

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 12, 2022

Company name: SUNWELS Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9229 URL <https://sunwels.jp>
 Representative: President and Representative Director Ryotatsu Nawashiro
 Managing Director of General Affairs and
 Inquiries: Accounting Department Eiichi Ueno TEL 076(272)8982
 Scheduled date to file Quarterly Securities Report: August 10, 2022
 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. Non-consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Non-consolidated operating results (cumulative)

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	%
Three months ended June 30, 2022	2,811	–	192	–	126	–	84	–
Three months ended June 30, 2021	–	–	–	–	–	–	–	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	10.82		10.55	
Three months ended June 30, 2021	–		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2022	14,357		4,007		27.9	
As of March 31, 2022	9,015		864		9.6	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	0.00	–	11.00	11.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		13.00	–	13.00	26.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,990	54.3	1,320	169.2	1,001	187.0	655	156.5	69.88

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(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 June 30, 2022	11,740,000 shares	As of March 31, 2022	11,740,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	2,239,000 shares	As of March 31, 2022	4,000,000 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, 2022	7,836,758 shares	Three months ended June 30, 2021	– shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	814,760	3,969,389
Accounts receivable - trade	1,617,382	1,889,100
Inventories	29,718	8,007
Other	85,741	82,775
Allowance for doubtful accounts	(367)	(525)
Total current assets	2,547,236	5,948,747
Non-current assets		
Property, plant and equipment		
Buildings, net	1,597,203	1,573,241
Leased assets, net	3,381,451	5,125,416
Other, net	806,861	978,164
Total property, plant and equipment	5,785,516	7,676,821
Intangible assets	17,368	15,706
Investments and other assets		
Other	666,598	717,275
Allowance for doubtful accounts	(1,477)	(1,472)
Total investments and other assets	665,120	715,802
Total non-current assets	6,468,006	8,408,330
Total assets	9,015,242	14,357,077
Liabilities		
Current liabilities		
Accounts payable - trade	68,852	72,490
Current portion of bonds payable	31,000	31,000
Short-term borrowings	1,540,000	1,880,000
Current portion of long-term borrowings	265,399	230,386
Lease liabilities	87,583	116,217
Income taxes payable	90,719	37,770
Provision for bonuses	359,766	224,306
Other	673,136	922,103
Total current liabilities	3,116,456	3,514,275
Non-current liabilities		
Bonds payable	106,000	98,000
Long-term borrowings	1,165,802	1,206,295
Lease liabilities	3,403,627	5,151,269
Provision for retirement benefits	94,773	101,686
Asset retirement obligations	170,347	170,697
Other	93,493	107,352
Total non-current liabilities	5,034,044	6,835,300
Total liabilities	8,150,501	10,349,575
Net assets		
Shareholders' equity		
Share capital	35,000	35,000
Capital surplus	102,007	3,236,235
Retained earnings	747,733	747,461
Treasury shares	(20,000)	(11,195)
Total shareholders' equity	864,741	4,007,502
Total net assets	864,741	4,007,502
Total liabilities and net assets	9,015,242	14,357,077

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022
Net sales	2,811,558
Cost of sales	2,073,314
Gross profit	738,244
Selling, general and administrative expenses	545,968
Operating profit	192,275
Non-operating income	
Interest income	82
Subsidy income	17,325
Other	2,051
Total non-operating income	19,459
Non-operating expenses	
Interest expenses	64,678
Other	20,617
Total non-operating expenses	85,295
Ordinary profit	126,439
Extraordinary losses	
Loss on retirement of non-current assets	3,718
Other	83
Total extraordinary losses	3,801
Profit before income taxes	122,637
Income taxes	37,770
Profit	84,867