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 Six Months Ended September 30, 2024 [Japanese GAAP]

October 28, 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 file semi-annual securities report: November 8, 2024
Scheduled date to commence dividend payments: December 2, 2024
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 Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	13,581	3.1	662	(10.8)	615	(16.8)	469	(3.4)
September 30, 2023	13,170	4.2	743	614.6	739	728.0	485	-

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 462 million [(19.1) %]
Six months ended September 30, 2023: ¥ 572 million [693.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	102.55	-
September 30, 2023	106.16	-

(Note) The Company conducted a stock split at a ratio of 2 shares for every 1 common share on October 1, 2024. The interim net income per share was calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	23,207	14,055	58.3
March 31, 2024	24,218	13,727	54.2

(Reference) Equity: As of September 30, 2024: ¥ 13,522 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	-	60.00			
Fiscal year ending March 31, 2025 (Forecast)			-	30.00	90.00

(Note) Revision to the forecast for dividends announced most recently: None

(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 is conducting a 2-for-1 stock split with an effective date of October 1, 2024.
The dividend per share at the end of the fiscal year ending March 2025 (forecast) takes into account the impact of the stock split.
If the stock split is not taken into account, the dividend per share at the end of the fiscal year ending March 2025 (forecast) will be 60.00 yen, and the annual dividend per share will be 120.00 yen.

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
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 Company conducted a stock split at a ratio of 2 shares for 1 common share on October 1, 2024. The amount of net income per share in the consolidated financial forecast for the full fiscal year ending March 2025 is calculated assuming that the stock split was conducted at the beginning of the current consolidated fiscal year.

* Notes:

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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):

September 30, 2024:	4,578,000	shares
March 31, 2024:	4,578,000	shares

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

September 30, 2024:	152	shares
March 31, 2024:	152	shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024:	4,577,848	shares
Six months ended September 30, 2023:	4,577,878	shares

(Note) The Company conducted a stock split at a ratio of 2 shares for every 1 common share on October 1, 2024. The "number of shares issued at the end of the period," "number of treasury shares at the end of the period," and "average number of shares during the period" are calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings 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.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,190,489	1,774,282
Notes and accounts receivable - trade	4,928,751	4,429,429
Electronically recorded monetary claims - operating	2,159,348	1,572,477
Merchandise and finished goods	3,465,135	3,531,192
Work in process	656,615	635,942
Raw materials and supplies	2,165,515	2,221,382
Other	296,487	170,191
Allowance for doubtful accounts	(4,095)	(4,345)
Total current assets	15,858,248	14,330,553
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,190,800	2,753,081
Machinery, equipment and vehicles, net	678,486	686,465
Tools, furniture and fixtures, net	353,310	357,836
Land	2,473,053	2,434,611
Other, net	342,529	254,359
Total property, plant and equipment	6,038,181	6,486,355
Intangible assets		
Other	174,792	173,243
Total intangible assets	174,792	173,243
Investments and other assets		
Other	2,150,753	2,221,370
Allowance for doubtful accounts	(3,813)	(3,813)
Total investments and other assets	2,146,939	2,217,556
Total non-current assets	8,359,913	8,877,154
Total assets	24,218,161	23,207,708

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,508,242	1,254,135
Electronically recorded obligations - operating	2,067,558	1,621,097
Short-term borrowings	1,438,000	1,518,000
Current portion of long-term borrowings	384,129	339,316
Income taxes payable	564,114	280,378
Provision for bonuses	405,102	392,913
Other	1,147,579	873,535
Total current liabilities	7,514,725	6,279,375
Non-current liabilities		
Long-term borrowings	1,099,291	1,031,651
Provision for retirement benefits for directors (and other officers)	640,835	571,908
Retirement benefit liability	1,159,989	1,194,015
Asset retirement obligations	40,097	40,252
Other	35,300	35,000
Total non-current liabilities	2,975,513	2,872,827
Total liabilities	10,490,238	9,152,202
Net assets		
Shareholders' equity		
Share capital	432,757	432,757
Capital surplus	456,277	456,277
Retained earnings	11,828,720	12,163,133
Treasury shares	(228)	(228)
Total shareholders' equity	12,717,527	13,051,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,952	94,499
Foreign currency translation adjustment	230,352	320,509
Remeasurements of defined benefit plans	56,321	55,057
Total accumulated other comprehensive income	408,626	470,066
Non-controlling interests	601,768	533,497
Total net assets	13,727,923	14,055,505
Total liabilities and net assets	24,218,161	23,207,708

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	13,170,413	13,581,745
Cost of sales	9,077,360	9,290,237
Gross profit	4,093,053	4,291,507
Selling, general and administrative expenses	3,349,991	3,628,822
Operating profit	743,061	662,685
Non-operating income		
Interest income	1,468	1,670
Dividend income	3,649	4,280
Other	17,826	14,600
Total non-operating income	22,944	20,551
Non-operating expenses		
Interest expenses	4,769	6,574
Loss on sale of notes receivable - trade	385	2,733
Foreign exchange losses	17,863	56,924
Other	3,318	1,929
Total non-operating expenses	26,336	68,162
Ordinary profit	739,669	615,074
Extraordinary income		
Gain on sale of non-current assets	6,951	1,346
Total extraordinary income	6,951	1,346
Extraordinary losses		
Loss on sale of non-current assets	1,998	1,983
Loss on retirement of non-current assets	720	1,377
Total extraordinary losses	2,719	3,361
Profit before income taxes	743,901	613,059
Income taxes - current	218,053	240,470
Income taxes - deferred	33,907	(28,623)
Total income taxes	251,961	211,846
Profit	491,940	401,212
Profit (loss) attributable to non-controlling interests	5,948	(68,247)
Profit attributable to owners of parent	485,992	469,460

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	491,940	401,212
Other comprehensive income		
Valuation difference on available-for-sale securities	39,768	(27,112)
Foreign currency translation adjustment	40,048	90,157
Remeasurements of defined benefit plans, net of tax	467	(1,264)
Total other comprehensive income	80,283	61,780
Comprehensive income	572,224	462,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	577,269	530,899
Comprehensive income attributable to non-controlling interests	(5,044)	(67,907)

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	743,901	613,059
Depreciation	298,024	298,205
Increase (decrease) in allowance for doubtful accounts	481	249
Interest and dividend income	(5,117)	(5,950)
Interest expenses	4,769	6,574
Foreign exchange losses (gains)	366	41,859
Loss (gain) on sale of non-current assets	(4,952)	636
Loss on retirement of non-current assets	720	1,377
Decrease (increase) in trade receivables	33,714	1,086,263
Decrease (increase) in inventories	(782,902)	(78,311)
Increase (decrease) in trade payables	609,727	(700,942)
Increase (decrease) in provision for bonuses	(21,682)	(12,189)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	14,806	(68,927)
Increase (decrease) in retirement benefit liability	(27,098)	32,205
Increase (decrease) in accrued consumption taxes	(101,488)	19,195
Other, net	55,372	(96,210)
Subtotal	818,645	1,137,095
Interest and dividends received	5,117	5,950
Interest paid	(3,958)	(5,342)
Income taxes refund (paid)	97,306	(515,926)
Net cash provided by (used in) operating activities	917,111	621,777
Cash flows from investing activities		
Purchase of property, plant and equipment	(552,374)	(808,916)
Proceeds from sale of property, plant and equipment	5,517	44,597
Purchase of intangible assets	(9,342)	(19,171)
Purchase of investment securities	(5,099)	(69,268)
Loan advances	-	(850)
Proceeds from collection of loans receivable	345	414
Decrease (increase) in time deposits	(1,701)	(1,902)
Purchase of insurance funds	(11,629)	(11,678)
Other, net	1,928	669
Net cash provided by (used in) investing activities	(572,355)	(866,104)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(18,000)	80,000
Proceeds from long-term borrowings	100,000	100,000
Repayments of long-term borrowings	(142,397)	(212,453)
Purchase of treasury shares	(119)	-
Repayments of finance lease liabilities	(844)	(768)
Dividends paid	(109,870)	(135,046)
Dividends paid to non-controlling interests	(728)	(364)
Net cash provided by (used in) financing activities	(171,959)	(168,631)
Effect of exchange rate change on cash and cash equivalents	6,717	(5,151)
Net increase (decrease) in cash and cash equivalents	179,514	(418,110)
Cash and cash equivalents at beginning of period	2,247,369	1,497,952
Cash and cash equivalents at end of period	2,426,884	1,079,841