

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 9, 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 to file Quarterly Securities Report: November 10, 2021  
 Scheduled date to commence dividend payments: December 3, 2021  
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	266,832	28.3	4,654	16.9	5,208	13.7	3,181	3.9
Six months ended September 30, 2020	207,896	(41.0)	3,979	(14.2)	4,580	(9.7)	3,062	(22.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	46.12		-	
Six months ended September 30, 2020	43.89		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	186,153	109,396	56.0
As of March 31, 2021	187,245	106,468	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, 2021	-	14.00	-	14.00	28.00
Year ending March 31, 2022	-	14.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	14.00	28.00

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 six months ended September 30, 2021  
(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: Yes
- 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, 2021	71,000,000 shares	As of March 31, 2021	71,000,000 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2021	2,016,682 shares	As of March 31, 2021	2,015,903 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	68,987,013 shares	Six months ended September 30, 2020	69,779,043 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	36,737	33,088
Notes and accounts receivable - trade	37,116	–
Notes and accounts receivable - trade, and contract assets	–	36,788
Securities	–	100
Merchandise and finished goods	5,709	7,102
Work in process	69	90
Raw materials and supplies	91	87
Other	1,858	1,830
Allowance for doubtful accounts	(441)	(440)
Total current assets	81,141	78,646
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,885	69,289
Accumulated depreciation	(46,678)	(47,392)
Buildings and structures, net	21,207	21,896
Machinery, equipment and vehicles	33,981	33,938
Accumulated depreciation	(26,107)	(26,526)
Machinery, equipment and vehicles, net	7,873	7,412
Land	19,303	18,994
Other	7,564	8,448
Accumulated depreciation	(4,408)	(4,423)
Other, net	3,155	4,024
Total property, plant and equipment	51,539	52,327
Intangible assets		
Goodwill	1,354	1,494
Customer-related assets	1,272	1,227
Other	1,490	1,662
Total intangible assets	4,116	4,384
Investments and other assets		
Investment securities	20,104	20,342
Retirement benefit asset	3,593	3,832
Guarantee deposits	25,283	25,275
Other	1,565	1,439
Allowance for doubtful accounts	(98)	(96)
Total investments and other assets	50,448	50,794
Total non-current assets	106,103	107,506
Total assets	187,245	186,153

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	42,706	40,027
Short-term borrowings	270	300
Current portion of long-term borrowings	3,129	2,650
Income taxes payable	1,743	1,095
Provision for bonuses	1,707	1,449
Provision for bonuses for directors (and other officers)	69	35
Provision for warranties for completed construction	0	0
Asset retirement obligations	94	19
Other	11,332	11,040
<b>Total current liabilities</b>	<b>61,055</b>	<b>56,617</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,764	4,717
Provision for retirement benefits for directors (and other officers)	154	164
Provision for special repairs	170	187
Retirement benefit liability	224	221
Asset retirement obligations	592	604
Other	13,815	14,243
<b>Total non-current liabilities</b>	<b>19,722</b>	<b>20,140</b>
<b>Total liabilities</b>	<b>80,777</b>	<b>76,757</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,127	10,127
Capital surplus	4,286	4,307
Retained earnings	84,698	87,379
Treasury shares	(2,287)	(2,291)
<b>Total shareholders' equity</b>	<b>96,824</b>	<b>99,522</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,407	4,621
Revaluation reserve for land	(353)	(353)
Remeasurements of defined benefit plans	602	534
<b>Total accumulated other comprehensive income</b>	<b>4,655</b>	<b>4,801</b>
<b>Non-controlling interests</b>	<b>4,987</b>	<b>5,072</b>
<b>Total net assets</b>	<b>106,468</b>	<b>109,396</b>
<b>Total liabilities and net assets</b>	<b>187,245</b>	<b>186,153</b>

## 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, 2020	Six months ended September 30, 2021
Net sales		
Net sales of goods	206,104	265,370
Net sales of completed construction contracts	1,791	1,461
Total net sales	207,896	266,832
Cost of sales		
Cost of goods sold	183,456	241,258
Cost of sales of completed construction contracts	1,661	1,290
Total cost of sales	185,118	242,549
Gross profit	22,778	24,282
Selling, general and administrative expenses	18,798	19,628
Operating profit	3,979	4,654
Non-operating income		
Interest income	91	120
Dividend income	266	204
Light oil delivery tax grant	80	78
Reversal of allowance for doubtful accounts	2	3
Other	324	304
Total non-operating income	765	711
Non-operating expenses		
Interest expenses	130	127
Provision of allowance for doubtful accounts	0	–
Other	33	29
Total non-operating expenses	165	156
Ordinary profit	4,580	5,208
Extraordinary income		
Gain on sale of non-current assets	4	10
Gain on sale of investment securities	1,004	17
Total extraordinary income	1,009	28
Extraordinary losses		
Loss on sale and retirement of non-current assets	103	107
Loss on valuation of investment securities	1,281	12
Loss on sale of shares of subsidiaries and associates	–	10
Impairment losses	0	1
Provision for loss on store closings	133	–
Loss on sale of investment securities	39	–
Total extraordinary losses	1,558	132
Profit before income taxes	4,030	5,104
Income taxes - current	1,397	1,469
Income taxes - deferred	(519)	162
Total income taxes	877	1,631
Profit	3,153	3,473
Profit attributable to non-controlling interests	90	291
Profit attributable to owners of parent	3,062	3,181

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	3,153	3,473
Other comprehensive income		
Valuation difference on available-for-sale securities	426	300
Remeasurements of defined benefit plans, net of tax	20	(68)
Total other comprehensive income	447	232
Comprehensive income	3,600	3,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,488	3,327
Comprehensive income attributable to non-controlling interests	112	378

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,030	5,104
Depreciation	2,314	2,462
Amortization of goodwill	115	157
Increase (decrease) in allowance for doubtful accounts	(3)	(2)
Increase (decrease) in provision for bonuses	(452)	(252)
Increase (decrease) in provision for bonuses for directors (and other officers)	(72)	(34)
Increase (decrease) in retirement benefit liability	(238)	(334)
Interest and dividend income	(357)	(325)
Interest expenses	130	127
Loss (gain) on sale and retirement of property, plant and equipment	91	62
Impairment losses	0	1
Loss (gain) on sale of investment securities	(964)	(17)
Loss (gain) on valuation of investment securities	1,281	12
Decrease (increase) in trade receivables	6,703	288
Decrease (increase) in inventories	(1,216)	(1,438)
Decrease (increase) in other current assets	(247)	14
Increase (decrease) in trade payables	(7,553)	(2,602)
Increase (decrease) in other current liabilities	98	(512)
Other, net	202	646
Subtotal	3,862	3,356
Interest and dividends received	346	310
Interest paid	(153)	(147)
Income taxes paid	(3,624)	(2,030)
Net cash provided by (used in) operating activities	431	1,487
Cash flows from investing activities		
Purchase of investment securities	(7)	(8)
Proceeds from sale of investment securities	2,269	108
Purchase of property, plant and equipment	(3,295)	(2,817)
Proceeds from sale of property, plant and equipment	85	269
Purchase of intangible assets	(307)	(663)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,922)	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	9
Other, net	94	(39)
Net cash provided by (used in) investing activities	(3,083)	(3,140)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	91	30
Proceeds from long-term borrowings	600	590
Repayments of long-term borrowings	(2,355)	(1,115)
Purchase of treasury shares	(0)	(14)
Dividends paid to non-controlling interests	(89)	(221)
Dividends paid	(976)	(965)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(24)
Other, net	(244)	(274)
Net cash provided by (used in) financing activities	(2,975)	(1,996)
Net increase (decrease) in cash and cash equivalents	(5,627)	(3,648)
Cash and cash equivalents at beginning of period	37,326	36,467
Cash and cash equivalents at end of period	31,699	32,818