

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 28, 2022  
 Scheduled date to file Securities Report: June 29, 2022  
 Scheduled date to commence dividend payments: June 29, 2022  
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	598,731	26.3	12,067	40.4	13,120	31.2	8,308	17.8
Year ended March 31, 2021	473,899	(29.0)	8,592	(21.7)	10,001	(16.2)	7,053	(13.6)

	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, 2022	120.66	–	8.0	6.8	2.0
Year ended March 31, 2021	101.57	–	7.2	5.5	1.8

(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, 2022	197,887	112,358	54.2	1,559.26
As of March 31, 2021	187,245	106,468	54.2	1,471.07

(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, 2022	10,548	(3,297)	(5,721)	37,996
Year ended March 31, 2021	9,014	(4,415)	(5,458)	36,467

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, 2021	–	14.00	–	14.00	28.00	1,942	27.6	2.0
Year ended March 31, 2022	–	14.00	–	26.00	40.00	2,752	33.2	2.6
Year ending March 31, 2023 (Forecast)	–	19.00	–	19.00	38.00		31.1	

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 year ended March 31, 2022

(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: 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 March 31, 2022	71,000,000 shares	As of March 31, 2021	71,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	2,266,623 shares	As of March 31, 2021	2,015,903 shares
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Average number of shares during the period

Year ended March 31, 2022	68,860,204 shares	Year ended March 31, 2021	69,448,335 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	36,737	38,267
Notes and accounts receivable - trade	37,116	–
Notes and accounts receivable - trade, and contract assets	–	45,801
Securities	–	100
Merchandise and finished goods	5,709	7,387
Work in process	69	55
Raw materials and supplies	91	176
Other	1,858	2,366
Allowance for doubtful accounts	(441)	(477)
Total current assets	81,141	93,677
Non-current assets		
Property, plant and equipment		
Buildings and structures	67,885	69,654
Accumulated depreciation	(46,678)	(48,314)
Buildings and structures, net	21,207	21,340
Machinery, equipment and vehicles	33,981	34,164
Accumulated depreciation	(26,107)	(27,010)
Machinery, equipment and vehicles, net	7,873	7,153
Land	19,303	18,870
Leased assets	3,072	3,488
Accumulated depreciation	(1,236)	(1,442)
Leased assets, net	1,836	2,046
Construction in progress	301	1,336
Other	4,189	4,212
Accumulated depreciation	(3,171)	(3,208)
Other, net	1,017	1,003
Total property, plant and equipment	51,539	51,751
Intangible assets		
Goodwill	1,354	1,374
Customer-related assets	1,272	1,182
Software in progress	146	1,038
Other	1,343	1,278
Total intangible assets	4,116	4,874
Investments and other assets		
Investment securities	20,104	17,167
Long-term loans receivable	13	34
Deferred tax assets	797	729
Retirement benefit asset	3,593	3,930
Guarantee deposits	25,283	25,278
Other	754	539
Allowance for doubtful accounts	(98)	(95)
Total investments and other assets	50,448	47,584
Total non-current assets	106,103	104,210
Total assets	187,245	197,887

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	42,706	47,615
Short-term borrowings	270	300
Current portion of long-term borrowings	3,129	827
Lease liabilities	480	548
Income taxes payable	1,743	2,500
Provision for bonuses	1,707	1,701
Provision for bonuses for directors (and other officers)	69	76
Provision for warranties for completed construction	0	0
Asset retirement obligations	94	-
Other	10,851	12,492
<b>Total current liabilities</b>	<b>61,055</b>	<b>66,062</b>
<b>Non-current liabilities</b>		
Long-term borrowings	4,764	4,462
Lease liabilities	1,523	1,706
Deferred tax liabilities	4,269	4,116
Deferred tax liabilities for land revaluation	809	799
Provision for retirement benefits for directors (and other officers)	154	178
Provision for special repairs	170	196
Retirement benefit liability	224	211
Asset retirement obligations	592	606
Other	7,213	7,190
<b>Total non-current liabilities</b>	<b>19,722</b>	<b>19,467</b>
<b>Total liabilities</b>	<b>80,777</b>	<b>85,529</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,127	10,127
Capital surplus	4,286	4,339
Retained earnings	84,698	91,563
Treasury shares	(2,287)	(2,651)
<b>Total shareholders' equity</b>	<b>96,824</b>	<b>103,378</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,407	3,853
Revaluation reserve for land	(353)	(376)
Remeasurements of defined benefit plans	602	318
<b>Total accumulated other comprehensive income</b>	<b>4,655</b>	<b>3,795</b>
<b>Non-controlling interests</b>	<b>4,987</b>	<b>5,184</b>
<b>Total net assets</b>	<b>106,468</b>	<b>112,358</b>
<b>Total liabilities and net assets</b>	<b>187,245</b>	<b>197,887</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Net sales of goods	469,911	595,453
Net sales of completed construction contracts	3,987	3,278
Total net sales	473,899	598,731
Cost of sales		
Cost of goods sold	422,458	543,238
Cost of sales of completed construction contracts	3,607	2,900
Total cost of sales	426,065	546,138
Gross profit	47,833	52,592
Selling, general and administrative expenses	39,241	40,525
Operating profit	8,592	12,067
Non-operating income		
Interest income	199	257
Dividend income	468	432
Light oil delivery tax grant	150	149
Reversal of allowance for doubtful accounts	–	3
Subsidies for employment adjustment	219	92
Subsidy income	319	39
Compensation income	138	–
Other	372	418
Total non-operating income	1,868	1,392
Non-operating expenses		
Interest expenses	252	263
Provision of allowance for doubtful accounts	0	–
Office relocation expenses	49	–
Other	158	76
Total non-operating expenses	460	340
Ordinary profit	10,001	13,120
Extraordinary income		
Gain on sale of non-current assets	38	196
Gain on sale of investment securities	1,547	23
Total extraordinary income	1,585	219
Extraordinary losses		
Loss on sale and retirement of non-current assets	369	272
Loss on sale of investment securities	39	185
Impairment losses	260	59
Loss on valuation of investment securities	–	11
Loss on sale of shares of subsidiaries and associates	–	10
Total extraordinary losses	669	539
Profit before income taxes	10,917	12,800
Income taxes - current	3,473	3,854
Income taxes - deferred	20	63
Total income taxes	3,493	3,917
Profit	7,423	8,882
Profit attributable to non-controlling interests	369	573
Profit attributable to owners of parent	7,053	8,308

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	7,423	8,882
Other comprehensive income		
Valuation difference on available-for-sale securities	2,418	(568)
Remeasurements of defined benefit plans, net of tax	786	(284)
Total other comprehensive income	3,204	(852)
Comprehensive income	10,627	8,029
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,169	7,470
Comprehensive income attributable to non-controlling interests	458	558

## Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	4,286	84,698	(2,287)	96,824
Cumulative effects of changes in accounting policies			465		465
Restated balance	10,127	4,286	85,163	(2,287)	97,289
Changes during period					
Dividends of surplus			(965)		(965)
Middle dividends from surplus			(965)		(965)
Reversal of revaluation reserve for land			22		22
Profit attributable to owners of parent			8,308		8,308
Purchase of treasury shares				(374)	(374)
Disposal of treasury shares		2		10	13
Purchase of shares of consolidated subsidiaries		49			49
Sale of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	52	6,399	(363)	6,088
Balance at end of period	10,127	4,339	91,563	(2,651)	103,378

	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	4,407	(353)	602	4,655	4,987	106,468
Cumulative effects of changes in accounting policies				-		465
Restated balance	4,407	(353)	602	4,655	4,987	106,933
Changes during period						
Dividends of surplus				-		(965)
Middle dividends from surplus				-		(965)
Reversal of revaluation reserve for land		(22)		(22)		-
Profit attributable to owners of parent				-		8,308
Purchase of treasury shares				-		(374)
Disposal of treasury shares				-		13
Purchase of shares of consolidated subsidiaries				-	(109)	(60)
Sale of shares of consolidated subsidiaries				-	(30)	(30)
Net changes in items other than shareholders' equity	(553)		(284)	(838)	336	(501)
Total changes during period	(553)	(22)	(284)	(860)	196	5,424
Balance at end of period	3,853	(376)	318	3,795	5,184	112,358



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	10,917	12,800
Depreciation	4,838	5,120
Amortization of goodwill	231	312
Increase (decrease) in allowance for doubtful accounts	31	33
Increase (decrease) in provision for bonuses	(100)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	(34)	6
Increase (decrease) in retirement benefit liability	(828)	(757)
Interest and dividend income	(668)	(689)
Interest expenses	252	263
Loss (gain) on sale and retirement of property, plant and equipment	278	(3)
Impairment losses	260	59
Loss (gain) on sale of investment securities	(1,507)	161
Loss (gain) on valuation of investment securities	–	11
Decrease (increase) in trade receivables	(2,588)	(8,725)
Decrease (increase) in inventories	(875)	(1,778)
Decrease (increase) in other current assets	(416)	(540)
Decrease (increase) in guarantee deposits and claims provable in bankruptcy, claims provable in rehabilitation	146	(7)
Increase (decrease) in trade payables	2,940	4,985
Increase (decrease) in accrued liabilities	45	343
Increase (decrease) in other current liabilities	317	834
Other, net	278	731
Subtotal	13,517	13,161
Interest and dividends received	669	685
Interest paid	(261)	(273)
Income taxes paid	(4,911)	(3,025)
Net cash provided by (used in) operating activities	9,014	10,548
Cash flows from investing activities		
Payments into time deposits	(376)	(390)
Proceeds from withdrawal of time deposits	457	390
Purchase of investment securities	(10)	(11)
Proceeds from sale of investment securities	3,315	2,077
Purchase of property, plant and equipment	(4,995)	(4,337)
Proceeds from sale of property, plant and equipment	270	579
Purchase of intangible assets	(828)	(1,596)
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
Loan advances	(6)	(7)
Proceeds from collection of loans receivable	11	30
Other, net	(330)	(40)
Net cash provided by (used in) investing activities	(4,415)	(3,297)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	70	30
Proceeds from long-term borrowings	600	590
Repayments of long-term borrowings	(2,668)	(3,193)
Purchase of treasury shares	(913)	(374)
Dividends paid to non-controlling interests	(89)	(221)
Dividends paid	(1,953)	(1,931)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(60)
Other, net	(502)	(559)
Net cash provided by (used in) financing activities	(5,458)	(5,721)
Net increase (decrease) in cash and cash equivalents	(858)	1,529
Cash and cash equivalents at beginning of period	37,326	36,467
Cash and cash equivalents at end of period	36,467	37,996