

SANSEI TECHNOLOGIES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	14,225,298	16,429,604
Notes and accounts receivable - trade, and contract assets	18,756,079	21,079,221
Electronically recorded monetary claims - operating	276,606	98,109
Work in process	498,927	1,340,285
Raw materials and supplies	2,477,804	2,689,108
Other	2,076,551	4,033,019
Allowance for doubtful accounts	△ 876,265	△ 687,238
Total current assets	37,435,002	44,982,110
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,793,600	8,140,694
Accumulated depreciation	△ 2,849,616	△ 3,156,075
Buildings and structures, net	4,943,983	4,984,619
Machinery, equipment and vehicles	4,382,163	4,906,459
Accumulated depreciation	△ 3,679,128	△ 3,995,764
Machinery, equipment and vehicles, net	703,035	910,694
Land	4,239,690	4,271,651
Construction in progress	129,597	250,372
Other	1,721,391	2,013,945
Accumulated depreciation	△ 1,349,832	△ 1,589,190
Other, net	371,559	424,754
Total property, plant and equipment	10,387,865	10,842,093
Intangible assets		
Goodwill	8,156,084	7,936,417
Other	1,561,230	1,441,502
Total intangible assets	9,717,314	9,377,919
Investments and other assets		
Investment securities	5,824,405	5,802,723
Long-term loans receivable	19,325	19,896
Deferred tax assets	1,036,901	1,143,063
Other	981,395	907,150
Allowance for doubtful accounts	△ 462	△ 462
Total investments and other assets	7,861,565	7,872,370
Total non-current assets	27,966,745	28,092,383
Total assets	65,401,748	73,074,494

Consolidated balance sheet

(Thousand of Yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,173,831	3,478,728
Short-term loans payable	3,965,110	6,059,810
Current portion of long-term loans payable	1,365,520	1,165,887
Income taxes payable	400,806	560,497
Accrued consumption taxes	306,004	237,718
Contract liabilities	6,298,307	8,564,561
Provision for bonuses	516,852	588,120
Provision for directors' bonuses	32,712	33,816
Provision for loss on construction contracts	141,304	294,509
Other	2,165,716	2,397,165
Total current liabilities	17,366,166	23,380,814
Non-current liabilities		
Long-term loans payable	11,790,693	10,846,493
Deferred tax liabilities	847,195	761,358
Net defined benefit liability	2,277,312	1,956,893
Other	47,322	91,214
Total non-current liabilities	14,962,524	13,655,959
Total liabilities	32,328,690	37,036,774
Net assets		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,442,954	2,451,864
Retained earnings	25,039,798	26,095,410
Treasury shares	△ 416,780	△ 389,031
Total shareholders' equity	30,317,252	31,409,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,866,272	1,853,269
Deferred gains or losses on hedges	76	△ 174
Foreign currency translation adjustment	697,940	2,482,987
Remeasurements of defined benefit plans	4,305	103,893
Total accumulated other comprehensive income	2,568,594	4,439,976
Share acquisition rights	187,210	188,221
Total net assets	33,073,057	36,037,720
Total liabilities and net assets	65,401,748	73,074,494

Consolidated statement of income

(Thousand of Yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Net sales	34,404,350	40,683,716
Cost of sales	24,439,880	29,167,794
Gross profit	9,964,469	11,515,921
Selling, general and administrative expenses	8,924,175	9,508,628
Operating income	1,040,293	2,007,293
Non-operating income		
Interest income	3,611	4,043
Dividend income	142,232	168,630
Dividend income of insurance	340,502	56,730
Rent income	37,034	37,675
Subsidy income	452,656	754,572
Other	95,604	24,014
Total non-operating income	1,071,642	1,045,667
Non-operating expenses		
Interest expenses	223,161	249,423
Commission expenses	5,399	3,891
Foreign exchange losses	1,312	38,660
Other	1,553	3,292
Total non-operating expenses	231,426	295,268
Ordinary income	1,880,508	2,757,692
Extraordinary income		
Gain on sales of non-current assets	309,483	-
Gain on sales of investment securities	351,101	-
Total extraordinary income	660,585	-
Income before income taxes	2,541,093	2,757,692
Income taxes - current	1,119,109	1,099,721
Income taxes - deferred	△ 26,755	△ 46,279
Total income taxes	1,092,353	1,053,442
Net income	1,448,739	1,704,249
Net income attributable to non-controlling interests	-	-
Net income attributable to owners of parent	1,448,739	1,704,249

Consolidated statement of cash flows

(Thousand of Yen)

	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,541,093	2,757,692
Depreciation	1,016,210	1,099,245
Amortization of goodwill	749,391	802,363
Increase (decrease) in provision for bonuses	12,228	71,268
Increase (decrease) in provision for loss on construction contracts	△ 126,028	145,635
Increase (decrease) in net defined benefit liability	△ 54,320	△ 176,919
Increase (decrease) in provision for directors' bonuses	△ 960	1,104
Increase (decrease) in allowance for doubtful accounts	787,036	△ 264,768
Interest and dividend income	△ 145,843	△ 172,674
Interest expenses	223,161	249,423
Loss (gain) on sales of investment securities	△ 351,101	△ 390
Loss (gain) on valuation of investment securities	934	-
Loss (gain) on sales of non-current assets	△ 309,483	△ 1,907
Loss on abandonment of non-current assets	0	0
Decrease (increase) in notes and accounts receivable-trade and contract assets	2,891,044	△ 1,148,690
Decrease (increase) in inventories	△ 5,745	△ 945,110
Increase (decrease) in notes and accounts payable - trade	△ 33,242	1,218,354
Increase (decrease) in contract liabilities	611,669	1,794,054
Increase (decrease) in accrued consumption taxes	178,495	△ 68,286
Decrease (increase) in consumption taxes refund receivable	69,789	△ 462,118
Decrease (increase) in other assets	△ 778,517	△ 270,239
Increase (decrease) in other liabilities	565,509	△ 46,429
Other, net	△ 180,532	113,450
Subtotal	7,660,788	4,695,058
Interest and dividend income received	145,843	172,674
Interest expenses paid	△ 225,031	△ 221,643
Income taxes paid	△ 1,257,999	△ 2,101,265
Net cash provided by (used in) operating activities	6,323,601	2,544,823
Cash flows from investing activities		
Payments into time deposits	△ 20,000	△ 33,207
Proceeds from withdrawal of time deposits	20,000	33,207
Purchase of investment securities	△ 261,954	-
Proceeds from sales and redemption of investment securities	395,711	875
Purchase of property, plant and equipment	△ 345,126	△ 734,848
Proceeds from sales of property, plant and equipment	419,956	8,776
Purchase of intangible assets	△ 207,970	△ 81,122
Payments of loans receivable	△ 1,460	△ 9,520
Collection of loans receivable	9,259	16,250
Other, net	△ 20,346	33,541
Net cash provided by (used in) investing activities	△ 11,932	△ 766,047
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△ 2,432,261	1,900,000
Proceeds from long-term loans payable	-	100,000
Repayments of long-term loans payable	△ 1,369,770	△ 1,387,645
Repayments of lease obligations	△ 38,444	△ 59,053
Proceeds from exercise of share options	-	55
Purchase of treasury shares	△ 231	△ 323
Cash dividends paid	△ 693,353	△ 648,931
Net cash provided by (used in) financing activities	△ 4,534,061	△ 95,898
Effect of exchange rate change on cash and cash equivalents	299,988	521,428
Net increase (decrease) in cash and cash equivalents	2,077,596	2,204,306
Cash and cash equivalents at beginning of period	12,114,494	14,192,091
Cash and cash equivalents at end of period	14,192,091	16,396,397