

SANSEI TECHNOLOGIES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	9,344,718	10,568,802
Notes and accounts receivable - trade	24,539,795	20,721,996
Electronically recorded monetary claims - operating	139,689	315,129
Securities	-	100,580
Work in process	771,257	675,265
Raw materials and supplies	1,721,155	2,405,385
Other	1,392,468	1,655,752
Allowance for doubtful accounts	△102,057	△113,052
Total current assets	37,807,027	36,329,860
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,388,129	7,658,659
Accumulated depreciation	△2,109,139	△2,336,022
Buildings and structures, net	5,278,990	5,322,637
Machinery, equipment and vehicles	3,720,322	3,970,283
Accumulated depreciation	△2,933,571	△3,121,739
Machinery, equipment and vehicles, net	786,751	848,543
Land	4,227,306	4,332,688
Construction in progress	29,269	109,125
Other	1,230,697	1,510,380
Accumulated depreciation	△881,782	△1,020,350
Other, net	348,915	490,029
Total property, plant and equipment	10,671,232	11,103,024
Intangible assets		
Goodwill	10,429,637	8,941,646
Other	3,669,158	2,529,137
Total intangible assets	14,098,796	11,470,784
Investments and other assets		
Investment securities	5,103,377	4,529,244
Long-term loans receivable	33,617	42,286
Deferred tax assets	539,053	607,647
Other	936,602	897,883
Allowance for doubtful accounts	△1,645	△1,251
Total investments and other assets	6,611,005	6,075,811
Total non-current assets	31,381,034	28,649,620
Total assets	69,188,062	64,979,481

Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,365,794	2,929,550
Short-term loans payable	1,248,975	1,440,451
Current portion of long-term loans payable	1,276,008	2,294,470
Income taxes payable	684,373	480,347
Accrued consumption taxes	165,696	402,986
Advances received	7,991,272	6,324,759
Provision for bonuses	506,526	577,614
Provision for directors' bonuses	34,750	36,750
Provision for loss on construction contracts	1,179,676	1,446,109
Other	2,254,855	2,439,358
Total current liabilities	19,707,928	18,372,398
Non-current liabilities		
Long-term loans payable	15,783,974	13,474,703
Deferred tax liabilities	1,099,141	741,066
Net defined benefit liability	2,072,009	2,199,631
Other	43,368	75,238
Total non-current liabilities	18,998,494	16,490,640
Total liabilities	38,706,423	34,863,039
Net assets		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,429,502	2,432,895
Retained earnings	23,359,730	24,134,456
Treasury shares	△443,285	△435,953
Total shareholders' equity	28,597,227	29,382,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,394,967	1,129,444
Deferred gains or losses on hedges	8,793	△1,130
Foreign currency translation adjustment	362,070	△579,437
Remeasurements of defined benefit plans	4,390	△18,652
Total accumulated other comprehensive income	1,770,222	530,224
Share acquisition rights	114,189	142,939
Non-controlling interests	-	60,600
Total net assets	30,481,639	30,116,442
Total liabilities and net assets	69,188,062	64,979,481

Consolidated statement of income

(Thousand of Yen)

	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Net sales	52,794,828	45,077,568
Cost of sales	39,365,443	32,997,685
Gross profit	13,429,384	12,079,882
Selling, general and administrative expenses	9,109,844	9,207,969
Operating income	4,319,540	2,871,913
Non-operating income		
Interest income	4,033	5,654
Dividend income	95,515	120,534
Dividend income of insurance	47,806	118,859
Rent income	26,212	37,296
Other	23,560	15,012
Total non-operating income	197,128	297,357
Non-operating expenses		
Interest expenses	201,366	243,018
Commission expenses	5,313	5,382
Foreign exchange losses	7,091	19,494
Share of loss of entities accounted for using equity method	9,043	9,381
Other	9,533	2,395
Total non-operating expenses	232,347	279,672
Ordinary income	4,284,320	2,889,598
Extraordinary income		
Gain on sales of non-current assets	7,742	3,538
Gain on sales of investment securities	3,482	900
Total extraordinary income	11,224	4,438
Extraordinary losses		
Loss on abandonment of non-current assets	-	21,896
Loss on valuation of investment securities	-	94,470
Impairment loss	-	175,322
Total extraordinary losses	-	291,690
Income before income taxes	4,295,545	2,602,347
Income taxes - current	1,383,675	1,364,910
Income taxes - deferred	165,754	△243,690
Total income taxes	1,549,429	1,121,219
Net income	2,746,115	1,481,127
Net income attributable to non-controlling interests	-	60,600
Net income attributable to owners of parent	2,746,115	1,420,527

Consolidated statement of cash flows

(Thousand of Yen)

	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020
Cash flows from operating activities		
Profit before income taxes	4,295,545	2,602,347
Depreciation	1,673,752	1,703,688
Amortization of goodwill	796,746	756,406
Impairment loss	-	175,322
Increase (decrease) in provision for bonuses	18,893	71,087
Increase (decrease) in provision for loss on construction contracts	74,884	303,710
Increase (decrease) in net defined benefit liability	90,260	94,419
Increase (decrease) in provision for directors' bonuses	9,750	2,000
Increase (decrease) in allowance for doubtful accounts	79,458	13,469
Interest and dividend income	△99,549	△126,189
Interest expenses	201,366	243,018
Loss (gain) on sales of investment securities	△3,482	△900
Loss (gain) on valuation of investment securities	-	94,470
Loss (gain) on sales of non-current assets	△7,742	△3,538
Loss on abandonment of non-current assets	-	21,896
Decrease (increase) in notes and accounts receivable - trade	△7,934,229	3,299,393
Decrease (increase) in inventories	△36,983	△650,178
Increase (decrease) in notes and accounts payable - trade	835,747	△1,375,202
Increase (decrease) in advances received	2,674,149	△1,432,244
Increase (decrease) in accrued consumption taxes	20,231	237,290
Decrease (increase) in consumption taxes refund receivable	36,669	87,698
Share of loss (profit) of entities accounted for using equity method	9,043	9,522
Decrease (increase) in other assets	2,460,441	△306,636
Increase (decrease) in other liabilities	△1,235,877	116,859
Other, net	36,815	35,437
Subtotal	3,995,890	5,973,148
Interest and dividend income received	100,192	119,553
Interest expenses paid	△181,711	△237,255
Income taxes paid	△1,266,753	△1,623,561
Net cash provided by (used in) operating activities	2,647,618	4,231,885
Cash flows from investing activities		
Payments into time deposits	△10,000	△10,000
Proceeds from withdrawal of time deposits	10,000	10,000
Proceeds from sales and redemption of securities	230,000	-
Purchase of investment securities	△1,290,225	-
Proceeds from sales and redemption of investment securities	23,096	1,527
Purchase of property, plant and equipment	△976,928	△962,846
Proceeds from sales of property, plant and equipment	13,507	29,844
Purchase of intangible assets	△54,531	△123,403
Payments of loans receivable	△11,470	△42,594
Collection of loans receivable	16,331	13,290
Other, net	46,127	14,502
Net cash provided by (used in) investing activities	△2,004,093	△1,069,679
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△1,052,450	208,126
Proceeds from long-term loans payable	1,110,200	-
Repayments of long-term loans payable	△1,326,008	△1,276,008
Repayments of lease obligations	△4,451	△45,205
Proceeds from exercise of share options	40	14
Purchase of treasury shares	△801	△77
Cash dividends paid	△598,731	△645,865
Net cash provided by (used in) financing activities	△1,872,201	△1,759,015
Effect of exchange rate change on cash and cash equivalents	△43,307	△179,106
Net increase (decrease) in cash and cash equivalents	△1,271,983	1,224,084
Cash and cash equivalents at beginning of period	10,583,494	9,311,511
Cash and cash equivalents at end of period	9,311,511	10,535,595