Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 29, 2024

Company name: SANEI LTD.
Listing: Tokyo
Securities code: 6230
URL: https://www.sanei.ltd/
Representative: Toshiaki Nishioka
Representative Director and President
Inquiries: Yuji Nitta
Managing Director, Executive Officer, Vice President of Corporate Administration Division
Telephone: +81-6-6972-5955

Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	6,786	(0.4)	410	38.6	400	32.9	299	43.2
June 30, 2023	6,811	6.0	296	202.4	301	212.6	209	485.4

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 306 million [28.1%]
Three months ended June 30, 2023: ¥ 239 million [112.8%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	131.04	-
June 30, 2023	91.48	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	23,688	13,890	56.2
March 31, 2024	24,218	13,727	54.2

(Reference) Equity: As of June 30, 2024: ¥ 13,321 million
As of March 31, 2024: ¥ 13,126 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	49.00	-	59.00	108.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		60.00	-	27.50	-

(Note) Revision to the forecast for dividends announced most recently: Yes

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Regular dividend 49.00 yen

70th Anniversary Commemorative dividend 10.00 yen

(Note) Breakdown of the 2nd quarter-end dividend for the fiscal year ending March 31, 2025 :

Regular dividend 55.00 yen

70th Anniversary Commemorative dividend 5.00 yen

The Company plans to conduct a two-for-one share split of its common shares, effective October 1, 2024.

The dividends at the end of the second quarter of the fiscal year ending March 31, 2025 (forecast) is the amount before the share split, and the dividends at the end of the fiscal year is the amount after the share split.

The annual dividends without considering such share split would be ¥115.00.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	13,950	5.9	990	33.2	990	33.8	680	39.9	297.07
Full year	28,500	3.5	2,040	3.3	2,040	3.4	1,400	3.8	305.81

(Note) Revision to the financial results forecast announced most recently: None

The amount of basic earnings per share in the consolidated financial result forecast for the first half of the fiscal year ending March 31, 2025 is calculated based on the number of shares before the share split.

The amount of basic earnings per share in the consolidated financial result forecast for the full year of the fiscal year ending March 31, 2025 is calculated based on the assumption that the share split was conducted at the beginning of FY2024.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024:	2,289,000	shares
March 31, 2024:	2,289,000	shares

2) Number of treasury shares at the end of the period:

June 30, 2024:	76	shares
March 31, 2024:	76	shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024:	2,288,924	shares
Three months ended June 30, 2023:	2,288,954	shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

* Explanation on proper use of financial results forecasts, and other special matters

(Cautionary note concerning forward-looking statements)

The forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual results may differ substantially due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,190,489	1,802,494
Notes and accounts receivable - trade	4,928,751	4,373,975
Electronically recorded monetary claims - operating	2,159,348	1,778,319
Merchandise and finished goods	3,465,135	4,061,563
Work in process	656,615	621,377
Raw materials and supplies	2,165,515	2,136,309
Other	296,487	281,345
Allowance for doubtful accounts	(4,095)	(4,443)
Total current assets	15,858,248	15,050,940
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,190,800	2,725,651
Machinery, equipment and vehicles, net	678,486	670,074
Tools, furniture and fixtures, net	353,310	364,134
Land	2,473,053	2,473,053
Other, net	342,529	162,675
Total property, plant and equipment	6,038,181	6,395,589
Intangible assets		
Other	174,792	183,296
Total intangible assets	174,792	183,296
Investments and other assets		
Other	2,150,753	2,062,899
Allowance for doubtful accounts	(3,813)	(3,813)
Total investments and other assets	2,146,939	2,059,086
Total non-current assets	8,359,913	8,637,971
Total assets	24,218,161	23,688,912

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,508,242	1,498,832
Electronically recorded obligations - operating	2,067,558	2,133,292
Short-term borrowings	1,438,000	1,538,000
Current portion of long-term borrowings	384,129	350,493
Income taxes payable	564,114	79,936
Provision for bonuses	405,102	197,710
Other	1,147,579	1,171,753
Total current liabilities	7,514,725	6,970,019
Non-current liabilities		
Long-term borrowings	1,099,291	1,015,117
Provision for retirement benefits for directors (and other officers)	640,835	564,232
Retirement benefit liability	1,159,989	1,173,386
Asset retirement obligations	40,097	40,174
Other	35,300	35,000
Total non-current liabilities	2,975,513	2,827,909
Total liabilities	10,490,238	9,797,928
Net assets		
Shareholders' equity		
Share capital	432,757	432,757
Capital surplus	456,277	456,277
Retained earnings	11,828,720	11,993,612
Treasury shares	(228)	(228)
Total shareholders' equity	12,717,527	12,882,419
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,952	113,872
Foreign currency translation adjustment	230,352	269,586
Remeasurements of defined benefit plans	56,321	55,689
Total accumulated other comprehensive income	408,626	439,147
Non-controlling interests	601,768	569,415
Total net assets	13,727,923	13,890,983
Total liabilities and net assets	24,218,161	23,688,912

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	6,811,862	6,786,012
Cost of sales	4,780,992	4,567,227
Gross profit	2,030,870	2,218,784
Selling, general and administrative expenses	1,734,736	1,808,236
Operating profit	296,133	410,548
Non-operating income		
Interest income	722	867
Dividend income	3,223	4,109
Purchase discounts	1,806	684
Other	6,265	10,851
Total non-operating income	12,017	16,512
Non-operating expenses		
Interest expenses	2,463	2,986
Loss on sale of notes receivable - trade	226	919
Foreign exchange losses	2,753	21,431
Other	1,112	964
Total non-operating expenses	6,556	26,301
Ordinary profit	301,594	400,758
Extraordinary income		
Gain on sale of non-current assets	6,510	120
Total extraordinary income	6,510	120
Extraordinary losses		
Loss on retirement of non-current assets	530	103
Total extraordinary losses	530	103
Profit before income taxes	307,574	400,775
Income taxes - current	16,477	52,367
Income taxes - deferred	93,109	80,896
Total income taxes	109,587	133,264
Profit	197,987	267,511
Loss attributable to non-controlling interests	(11,415)	(32,427)
Profit attributable to owners of parent	209,402	299,938

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	197,987	267,511
Other comprehensive income		
Valuation difference on available-for-sale securities	23,424	106
Foreign currency translation adjustment	17,425	39,233
Remeasurements of defined benefit plans, net of tax	233	(632)
Total other comprehensive income	41,083	38,708
Comprehensive income	239,070	306,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	249,714	338,623
Comprehensive income attributable to non-controlling interests	(10,643)	(32,404)