

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

Company name: SAN-AI OIL CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8097 URL <http://www.san-ai-oil.co.jp/>
 Representative: Representative Director, President Yukio Tsukahara
 General Manager, General Accounting
 Inquiries: Department Eiichi Nonaka TEL 03-6880-3100
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 30, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	473,899	(29.0)	8,592	(21.7)	10,001	(16.2)	7,053	(13.6)
Year ended March 31, 2020	667,929	(8.1)	10,971	0.1	11,940	(0.5)	8,164	12.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	101.57	–	7.2	5.5	1.8
Year ended March 31, 2020	117.02	–	8.7	6.0	1.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	187,245	106,468	54.2	1,471.07
As of March 31, 2020	179,224	98,786	52.5	1,349.61

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	9,014	(4,415)	(5,458)	36,467
Year ended March 31, 2020	(10,858)	(4,303)	(4,062)	37,326

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	14.00	–	14.00	28.00	1,953	23.9	2.1
Year ended March 31, 2021	–	14.00	–	14.00	28.00	1,942	27.6	2.0
Year ending March 31, 2022 (Forecast)	–	14.00	–	14.00	28.00		25.8	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	470,000	(0.8)	10,000	16.4	10,500	5.0	7,500	6.3	108.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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: No

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 March 31, 2021	71,000,000 shares	As of March 31, 2020	71,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	2,015,903 shares	As of March 31, 2020	1,226,236 shares
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Average number of shares during the period

Year ended March 31, 2021	69,448,335 shares	Year ended March 31, 2020	69,774,108 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	37,047	36,737
Notes and accounts receivable - trade	34,446	37,116
Securities	500	–
Merchandise and finished goods	4,754	5,709
Work in process	123	69
Raw materials and supplies	90	91
Other	1,388	1,858
Allowance for doubtful accounts	(410)	(441)
Total current assets	77,939	81,141
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,520	67,885
Accumulated depreciation	(45,184)	(46,678)
Buildings and structures, net	21,335	21,207
Machinery, equipment and vehicles	32,542	33,981
Accumulated depreciation	(25,458)	(26,107)
Machinery, equipment and vehicles, net	7,084	7,873
Land	19,590	19,303
Leased assets	2,833	3,072
Accumulated depreciation	(1,128)	(1,236)
Leased assets, net	1,704	1,836
Construction in progress	1,711	301
Other	3,872	4,189
Accumulated depreciation	(3,000)	(3,171)
Other, net	871	1,017
Total property, plant and equipment	52,297	51,539
Intangible assets		
Goodwill	532	1,354
Customer-related assets	–	1,272
Software in progress	–	146
Other	1,167	1,343
Total intangible assets	1,700	4,116
Investments and other assets		
Investment securities	18,893	20,104
Long-term loans receivable	18	13
Deferred tax assets	752	797
Retirement benefit asset	1,633	3,593
Guarantee deposits	25,255	25,283
Other	832	754
Allowance for doubtful accounts	(98)	(98)
Total investments and other assets	47,286	50,448
Total non-current assets	101,284	106,103
Total assets	179,224	187,245

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	39,744	42,706
Short-term borrowings	200	270
Current portion of long-term borrowings	2,601	3,129
Lease obligations	444	480
Income taxes payable	3,115	1,743
Provision for bonuses	1,800	1,707
Provision for bonuses for directors (and other officers)	104	69
Provision for warranties for completed construction	0	0
Provision for loss on construction contracts	5	–
Asset retirement obligations	1	94
Other	11,668	10,851
Total current liabilities	59,688	61,055
Non-current liabilities		
Long-term borrowings	7,361	4,764
Lease obligations	1,425	1,523
Deferred tax liabilities	2,788	4,269
Deferred tax liabilities for land revaluation	809	809
Provision for retirement benefits for directors (and other officers)	150	154
Provision for special repairs	183	170
Retirement benefit liability	233	224
Asset retirement obligations	639	592
Other	7,158	7,213
Total non-current liabilities	20,749	19,722
Total liabilities	80,437	80,777
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	4,288	4,286
Retained earnings	79,612	84,698
Treasury shares	(1,386)	(2,287)
Total shareholders' equity	92,641	96,824
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,077	4,407
Revaluation reserve for land	(368)	(353)
Remeasurements of defined benefit plans	(183)	602
Total accumulated other comprehensive income	1,525	4,655
Non-controlling interests	4,619	4,987
Total net assets	98,786	106,468
Total liabilities and net assets	179,224	187,245

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales		
Net sales of goods	663,424	469,911
Net sales of completed construction contracts	4,504	3,987
Total net sales	667,929	473,899
Cost of sales		
Cost of goods sold	611,654	422,458
Cost of sales of completed construction contracts	4,108	3,607
Total cost of sales	615,762	426,065
Gross profit	52,166	47,833
Selling, general and administrative expenses	41,194	39,241
Operating profit	10,971	8,592
Non-operating income		
Interest income	217	199
Dividend income	646	468
Light oil delivery tax grant	145	150
Compensation income	131	138
Subsidy income	–	319
Subsidies for employment adjustment	–	219
Other	308	372
Total non-operating income	1,449	1,868
Non-operating expenses		
Interest expenses	344	252
Provision of allowance for doubtful accounts	1	0
Office relocation expenses	48	49
Other	86	158
Total non-operating expenses	481	460
Ordinary profit	11,940	10,001
Extraordinary income		
Gain on sale of non-current assets	1,641	38
Gain on sale of investment securities	2	1,547
Total extraordinary income	1,644	1,585
Extraordinary losses		
Loss on sale and retirement of non-current assets	401	369
Impairment losses	115	260
Loss on sale of investment securities	0	39
Loss on valuation of investment securities	124	–
Total extraordinary losses	641	669
Profit before income taxes	12,943	10,917
Income taxes - current	4,802	3,473
Income taxes - deferred	(351)	20
Total income taxes	4,450	3,493
Profit	8,492	7,423
Profit attributable to non-controlling interests	327	369
Profit attributable to owners of parent	8,164	7,053

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	8,492	7,423
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,328)	2,418
Remeasurements of defined benefit plans, net of tax	(227)	786
Total other comprehensive income	(4,555)	3,204
Comprehensive income	3,936	10,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,651	10,169
Comprehensive income attributable to non-controlling interests	285	458

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	4,288	73,491	(1,385)	86,521
Changes during period					
Dividends of surplus			(976)		(976)
Middle dividends from surplus			(976)		(976)
Reversal of revaluation reserve for land			(90)		(90)
Profit attributable to owners of parent			8,164		8,164
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	6,121	(0)	6,120
Balance at end of period	10,127	4,288	79,612	(1,386)	92,641

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,363	(458)	43	5,948	4,471	96,941
Changes during period						
Dividends of surplus				-		(976)
Middle dividends from surplus				-		(976)
Reversal of revaluation reserve for land		90		90		-
Profit attributable to owners of parent				-		8,164
Purchase of treasury shares				-		(0)
Net changes in items other than shareholders' equity	(4,286)		(227)	(4,513)	147	(4,365)
Total changes during period	(4,286)	90	(227)	(4,423)	147	1,844
Balance at end of period	2,077	(368)	(183)	1,525	4,619	98,786

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	4,288	79,612	(1,386)	92,641
Changes during period					
Dividends of surplus			(976)		(976)
Middle dividends from surplus			(976)		(976)
Reversal of revaluation reserve for land			(14)		(14)
Profit attributable to owners of parent			7,053		7,053
Purchase of treasury shares				(913)	(913)
Disposal of treasury shares		(1)		12	10
Net changes in items other than shareholders' equity					-
Total changes during period	-	(1)	5,085	(901)	4,183
Balance at end of period	10,127	4,286	84,698	(2,287)	96,824

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,077	(368)	(183)	1,525	4,619	98,786
Changes during period						
Dividends of surplus				-		(976)
Middle dividends from surplus				-		(976)
Reversal of revaluation reserve for land		14		14		-
Profit attributable to owners of parent				-		7,053
Purchase of treasury shares				-		(913)
Disposal of treasury shares				-		10
Net changes in items other than shareholders' equity	2,329		786	3,115	368	3,484
Total changes during period	2,329	14	786	3,130	368	7,681
Balance at end of period	4,407	(353)	602	4,655	4,987	106,468

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	12,943	10,917
Depreciation	4,305	4,838
Amortization of goodwill	745	231
Increase (decrease) in allowance for doubtful accounts	261	31
Increase (decrease) in provision for bonuses	58	(100)
Increase (decrease) in provision for bonuses for directors (and other officers)	13	(34)
Increase (decrease) in retirement benefit liability	(623)	(828)
Interest and dividend income	(863)	(668)
Interest expenses	344	252
Loss (gain) on sale and retirement of property, plant and equipment	(1,215)	278
Impairment losses	115	260
Loss (gain) on sale of investment securities	(2)	(1,507)
Loss (gain) on valuation of investment securities	124	–
Decrease (increase) in trade receivables	30,707	(2,588)
Decrease (increase) in inventories	1,236	(875)
Decrease (increase) in other current assets	54	(416)
Decrease (increase) in guarantee deposits and claims provable in bankruptcy, claims provable in rehabilitation	(14,085)	146
Increase (decrease) in trade payables	(40,936)	2,940
Increase (decrease) in accrued liabilities	(153)	45
Increase (decrease) in other current liabilities	(137)	317
Other, net	(233)	278
Subtotal	(7,341)	13,517
Interest and dividends received	869	669
Interest paid	(350)	(261)
Income taxes paid	(4,036)	(4,911)
Net cash provided by (used in) operating activities	(10,858)	9,014
Cash flows from investing activities		
Payments into time deposits	(254)	(376)
Proceeds from withdrawal of time deposits	140	457
Purchase of investment securities	(12)	(10)
Proceeds from sale of investment securities	54	3,315
Purchase of property, plant and equipment	(6,202)	(4,995)
Proceeds from sale of property, plant and equipment	2,904	270
Purchase of intangible assets	(631)	(828)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,922)
Loan advances	(19)	(6)
Proceeds from collection of loans receivable	12	11
Other, net	(295)	(330)
Net cash provided by (used in) investing activities	(4,303)	(4,415)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(30)	70
Proceeds from long-term borrowings	670	600
Repayments of long-term borrowings	(2,171)	(2,668)
Purchase of treasury shares	(0)	(913)
Dividends paid to non-controlling interests	(137)	(89)
Dividends paid	(1,953)	(1,953)
Other, net	(439)	(502)
Net cash provided by (used in) financing activities	(4,062)	(5,458)
Net increase (decrease) in cash and cash equivalents	(19,224)	(858)
Cash and cash equivalents at beginning of period	56,551	37,326
Cash and cash equivalents at end of period	37,326	36,467