

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 8, 2023

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: February 8, 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. Non-consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	9,697	63.8	916	463.8	706	882.4	503	814.4
Nine months ended December 31, 2021	5,921	–	162	–	71	–	55	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	54.74		53.51	
Nine months ended December 31, 2021	7.11		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	16,973	5,082	29.9
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	11.00	11.00
Year ending March 31, 2023	–	13.00	–		
Year ending March 31, 2023 (Forecast)				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	69.92

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 December 31, 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 December 31, 2022	1,798,916 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)

Nine months ended December 31, 2022	9,198,352 shares	Nine months ended December 31, 2021	7,740,000 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	814,760	2,655,544
Accounts receivable - trade	1,617,382	2,446,168
Inventories	29,718	14,647
Other	85,741	105,529
Allowance for doubtful accounts	(367)	(378)
Total current assets	2,547,236	5,221,512
Non-current assets		
Property, plant and equipment		
Buildings, net	1,597,203	1,949,409
Leased assets, net	3,381,451	7,313,701
Other, net	806,861	1,667,076
Total property, plant and equipment	5,785,516	10,930,187
Intangible assets	17,368	12,993
Investments and other assets		
Other	666,598	810,761
Allowance for doubtful accounts	(1,477)	(1,461)
Total investments and other assets	665,120	809,299
Total non-current assets	6,468,006	11,752,480
Total assets	9,015,242	16,973,993
Liabilities		
Current liabilities		
Accounts payable - trade	68,852	86,257
Current portion of bonds payable	31,000	31,000
Short-term borrowings	1,540,000	500,000
Current portion of long-term borrowings	265,399	283,192
Lease liabilities	87,583	152,366
Income taxes payable	90,719	113,570
Provision for bonuses	359,766	294,388
Other	673,136	1,306,551
Total current liabilities	3,116,456	2,767,326
Non-current liabilities		
Bonds payable	106,000	82,500
Long-term borrowings	1,165,802	1,229,120
Lease liabilities	3,403,627	7,381,045
Provision for retirement benefits	94,773	118,197
Asset retirement obligations	170,347	174,092
Other	93,493	138,795
Total non-current liabilities	5,034,044	9,123,750
Total liabilities	8,150,501	11,891,077

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	35,000	35,000
Capital surplus	102,007	4,019,703
Retained earnings	747,733	1,036,885
Treasury shares	(20,000)	(9,653)
Total shareholders' equity	864,741	5,081,935
Share acquisition rights	–	980
Total net assets	864,741	5,082,915
Total liabilities and net assets	9,015,242	16,973,993

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	5,921,047	9,697,822
Cost of sales	4,548,630	7,076,590
Gross profit	1,372,417	2,621,232
Selling, general and administrative expenses	1,209,831	1,704,634
Operating profit	162,585	916,597
Non-operating income		
Interest income	165	252
Subsidy income	3,964	48,978
Other	15,962	23,695
Total non-operating income	20,091	72,926
Non-operating expenses		
Interest expenses	107,185	254,427
Other	3,596	28,773
Total non-operating expenses	110,782	283,201
Ordinary profit	71,895	706,322
Extraordinary income		
Gain on sale of investment securities	130	–
Total extraordinary income	130	–
Extraordinary losses		
Loss on retirement of non-current assets	698	3,773
Other	–	83
Total extraordinary losses	698	3,856
Profit before income taxes	71,326	702,465
Income taxes	16,261	198,939
Profit	55,064	503,526