

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 8, 2022

Company name: SAN-AI OBBLI CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 8097 URL <https://www.san-ai-obbli.com/>
 Representative: Representative Director, President Yukio Tsukahara
 General Manager, General Accounting
 Inquiries: Department Eiichi Nonaka TEL 03-6880-3100
 Scheduled date to file Quarterly Securities Report: November 9, 2022
 Scheduled date to commence dividend payments: December 6, 2022
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2022	308,342	15.6	6,661	43.1	7,096	36.2	4,569	43.6
Six months ended September 30, 2021	266,832	28.3	4,654	16.9	5,208	13.7	3,181	3.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	66.52		-	
Six months ended September 30, 2021	46.12		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	191,259	115,363	57.5
As of March 31, 2022	197,887	112,358	54.2

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	-	14.00	-	26.00	40.00
Year ending March 31, 2023	-	19.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	19.00	38.00

3. Forecast of 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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	600,000	0.2	13,000	7.7	13,500	2.9	8,400	1.1	122.21

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	71,000,000 shares	As of March 31, 2022	71,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,571,303 shares	As of March 31, 2022	2,266,623 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	68,686,762 shares	Six months ended September 30, 2021	68,987,013 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	38,267	37,813
Notes and accounts receivable - trade, and contract assets	45,801	37,173
Securities	100	–
Merchandise and finished goods	7,387	8,216
Work in process	55	86
Raw materials and supplies	176	136
Other	2,366	3,317
Allowance for doubtful accounts	(477)	(477)
Total current assets	93,677	86,265
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,654	70,109
Accumulated depreciation	(48,314)	(49,352)
Buildings and structures, net	21,340	20,756
Machinery, equipment and vehicles	34,164	34,563
Accumulated depreciation	(27,010)	(27,674)
Machinery, equipment and vehicles, net	7,153	6,889
Land	18,870	18,829
Other	9,037	9,902
Accumulated depreciation	(4,650)	(4,952)
Other, net	4,386	4,949
Total property, plant and equipment	51,751	51,425
Intangible assets		
Goodwill	1,374	1,852
Customer-related assets	1,182	1,138
Other	2,317	2,939
Total intangible assets	4,874	5,929
Investments and other assets		
Investment securities	17,167	17,428
Retirement benefit asset	3,930	3,847
Guarantee deposits	25,278	25,258
Other	1,303	1,199
Allowance for doubtful accounts	(95)	(95)
Total investments and other assets	47,584	47,638
Total non-current assets	104,210	104,994
Total assets	197,887	191,259

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,615	39,521
Short-term borrowings	300	300
Current portion of long-term borrowings	827	1,880
Income taxes payable	2,500	1,832
Provision for bonuses	1,701	1,540
Provision for bonuses for directors (and other officers)	76	38
Provision for warranties for completed construction	0	0
Other	13,040	12,862
Total current liabilities	66,062	57,976
Non-current liabilities		
Long-term borrowings	4,462	2,835
Provision for retirement benefits for directors (and other officers)	178	193
Provision for special repairs	196	212
Retirement benefit liability	211	109
Asset retirement obligations	606	607
Other	13,812	13,961
Total non-current liabilities	19,467	17,919
Total liabilities	85,529	75,896
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	4,339	4,336
Retained earnings	91,563	94,350
Treasury shares	(2,651)	(2,987)
Total shareholders' equity	103,378	105,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,853	4,295
Revaluation reserve for land	(376)	(381)
Remeasurements of defined benefit plans	318	282
Total accumulated other comprehensive income	3,795	4,196
Non-controlling interests	5,184	5,339
Total net assets	112,358	115,363
Total liabilities and net assets	197,887	191,259

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales		
Net sales of goods	265,370	306,991
Net sales of completed construction contracts	1,461	1,350
Total net sales	266,832	308,342
Cost of sales		
Cost of goods sold	241,258	279,437
Cost of sales of completed construction contracts	1,290	1,171
Total cost of sales	242,549	280,609
Gross profit	24,282	27,733
Selling, general and administrative expenses	19,628	21,071
Operating profit	4,654	6,661
Non-operating income		
Interest income	120	133
Dividend income	204	244
Light oil delivery tax grant	78	80
Reversal of allowance for doubtful accounts	3	–
Other	304	166
Total non-operating income	711	624
Non-operating expenses		
Interest expenses	127	130
Other	29	58
Total non-operating expenses	156	188
Ordinary profit	5,208	7,096
Extraordinary income		
Gain on sale of non-current assets	10	20
Gain on sale of investment securities	17	85
Total extraordinary income	28	106
Extraordinary losses		
Loss on sale and retirement of non-current assets	107	23
Impairment losses	1	0
Loss on valuation of investment securities	12	–
Loss on sale of shares of subsidiaries and associates	10	–
Total extraordinary losses	132	24
Profit before income taxes	5,104	7,179
Income taxes - current	1,469	2,117
Income taxes - deferred	162	129
Total income taxes	1,631	2,247
Profit	3,473	4,931
Profit attributable to non-controlling interests	291	362
Profit attributable to owners of parent	3,181	4,569

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,473	4,931
Other comprehensive income		
Valuation difference on available-for-sale securities	300	448
Remeasurements of defined benefit plans, net of tax	(68)	(35)
Total other comprehensive income	232	412
Comprehensive income	3,705	5,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,327	4,975
Comprehensive income attributable to non-controlling interests	378	368

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	5,104	7,179
Depreciation	2,462	2,582
Amortization of goodwill	157	176
Increase (decrease) in allowance for doubtful accounts	(2)	0
Increase (decrease) in provision for bonuses	(252)	(161)
Increase (decrease) in provision for bonuses for directors (and other officers)	(34)	(37)
Increase (decrease) in retirement benefit asset or liability	(334)	(70)
Interest and dividend income	(325)	(377)
Interest expenses	127	130
Loss (gain) on sale and retirement of property, plant and equipment	62	1
Impairment losses	1	0
Loss (gain) on sale of investment securities	(17)	(85)
Loss (gain) on valuation of investment securities	12	–
Decrease (increase) in trade receivables	288	8,628
Decrease (increase) in inventories	(1,438)	(819)
Decrease (increase) in other current assets	14	(940)
Increase (decrease) in trade payables	(2,602)	(8,093)
Increase (decrease) in other current liabilities	(512)	(6)
Other, net	646	(3)
Subtotal	3,356	8,102
Interest and dividends received	310	366
Interest paid	(147)	(144)
Income taxes paid	(2,030)	(2,781)
Net cash provided by (used in) operating activities	1,487	5,542
Cash flows from investing activities		
Purchase of investment securities	(8)	(163)
Proceeds from sale of investment securities	108	742
Purchase of property, plant and equipment	(2,817)	(2,142)
Proceeds from sale of property, plant and equipment	269	62
Purchase of intangible assets	(663)	(1,279)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	9	–
Other, net	(39)	0
Net cash provided by (used in) investing activities	(3,140)	(2,779)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	30	–
Proceeds from long-term borrowings	590	–
Repayments of long-term borrowings	(1,115)	(573)
Purchase of treasury shares	(14)	(351)
Dividends paid to non-controlling interests	(221)	(213)
Dividends paid	(965)	(1,787)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(24)	–
Other, net	(274)	(291)
Net cash provided by (used in) financing activities	(1,996)	(3,216)
Net increase (decrease) in cash and cash equivalents	(3,648)	(453)
Cash and cash equivalents at beginning of period	36,467	37,996
Cash and cash equivalents at end of period	32,818	37,543