

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 6, 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
 Executive Officer, General Manager, General
 Inquiries: Eiichi Nonaka TEL 03-6880-3100
 Accounting Department
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	150,894	(0.1)	2,440	(35.8)	2,789	(31.8)	2,611	1.4
Three months ended June 30, 2023	151,020	(2.5)	3,804	58.0	4,092	51.3	2,576	50.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	40.64		–	
Three months ended June 30, 2023	38.57		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	210,418	122,079	55.1
As of March 31, 2024	218,607	123,829	53.9

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, 2024	–	30.00	–	50.00	80.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		50.00	–	50.00	100.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	650,000	(1.5)	12,500	(25.9)	13,000	(26.7)	9,500	(15.3)	147.72

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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 June 30, 2024	66,000,000 shares	As of March 31, 2024	66,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,839,766 shares	As of March 31, 2024	1,688,130 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	64,257,882 shares	Three months ended June 30, 2023	66,780,342 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	53,671	46,055
Notes and accounts receivable - trade, and contract assets	46,740	40,347
Securities	100	150
Merchandise and finished goods	7,387	8,070
Work in process	29	60
Raw materials and supplies	130	139
Other	1,046	1,557
Allowance for doubtful accounts	(486)	(15)
Total current assets	108,620	96,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	71,938	74,086
Accumulated depreciation	(51,155)	(53,157)
Buildings and structures, net	20,783	20,929
Machinery, equipment and vehicles	37,178	37,479
Accumulated depreciation	(28,705)	(29,288)
Machinery, equipment and vehicles, net	8,472	8,190
Land	18,762	18,797
Other	10,259	10,620
Accumulated depreciation	(5,579)	(5,681)
Other, net	4,679	4,939
Total property, plant and equipment	52,697	52,856
Intangible assets		
Goodwill	1,881	1,838
Customer-related intangible assets	1,004	981
Other	4,026	3,927
Total intangible assets	6,912	6,748
Investments and other assets		
Investment securities	20,978	19,083
Retirement benefit asset	3,442	3,513
Guarantee deposits	24,813	30,840
Other	1,270	1,673
Allowance for doubtful accounts	(127)	(663)
Total investments and other assets	50,377	54,448
Total non-current assets	109,987	114,053
Total assets	218,607	210,418

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,202	51,887
Short-term borrowings	300	300
Current portion of long-term borrowings	946	957
Income taxes payable	2,547	1,016
Provision for bonuses	2,226	1,083
Provision for bonuses for directors (and other officers)	84	19
Provision for warranties for completed construction	1	1
Other	17,179	16,678
Total current liabilities	78,488	71,944
Non-current liabilities		
Bonds payable	–	30
Long-term borrowings	1,168	1,123
Provision for retirement benefits for directors (and other officers)	194	165
Provision for special repairs	227	219
Retirement benefit liability	95	131
Asset retirement obligations	562	881
Other	14,041	13,843
Total non-current liabilities	16,290	16,394
Total liabilities	94,778	88,338
Net assets		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	2,531	2,531
Retained earnings	101,702	101,098
Treasury shares	(2,605)	(2,924)
Total shareholders' equity	111,755	110,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,101	6,261
Revaluation reserve for land	(613)	(613)
Remeasurements of defined benefit plans	(505)	(476)
Total accumulated other comprehensive income	5,983	5,171
Non-controlling interests	6,090	6,074
Total net assets	123,829	122,079
Total liabilities and net assets	218,607	210,418

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, 2023	Three months ended June 30, 2024
Net sales		
Net sales of goods	150,416	150,508
Net sales of completed construction contracts	603	386
Total net sales	151,020	150,894
Cost of sales		
Cost of goods sold	135,716	136,435
Cost of sales of completed construction contracts	523	334
Total cost of sales	136,240	136,770
Gross profit	14,779	14,123
Selling, general and administrative expenses	10,975	11,683
Operating profit	3,804	2,440
Non-operating income		
Interest income	13	18
Dividend income	223	271
Purchase discounts	52	56
Light oil delivery tax grant	24	23
Reversal of allowance for doubtful accounts	0	–
Other	50	71
Total non-operating income	364	441
Non-operating expenses		
Interest expenses	21	19
Sales discounts	41	41
Other	12	31
Total non-operating expenses	75	92
Ordinary profit	4,092	2,789
Extraordinary income		
Gain on sale of non-current assets	37	3
Gain on sale of investment securities	–	1,354
Total extraordinary income	37	1,358
Extraordinary losses		
Loss on sale and retirement of non-current assets	73	11
Impairment losses	1	–
Total extraordinary losses	74	11
Profit before income taxes	4,055	4,136
Income taxes - current	891	918
Income taxes - deferred	399	403
Total income taxes	1,290	1,322
Profit	2,765	2,814
Profit attributable to non-controlling interests	189	203
Profit attributable to owners of parent	2,576	2,611

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	2,765	2,814
Other comprehensive income		
Valuation difference on available-for-sale securities	1,119	(855)
Remeasurements of defined benefit plans, net of tax	69	28
Total other comprehensive income	1,188	(826)
Comprehensive income	3,954	1,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,752	1,799
Comprehensive income attributable to non-controlling interests	201	188

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,055	4,136
Depreciation	1,277	1,375
Amortization of goodwill	103	110
Increase (decrease) in allowance for doubtful accounts	(0)	57
Increase (decrease) in provision for bonuses	(1,109)	(1,149)
Increase (decrease) in provision for bonuses for directors (and other officers)	(71)	(65)
Increase (decrease) in retirement benefit asset or liability	(66)	(28)
Interest and dividend income	(289)	(346)
Interest expenses	63	61
Loss (gain) on sale of property, plant and equipment	32	7
Impairment losses	1	-
Loss (gain) on sale of investment securities	-	(1,354)
Decrease (increase) in trade receivables	3,654	6,470
Decrease (increase) in inventories	(1,085)	(687)
Decrease (increase) in other current assets	(437)	(471)
Decrease (increase) in guarantee deposits and claims provable in bankruptcy, claims provable in rehabilitation	24	(6,554)
Increase (decrease) in trade payables	(4,052)	(3,397)
Increase (decrease) in other current liabilities	1,028	775
Other, net	(131)	(232)
Subtotal	2,997	(1,290)
Interest and dividends received	231	298
Interest paid	(77)	(74)
Income taxes paid	(3,722)	(2,366)
Net cash provided by (used in) operating activities	(570)	(3,433)
Cash flows from investing activities		
Purchase of investment securities	(306)	(6)
Proceeds from sale of investment securities	-	1,936
Purchase of property, plant and equipment	(3,118)	(1,725)
Proceeds from sale of property, plant and equipment	204	5
Purchase of intangible assets	(547)	(169)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(234)
Other, net	(5)	(2)
Net cash provided by (used in) investing activities	(3,773)	(195)
Cash flows from financing activities		
Repayments of long-term borrowings	(626)	(110)
Purchase of treasury shares	(687)	(318)
Dividends paid to non-controlling interests	(217)	(208)
Dividends paid	(2,410)	(3,215)
Other, net	(152)	(151)
Net cash provided by (used in) financing activities	(4,095)	(4,003)
Net increase (decrease) in cash and cash equivalents	(8,439)	(7,632)
Cash and cash equivalents at beginning of period	46,747	53,381
Cash and cash equivalents at end of period	38,307	45,748