

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended January 31, 2024 (Based on Japanese GAAP)

March 13, 2024

Company name: Samco Inc.
 Stock exchange listing: Tokyo
 Stock code: 6387 URL <https://www.samco.co.jp>
 Representative: President & COO Tsukasa Kawabe
 Inquiries: Director, Executive Officer, Accounting and Administration Shozo Miyamoto TEL 075-621-7841
 Scheduled date to file Quarterly Securities Report: March 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended January 31, 2024 (from August 1, 2023 to January 31, 2024)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended January 31, 2024	4,105	6.7	1,012	5.1	1,063	8.3	747	6.7
Six months ended January 31, 2023	3,848	32.2	964	84.3	982	78.9	700	83.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended January 31, 2024	93.03		–	
Six months ended January 31, 2023	87.21		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of January 31, 2024	15,178		11,538		76.0		1,436.49	
As of July 31, 2023	14,795		11,144		75.3		1,387.39	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended July 31, 2023	–	0.00	–	45.00	45.00
Year ending July 31, 2024	–	0.00	–	–	–
Year ending July 31, 2024 (Forecast)	–	–	–	45.00	45.00

3. Forecast of non-consolidated financial results for the year ending July 31, 2024 (from August 1, 2023 to July 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,500	8.5	1,990	7.0	2,010	4.3	1,370	0.3	170.56

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(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 January 31, 2024	∴	8,042,881 shares	As of July 31, 2023	∴	8,042,881 shares
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Number of treasury shares at the end of the period

As of January 31, 2024	∴	10,405 shares	As of July 31, 2023	∴	10,405 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended January 31, 2024	∴	8,032,476 shares	Six months ended January 31, 2023	∴	8,032,699 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	5,301,752	5,623,609
Notes receivable - trade	12,252	–
Electronically recorded monetary claims - operating	182,574	108,481
Trade receivables and contract asset	2,489,827	2,553,546
Finished goods	–	22,775
Work in process	1,741,835	1,716,785
Raw materials and supplies	428,537	477,456
Prepaid expenses	9,815	11,180
Other	29,974	24,572
Allowance for doubtful accounts	(20,984)	(17,503)
Total current assets	10,175,585	10,520,905

(Thousands of yen)

	As of July 31, 2023	As of January 31, 2024
Non-current assets		
Property, plant and equipment		
Buildings	1,113,037	1,116,135
Accumulated depreciation	(824,645)	(837,480)
Buildings, net	288,392	278,654
Structures	27,100	27,100
Accumulated depreciation	(25,093)	(25,182)
Structures, net	2,007	1,917
Machinery and equipment	689,649	771,795
Accumulated depreciation	(670,345)	(679,177)
Machinery and equipment, net	19,303	92,617
Vehicles	56,314	57,565
Accumulated depreciation	(52,778)	(50,942)
Vehicles, net	3,536	6,623
Tools, furniture and fixtures	256,030	260,346
Accumulated depreciation	(233,988)	(239,128)
Tools, furniture and fixtures, net	22,042	21,217
Land	3,453,567	3,453,567
Leased assets	50,790	60,486
Accumulated depreciation	(50,790)	(51,598)
Leased assets, net	–	8,888
Construction in progress	74,611	4,739
Total property, plant and equipment	3,863,459	3,868,226
Intangible assets		
Telephone subscription right	2,962	2,962
Software	1,402	2,263
Software in progress	–	5,000
Total intangible assets	4,364	10,225
Investments and other assets		
Investment securities	300,794	316,341
Shares of subsidiaries and associates	25,207	25,207
Investments in capital	5,000	5,000
Long-term loans receivable from subsidiaries and associates	12,150	7,702
Deferred tax assets	129,893	126,138
Guarantee deposits	78,378	78,587
Insurance funds	199,206	219,347
Other	991	917
Total investments and other assets	751,621	779,243
Total non-current assets	4,619,445	4,657,695
Total assets	14,795,031	15,178,600

(Thousands of yen)

	As of July 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	861,405	822,161
Short-term borrowings	700,000	700,000
Current portion of long-term borrowings	39,996	39,996
Lease liabilities	–	1,939
Accounts payable - other	126,249	125,707
Accrued expenses	43,846	39,289
Income taxes payable	411,448	344,628
Contract liabilities	335,648	452,128
Deposits received	39,874	24,712
Provision for bonuses	25,500	26,100
Provision for bonuses for directors (and other officers)	30,000	33,020
Provision for product warranties	18,000	17,800
Other	44,069	38,111
Total current liabilities	2,676,039	2,665,594
Non-current liabilities		
Long-term borrowings	103,343	83,345
Lease liabilities	–	6,948
Provision for retirement benefits	476,640	482,960
Provision for retirement benefits for directors (and other officers)	394,752	400,449
Other	–	694
Total non-current liabilities	974,736	974,398
Total liabilities	3,650,775	3,639,993
Net assets		
Shareholders' equity		
Share capital	1,663,687	1,663,687
Capital surplus		
Legal capital surplus	2,079,487	2,079,487
Total capital surplus	2,079,487	2,079,487
Retained earnings		
Legal retained earnings	59,500	59,500
Other retained earnings		
General reserve	4,367,000	4,367,000
Retained earnings brought forward	2,837,418	3,223,228
Total retained earnings	7,263,918	7,649,728
Treasury shares	(13,453)	(13,453)
Total shareholders' equity	10,993,640	11,379,449
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	150,615	159,157
Total valuation and translation adjustments	150,615	159,157
Total net assets	11,144,255	11,538,607
Total liabilities and net assets	14,795,031	15,178,600

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended January 31, 2023	Six months ended January 31, 2024
Net sales	3,848,878	4,105,476
Cost of sales	1,898,815	2,053,027
Gross profit	1,950,062	2,052,448
Selling, general and administrative expenses	985,935	1,039,575
Operating profit	964,126	1,012,873
Non-operating income		
Interest income	167	131
Dividend income	21,228	2,660
Foreign exchange gains	–	37,296
Rental income	5,836	5,548
Subsidy income	1,886	1,813
Miscellaneous income	3,311	5,694
Total non-operating income	32,430	53,145
Non-operating expenses		
Interest expenses	2,185	2,206
Foreign exchange losses	12,359	–
Loss on retirement of non-current assets	0	0
Total non-operating expenses	14,545	2,206
Ordinary profit	982,012	1,063,812
Profit before income taxes	982,012	1,063,812
Income taxes	281,403	316,541
Profit	700,609	747,270

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended January 31, 2023	Six months ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	982,012	1,063,812
Depreciation	28,205	32,340
Interest and dividend income	(21,395)	(2,792)
Interest expenses	2,185	2,206
Foreign exchange losses (gains)	8,738	(19,881)
Increase (decrease) in allowance for doubtful accounts	150	(3,481)
Increase (decrease) in provision for bonuses	1,600	600
Increase (decrease) in provision for bonuses for directors (and other officers)	(2,814)	3,020
Increase (decrease) in provision for product warranties	2,900	(200)
Increase (decrease) in provision for retirement benefits	(1,875)	6,319
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,875	5,697
Decrease (increase) in trade receivables and contract assets	(1,494,084)	22,626
Decrease (increase) in inventories	(412,126)	(58,060)
Increase (decrease) in trade payables	141,881	(39,244)
Increase (decrease) in accrued consumption taxes	(51,741)	(5,268)
Increase (decrease) in contract liabilities	(24,767)	116,480
Other, net	(243)	(22,011)
Subtotal	(836,499)	1,102,163
Interest and dividends received	2,955	2,797
Interest paid	(1,397)	(1,274)
Income taxes refund (paid)	(233,269)	(381,467)
Net cash provided by (used in) operating activities	(1,068,210)	722,218
Cash flows from investing activities		
Payments into time deposits	(1,446,263)	(1,451,386)
Proceeds from withdrawal of time deposits	1,440,537	1,445,960
Purchase of property, plant and equipment	(42,497)	(17,332)
Purchase of intangible assets	–	(1,100)
Purchase of investment securities	(3,193)	(3,249)
Proceeds from collection of loans receivable	8,836	5,010
Purchase of insurance funds	(20,140)	(20,140)
Other, net	(1,982)	(413)
Net cash provided by (used in) investing activities	(64,703)	(42,651)
Cash flows from financing activities		
Repayments of long-term borrowings	(19,998)	(19,998)
Purchase of treasury shares	(381)	–
Dividends paid	(281,146)	(361,461)
Other, net	(1,983)	(888)
Net cash provided by (used in) financing activities	(303,509)	(382,348)
Effect of exchange rate change on cash and cash equivalents	(1,836)	9,868
Net increase (decrease) in cash and cash equivalents	(1,438,260)	307,087
Cash and cash equivalents at beginning of period	3,919,589	3,374,374
Cash and cash equivalents at end of period	2,481,329	3,681,461