

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 13, 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
 General Manager, General Accounting
 Inquiries: Department Eiichi Nonaka TEL 03-6880-3100
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	485,683	1.5	12,790	26.8	13,543	25.3	8,374	12.9
Nine months ended December 31, 2022	478,279	11.7	10,090	23.7	10,804	19.9	7,416	36.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	127.08		–	
Nine months ended December 31, 2022	108.49		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	214,187	119,300	52.9
As of March 31, 2023	201,244	117,424	55.5

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, 2023	–	19.00	–	36.00	55.00
Year ending March 31, 2024	–	30.00	–		
Year ending March 31, 2024 (Forecast)				50.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	660,000	1.9	17,000	11.8	18,000	12.2	11,000	0.9	166.93

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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 December 31, 2023	68,000,000 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 December 31, 2023	3,171,130 shares	As of March 31, 2023	1,034,703 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	65,897,433 shares	Nine months ended December 31, 2022	68,362,374 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	47,017	49,833
Notes and accounts receivable - trade, and contract assets	43,144	48,824
Securities	–	100
Merchandise and finished goods	7,542	8,016
Work in process	85	119
Raw materials and supplies	146	146
Other	919	1,685
Allowance for doubtful accounts	(475)	(484)
Total current assets	98,380	108,241
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,516	71,847
Accumulated depreciation	(49,704)	(50,887)
Buildings and structures, net	19,812	20,959
Machinery, equipment and vehicles	34,671	36,979
Accumulated depreciation	(27,695)	(28,523)
Machinery, equipment and vehicles, net	6,976	8,456
Land	18,420	18,790
Other	11,512	9,793
Accumulated depreciation	(5,199)	(5,467)
Other, net	6,312	4,325
Total property, plant and equipment	51,522	52,533
Intangible assets		
Goodwill	1,683	1,925
Customer-related intangible assets	1,093	1,026
Other	3,419	3,852
Total intangible assets	6,197	6,804
Investments and other assets		
Investment securities	17,140	18,428
Retirement benefit asset	1,991	2,368
Guarantee deposits	24,865	24,839
Other	1,242	1,066
Allowance for doubtful accounts	(96)	(95)
Total investments and other assets	45,143	46,607
Total non-current assets	102,863	105,945
Total assets	201,244	214,187

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,908	56,177
Short-term borrowings	300	300
Current portion of long-term borrowings	2,346	926
Income taxes payable	3,530	1,218
Provision for bonuses	2,041	1,022
Provision for bonuses for directors (and other officers)	89	60
Provision for warranties for completed construction	0	0
Other	14,234	19,166
Total current liabilities	67,453	78,873
Non-current liabilities		
Long-term borrowings	2,115	1,299
Provision for retirement benefits for directors (and other officers)	208	187
Provision for special repairs	217	234
Retirement benefit liability	117	99
Asset retirement obligations	609	611
Other	13,098	13,580
Total non-current liabilities	16,366	16,012
Total liabilities	83,819	94,886
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	2,531	2,533
Retained earnings	97,862	101,859
Treasury shares	(1,280)	(4,669)
Total shareholders' equity	109,241	109,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,338	5,150
Revaluation reserve for land	(612)	(613)
Remeasurements of defined benefit plans	(1,228)	(1,020)
Total accumulated other comprehensive income	2,496	3,517
Non-controlling interests	5,686	5,933
Total net assets	117,424	119,300
Total liabilities and net assets	201,244	214,187

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales		
Net sales of goods	475,911	483,351
Net sales of completed construction contracts	2,368	2,332
Total net sales	478,279	485,683
Cost of sales		
Cost of goods sold	434,038	437,209
Cost of sales of completed construction contracts	2,047	2,061
Total cost of sales	436,085	439,270
Gross profit	42,194	46,413
Selling, general and administrative expenses	32,103	33,623
Operating profit	10,090	12,790
Non-operating income		
Interest income	31	40
Dividend income	409	435
Purchase discounts	167	163
Light oil delivery tax grant	133	135
Reversal of allowance for doubtful accounts	–	0
Other	234	226
Total non-operating income	977	1,002
Non-operating expenses		
Interest expenses	69	65
Sales discounts	128	131
Other	65	52
Total non-operating expenses	263	249
Ordinary profit	10,804	13,543
Extraordinary income		
Gain on sale of non-current assets	106	49
Gain on sale of investment securities	535	–
Total extraordinary income	642	49
Extraordinary losses		
Loss on sale and retirement of non-current assets	46	417
Impairment losses	0	4
Loss on sale of investment securities	4	–
Total extraordinary losses	52	421
Profit before income taxes	11,394	13,171
Income taxes - current	3,156	3,868
Income taxes - deferred	361	457
Total income taxes	3,518	4,326
Profit	7,876	8,844
Profit attributable to non-controlling interests	460	470
Profit attributable to owners of parent	7,416	8,374

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	7,876	8,844
Other comprehensive income		
Valuation difference on available-for-sale securities	320	806
Remeasurements of defined benefit plans, net of tax	(53)	208
Total other comprehensive income	266	1,014
Comprehensive income	8,143	9,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,663	9,394
Comprehensive income attributable to non-controlling interests	479	465