548
Total shareholders' equity	29,382,678	29,562,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,129,444	2,078,321
Deferred gains or losses on hedges	△ 1,130	3,418
Foreign currency translation adjustment	△ 579,437	△ 88,677
Remeasurements of defined benefit plans	△ 18,652	△ 23,918
Total accumulated other comprehensive income	530,224	1,969,143
Share acquisition rights	142,939	147,408
Non-controlling interests	60,600	-
<b>Total net assets</b>	<b>30,116,442</b>	<b>31,679,235</b>
<b>Total liabilities and net assets</b>	<b>64,979,481</b>	<b>66,438,600</b>

## Consolidated statement of income

(Thousand of Yen)

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
<b>Net sales</b>	<b>45,077,568</b>	<b>36,537,672</b>
Cost of sales	32,997,685	26,540,088
<b>Gross profit</b>	<b>12,079,882</b>	<b>9,997,584</b>
Selling, general and administrative expenses	9,207,969	8,574,098
<b>Operating income</b>	<b>2,871,913</b>	<b>1,423,486</b>
Non-operating income		
Interest income	5,654	5,930
Dividend income	120,534	122,341
Dividend income of insurance	118,859	48,688
Rent income	37,296	39,413
Subsidy income	-	143,166
Other	15,012	33,131
Total non-operating income	297,357	392,671
Non-operating expenses		
Interest expenses	243,018	239,572
Commission expenses	5,382	23,399
Foreign exchange losses	19,494	59
Share of loss of entities accounted for using equity method	9,381	-
Other	2,395	9,594
Total non-operating expenses	279,672	272,627
<b>Ordinary income</b>	<b>2,889,598</b>	<b>1,543,530</b>
Extraordinary income		
Gain on sales of non-current assets	3,538	1,041
Gain on sales of investment securities	900	-
Total extraordinary income	4,438	1,041
Extraordinary losses		
Loss on abandonment of non-current assets	21,896	-
Loss on valuation of investment securities	94,470	-
Loss on sale of investment securities	-	103
Impairment loss	175,322	-
Total extraordinary losses	291,690	103
<b>Income before income taxes</b>	<b>2,602,347</b>	<b>1,544,469</b>
Income taxes - current	1,364,910	1,365,756
Income taxes - deferred	△243,690	△ 954,606
Total income taxes	1,121,219	411,150
<b>Net income</b>	<b>1,481,127</b>	<b>1,133,318</b>
<b>Net income attributable to non-controlling interests</b>	<b>60,600</b>	<b>382,033</b>
<b>Net income attributable to owners of parent</b>	<b>1,420,527</b>	<b>751,284</b>

## Consolidated statement of cash flows

(Thousand of Yen)

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,602,347	1,544,469
Depreciation	1,703,688	1,778,419
Amortization of goodwill	756,406	765,694
Impairment loss	175,322	-
Increase (decrease) in provision for bonuses	71,087	△ 72,989
Increase (decrease) in provision for loss on construction contracts	303,710	△ 1,224,519
Increase (decrease) in net defined benefit liability	94,419	165,082
Increase (decrease) in provision for directors' bonuses	2,000	△ 3,077
Increase (decrease) in allowance for doubtful accounts	13,469	△ 32,886
Interest and dividend income	△ 126,189	△ 128,271
Interest expenses	243,018	239,572
Loss (gain) on sales of investment securities	△ 900	103
Loss (gain) on valuation of investment securities	94,470	-
Loss (gain) on sales of non-current assets	△ 3,538	△ 1,041
Loss on abandonment of non-current assets	21,896	4,041
Decrease (increase) in notes and accounts receivable - trade	3,299,393	△ 93,730
Decrease (increase) in inventories	△ 650,178	102,952
Increase (decrease) in notes and accounts payable - trade	△ 1,375,202	△ 779,672
Increase (decrease) in advances received	△ 1,432,244	△ 927,285
Increase (decrease) in accrued consumption taxes	237,290	△ 287,446
Decrease (increase) in consumption taxes refund receivable	87,698	△ 249,516
Share of loss (profit) of entities accounted for using equity method	9,522	-
Decrease (increase) in other assets	△ 306,636	460,608
Increase (decrease) in other liabilities	116,859	△ 402,649
Other, net	35,437	△ 13
Subtotal	5,973,148	857,842
Interest and dividend income received	119,553	134,896
Interest expenses paid	△ 237,255	△ 248,837
Income taxes paid	△ 1,623,561	△ 1,296,962
<b>Net cash provided by (used in) operating activities</b>	<b>4,231,885</b>	<b>△ 553,061</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△ 10,000	△ 20,000
Proceeds from withdrawal of time deposits	10,000	20,000
Proceeds from sales and redemption of securities	-	100,000
Purchase of investment securities	-	△ 24,233
Proceeds from sales and redemption of investment securities	1,527	3,373
Purchase of shares of subsidiaries	-	△ 251,879
Purchase of property, plant and equipment	△ 962,846	△ 469,120
Proceeds from sales of property, plant and equipment	29,844	325
Purchase of intangible assets	△ 123,403	△ 86,458
Payments of loans receivable	△ 42,594	△ 10,081
Collection of loans receivable	13,290	39,406
Other, net	14,502	40,177
<b>Net cash provided by (used in) investing activities</b>	<b>△ 1,069,679</b>	<b>△ 658,489</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	208,126	4,896,500
Proceeds from long-term loans payable	-	1,162,537
Repayments of long-term loans payable	△ 1,276,008	△ 2,290,695
Repayments of lease obligations	△ 45,205	△ 44,068
Proceeds from exercise of share options	14	39
Purchase of treasury shares	△ 77	△ 352
Dividends paid to non-controlling interests	-	△ 444,829
Cash dividends paid	△ 645,865	△ 600,615
<b>Net cash provided by (used in) financing activities</b>	<b>△ 1,759,015</b>	<b>2,678,515</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>△ 179,106</b>	<b>111,934</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,224,084</b>	<b>1,578,898</b>
Cash and cash equivalents at beginning of period	9,311,511	10,535,595
Cash and cash equivalents at end of period	10,535,595	12,114,494