

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2024
(Based on Japanese GAAP)**

May 14, 2024

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 Hiroshi Hayata
 Executive Officer, General Manager, General
 Inquiries: Accounting Department Eiichi Nonaka TEL 03-6880-3100
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	659,588	1.8	16,873	10.9	17,741	10.6	11,217	2.9
Year ended March 31, 2023	647,833	8.2	15,211	26.1	16,038	22.2	10,901	31.2

	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, 2024	171.15	–	9.8	8.5	2.6
Year ended March 31, 2023	160.20	–	10.0	8.0	2.3

(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, 2024	218,607	123,829	53.9	1,830.74
As of March 31, 2023	201,244	117,424	55.5	1,668.60

(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, 2024	27,222	(8,710)	(11,877)	53,381
Year ended March 31, 2023	18,921	(3,252)	(6,918)	46,747

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, 2023	–	19.00	–	36.00	55.00	3,710	34.3	3.4
Year ended March 31, 2024	–	30.00	–	50.00	80.00	5,182	46.7	4.6
Year ending March 31, 2025 (Forecast)	–	50.00	–	50.00	100.00		67.7	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	650,000	(1.5)	12,500	(25.9)	13,000	(26.7)	9,500	(15.3)	147.72

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	66,000,000 shares	As of March 31, 2023	68,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	1,688,130 shares	As of March 31, 2023	1,034,703 shares
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Average number of shares during the period

Year ended March 31, 2024	65,540,380 shares	Year ended March 31, 2023	68,051,696 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	47,017	53,671
Notes and accounts receivable - trade, and contract assets	43,144	46,740
Securities	–	100
Merchandise and finished goods	7,542	7,387
Work in process	85	29
Raw materials and supplies	146	130
Other	919	1,046
Allowance for doubtful accounts	(475)	(486)
Total current assets	98,380	108,620
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,516	71,938
Accumulated depreciation	(49,704)	(51,155)
Buildings and structures, net	19,812	20,783
Machinery, equipment and vehicles	34,671	37,178
Accumulated depreciation	(27,695)	(28,705)
Machinery, equipment and vehicles, net	6,976	8,472
Land	18,420	18,762
Leased assets	3,779	3,699
Accumulated depreciation	(1,737)	(1,835)
Leased assets, net	2,042	1,863
Construction in progress	3,371	1,955
Other	4,361	4,604
Accumulated depreciation	(3,462)	(3,744)
Other, net	898	859
Total property, plant and equipment	51,522	52,697
Intangible assets		
Goodwill	1,683	1,881
Customer-related intangible assets	1,093	1,004
Software in progress	2,186	1,327
Other	1,232	2,698
Total intangible assets	6,197	6,912
Investments and other assets		
Investment securities	17,140	20,978
Long-term loans receivable	21	16
Deferred tax assets	606	641
Retirement benefit asset	1,991	3,442
Guarantee deposits	24,865	24,813
Other	613	612
Allowance for doubtful accounts	(96)	(127)
Total investments and other assets	45,143	50,377
Total non-current assets	102,863	109,987
Total assets	201,244	218,607

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,908	55,202
Short-term borrowings	300	300
Current portion of long-term borrowings	2,346	946
Lease liabilities	567	560
Income taxes payable	3,530	2,547
Provision for bonuses	2,041	2,226
Provision for bonuses for directors (and other officers)	89	84
Provision for warranties for completed construction	0	1
Other	13,667	16,618
Total current liabilities	67,453	78,488
Non-current liabilities		
Long-term borrowings	2,115	1,168
Lease liabilities	1,687	1,497
Deferred tax liabilities	3,553	4,786
Deferred tax liabilities for land revaluation	694	694
Provision for retirement benefits for directors (and other officers)	208	194
Provision for special repairs	217	227
Retirement benefit liability	117	95
Asset retirement obligations	609	562
Other	7,162	7,063
Total non-current liabilities	16,366	16,290
Total liabilities	83,819	94,778
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	2,531	2,531
Retained earnings	97,862	101,702
Treasury shares	(1,280)	(2,605)
Total shareholders' equity	109,241	111,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,338	7,101
Revaluation reserve for land	(612)	(613)
Remeasurements of defined benefit plans	(1,228)	(505)
Total accumulated other comprehensive income	2,496	5,983
Non-controlling interests	5,686	6,090
Total net assets	117,424	123,829
Total liabilities and net assets	201,244	218,607

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of goods	644,346	655,824
Net sales of completed construction contracts	3,486	3,763
Total net sales	647,833	659,588
Cost of sales		
Cost of goods sold	586,347	593,912
Cost of sales of completed construction contracts	3,011	3,342
Total cost of sales	589,359	597,254
Gross profit	58,474	62,334
Selling, general and administrative expenses	43,263	45,461
Operating profit	15,211	16,873
Non-operating income		
Interest income	45	55
Dividend income	439	468
Purchase discounts	221	217
Light oil delivery tax grant	153	155
Reversal of allowance for doubtful accounts	–	0
Subsidies for employment adjustment	7	–
Other	318	307
Total non-operating income	1,186	1,204
Non-operating expenses		
Interest expenses	91	85
Sales discounts	172	176
Other	94	74
Total non-operating expenses	358	336
Ordinary profit	16,038	17,741
Extraordinary income		
Gain on sale of non-current assets	604	58
Gain on sale of investment securities	535	–
Total extraordinary income	1,139	58
Extraordinary losses		
Loss on sale and retirement of non-current assets	219	552
Impairment losses	166	111
Loss on sale of investment securities	4	–
Total extraordinary losses	390	663
Profit before income taxes	16,787	17,136
Income taxes - current	5,384	5,263
Income taxes - deferred	(167)	31
Total income taxes	5,216	5,294
Profit	11,571	11,841
Profit attributable to non-controlling interests	669	624
Profit attributable to owners of parent	10,901	11,217

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	11,571	11,841
Other comprehensive income		
Valuation difference on available-for-sale securities	530	2,760
Remeasurements of defined benefit plans, net of tax	(1,547)	723
Total other comprehensive income	(1,016)	3,484
Comprehensive income	10,554	15,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,839	14,703
Comprehensive income attributable to non-controlling interests	714	622

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	4,339	91,563	(2,651)	103,378
Changes during period					
Dividends of surplus			(1,787)		(1,787)
Middle dividends from surplus			(1,300)		(1,300)
Reversal of revaluation reserve for land			236		236
Profit attributable to owners of parent			10,901		10,901
Purchase of treasury shares				(2,200)	(2,200)
Disposal of treasury shares		(2)		14	12
Cancellation of treasury shares		(1,804)	(1,751)	3,556	–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(1,807)	6,299	1,370	5,863
Balance at end of period	10,127	2,531	97,862	(1,280)	109,241

	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	3,853	(376)	318	3,795	5,184	112,358
Changes during period						
Dividends of surplus				–		(1,787)
Middle dividends from surplus				–		(1,300)
Reversal of revaluation reserve for land		(236)		(236)		–
Profit attributable to owners of parent				–		10,901
Purchase of treasury shares				–		(2,200)
Disposal of treasury shares				–		12
Cancellation of treasury shares				–		–
Net changes in items other than shareholders' equity	485		(1,547)	(1,061)	501	(560)
Total changes during period	485	(236)	(1,547)	(1,298)	501	5,066
Balance at end of period	4,338	(612)	(1,228)	2,496	5,686	117,424

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	2,531	97,862	(1,280)	109,241
Changes during period					
Dividends of surplus			(2,410)		(2,410)
Middle dividends from surplus			(1,967)		(1,967)
Reversal of revaluation reserve for land			0		0
Profit attributable to owners of parent			11,217		11,217
Purchase of treasury shares				(4,338)	(4,338)
Disposal of treasury shares		1		11	12
Cancellation of treasury shares		(1)	(2,999)	3,001	–
Net changes in items other than shareholders' equity					–
Total changes during period	–	0	3,839	(1,325)	2,514
Balance at end of period	10,127	2,531	101,702	(2,605)	111,755

	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	4,338	(612)	(1,228)	2,496	5,686	117,424
Changes during period						
Dividends of surplus				–		(2,410)
Middle dividends from surplus				–		(1,967)
Reversal of revaluation reserve for land		(0)		(0)		–
Profit attributable to owners of parent				–		11,217
Purchase of treasury shares				–		(4,338)
Disposal of treasury shares				–		12
Cancellation of treasury shares				–		–
Net changes in items other than shareholders' equity	2,762		723	3,486	404	3,890
Total changes during period	2,762	(0)	723	3,486	404	6,404
Balance at end of period	7,101	(613)	(505)	5,983	6,090	123,829

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	16,787	17,136
Depreciation	5,247	5,570
Amortization of goodwill	382	432
Increase (decrease) in allowance for doubtful accounts	(1)	42
Increase (decrease) in provision for bonuses	339	184
Increase (decrease) in provision for bonuses for directors (and other officers)	13	(5)
Increase (decrease) in retirement benefit asset or liability	(387)	(442)
Interest and dividend income	(706)	(740)
Interest expenses	264	261
Loss (gain) on sale and retirement of property, plant and equipment	(411)	446
Impairment losses	166	111
Loss (gain) on sale of investment securities	(530)	–
Decrease (increase) in trade receivables	2,657	(3,596)
Decrease (increase) in inventories	(155)	227
Decrease (increase) in other current assets	1,459	(115)
Decrease (increase) in guarantee deposits and claims provable in bankruptcy, claims provable in rehabilitation	11	(131)
Increase (decrease) in trade payables	(2,706)	10,293
Increase (decrease) in accrued liabilities	4	(174)
Increase (decrease) in other current liabilities	402	3,398
Other, net	65	73
Subtotal	22,903	32,973
Interest and dividends received	705	741
Interest paid	(264)	(264)
Income taxes paid	(4,423)	(6,227)
Net cash provided by (used in) operating activities	18,921	27,222
Cash flows from investing activities		
Payments into time deposits	(390)	(410)
Proceeds from withdrawal of time deposits	390	390
Purchase of investment securities	(166)	(319)
Proceeds from sale of investment securities	1,663	–
Purchase of property, plant and equipment	(4,027)	(6,488)
Proceeds from sale of property, plant and equipment	1,208	235
Purchase of intangible assets	(2,295)	(1,864)
Loan advances	(13)	(10)
Proceeds from collection of loans receivable	25	27
Other, net	352	(271)
Net cash provided by (used in) investing activities	(3,252)	(8,710)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(827)	(2,346)
Purchase of treasury shares	(2,200)	(4,338)
Dividends paid to non-controlling interests	(213)	(217)
Dividends paid	(3,087)	(4,377)
Other, net	(589)	(597)
Net cash provided by (used in) financing activities	(6,918)	(11,877)
Net increase (decrease) in cash and cash equivalents	8,750	6,633
Cash and cash equivalents at beginning of period	37,996	46,747
Cash and cash equivalents at end of period	46,747	53,381