

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 Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 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: August 8, 2022
 Scheduled date to commence dividend payments: –
 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 three months ended June 30, 2022 (from April 1, 2022 to June 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	%
Three months ended June 30, 2022	154,892	20.3	2,407	11.0	2,705	6.5	1,709	14.8
Three months ended June 30, 2021	128,719	36.8	2,169	10.4	2,539	9.0	1,489	(11.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	24.88	–
Three months ended June 30, 2021	21.59	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	190,660	112,484	56.3
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	14.00	–	26.00	40.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	19.00	–	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 three months ended June 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 June 30, 2022	71,000,000 shares	As of March 31, 2022	71,000,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2022	2,266,751 shares	As of March 31, 2022	2,266,623 shares
---------------------	------------------	----------------------	------------------

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

Three months ended June 30, 2022	68,733,334 shares	Three months ended June 30, 2021	68,984,041 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	38,267	35,937
Notes and accounts receivable - trade, and contract assets	45,801	39,341
Securities	100	–
Merchandise and finished goods	7,387	7,975
Work in process	55	77
Raw materials and supplies	176	123
Other	2,366	3,019
Allowance for doubtful accounts	(477)	(476)
Total current assets	93,677	85,999
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,654	69,871
Accumulated depreciation	(48,314)	(48,847)
Buildings and structures, net	21,340	21,023
Machinery, equipment and vehicles	34,164	34,366
Accumulated depreciation	(27,010)	(27,380)
Machinery, equipment and vehicles, net	7,153	6,985
Land	18,870	18,870
Other	9,037	9,439
Accumulated depreciation	(4,650)	(4,821)
Other, net	4,386	4,618
Total property, plant and equipment	51,751	51,498
Intangible assets		
Goodwill	1,374	1,563
Customer-related assets	1,182	1,160
Other	2,317	2,589
Total intangible assets	4,874	5,313
Investments and other assets		
Investment securities	17,167	17,680
Retirement benefit asset	3,930	3,801
Guarantee deposits	25,278	25,264
Other	1,303	1,198
Allowance for doubtful accounts	(95)	(95)
Total investments and other assets	47,584	47,848
Total non-current assets	104,210	104,660
Total assets	197,887	190,660

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,615	42,244
Short-term borrowings	300	350
Current portion of long-term borrowings	827	1,317
Income taxes payable	2,500	242
Provision for bonuses	1,701	776
Provision for bonuses for directors (and other officers)	76	17
Provision for warranties for completed construction	0	0
Other	13,040	13,998
Total current liabilities	66,062	58,947
Non-current liabilities		
Long-term borrowings	4,462	3,835
Provision for retirement benefits for directors (and other officers)	178	184
Provision for special repairs	196	204
Retirement benefit liability	211	101
Asset retirement obligations	606	607
Other	13,812	14,294
Total non-current liabilities	19,467	19,227
Total liabilities	85,529	78,175
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	4,339	4,339
Retained earnings	91,563	91,485
Treasury shares	(2,651)	(2,651)
Total shareholders' equity	103,378	103,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,853	4,175
Revaluation reserve for land	(376)	(376)
Remeasurements of defined benefit plans	318	300
Total accumulated other comprehensive income	3,795	4,098
Non-controlling interests	5,184	5,085
Total net assets	112,358	112,484
Total liabilities and net assets	197,887	190,660

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales		
Net sales of goods	127,965	154,234
Net sales of completed construction contracts	754	657
Total net sales	128,719	154,892
Cost of sales		
Cost of goods sold	115,934	141,136
Cost of sales of completed construction contracts	659	575
Total cost of sales	116,594	141,712
Gross profit	12,125	13,180
Selling, general and administrative expenses	9,955	10,772
Operating profit	2,169	2,407
Non-operating income		
Interest income	55	66
Dividend income	174	213
Light oil delivery tax grant	23	23
Reversal of allowance for doubtful accounts	–	0
Other	194	80
Total non-operating income	448	384
Non-operating expenses		
Interest expenses	61	63
Other	16	23
Total non-operating expenses	78	87
Ordinary profit	2,539	2,705
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on sale of investment securities	0	14
Total extraordinary income	5	18
Extraordinary losses		
Loss on sale and retirement of non-current assets	67	9
Loss on valuation of investment securities	12	–
Loss on sale of shares of subsidiaries and associates	10	–
Total extraordinary losses	90	9
Profit before income taxes	2,454	2,714
Income taxes - current	479	450
Income taxes - deferred	356	444
Total income taxes	836	894
Profit	1,618	1,819
Profit attributable to non-controlling interests	128	109
Profit attributable to owners of parent	1,489	1,709

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,618	1,819
Other comprehensive income		
Valuation difference on available-for-sale securities	28	325
Remeasurements of defined benefit plans, net of tax	(34)	(17)
Total other comprehensive income	(5)	307
Comprehensive income	1,612	2,127
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,482	2,013
Comprehensive income attributable to non-controlling interests	129	113