

For Immediate Release
(This is an English translation of the Japanese original.)

Consolidated Financial Results for the Six Months Ended February 28, 2023 [Japanese GAAP]



April 14, 2023

Company name: SANEI ARCHITECTURE PLANNING CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3228

URL: <https://www.san-a.com>

Representative: Manabu Koike, President and CEO, Representative Director

Contact: Tsuyoshi Hasebe, Executive Officer, General Manager of Administration Division

Phone: +81-3-5381-3201

Scheduled date of filing quarterly securities report: April 14, 2023

Scheduled date of commencing dividend payments: May 31, 2023

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended February 28, 2023 (September 1, 2022 to February 28, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended February 28, 2023	62,299	0.4	3,689	(30.8)	3,134	(48.8)	1,364	(65.1)
February 28, 2022	62,076	11.8	5,332	31.7	6,127	42.3	3,909	46.6

(Note) Comprehensive income: Six months ended February 28, 2023: ¥1,559 million [(64.4)%]

Six months ended February 28, 2022: ¥4,382 million [42.7%]

	Basic profit per share	Diluted profit per share
	Yen	Yen
Six months ended February 28, 2023	64.29	-
February 28, 2022	184.28	153.20

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2023	162,987	61,289	35.7
As of August 31, 2022	153,094	60,572	37.7

(Reference) Equity: As of February 28, 2023: ¥58,201 million

As of August 31, 2022: ¥57,659 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 August 31, 2022	-	37.50	-	37.50	75.00
Fiscal year ending August 31, 2023	-	37.50			
Fiscal year ending August 31, 2023 (Forecast)			-	37.50	75.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2023 (September 1, 2022 to August 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	150,000	7.9	11,163	(13.4)	10,500	(22.4)	6,817	(16.0)	321.32

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of accounting methods specific to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - February 28, 2023: 21,217,600 shares
 - August 31, 2022: 21,217,600 shares
 - 2) Total number of treasury shares at the end of the period:
 - February 28, 2023: 521 shares
 - August 31, 2022: 521 shares
 - 3) Average number of shares during the period:
 - Six months ended February 28, 2023: 21,217,079 shares
 - Six months ended February 28, 2022: 21,217,079 shares

* These consolidated financial results are outside the scope of quarterly review by certified public accountants or audit firms

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable, and the Company does not promise the achievement of those forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions underlying the forecasts and the notes on the use of the forecasts, please refer to “1. (3) Explanation Regarding Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 (Japanese version only).

Supplementary briefing materials will be posted on the Company’s website within one week after the announcement of financial results.

Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of August 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	36,019,023	15,049,627
Notes and accounts receivable - trade, and contract assets	10,880,130	14,430,220
Real estate for sale	43,956,024	57,083,774
Real estate for sale in process	42,362,443	54,519,523
Costs on construction contracts in progress	204,257	973,620
Other	3,099,150	3,251,658
Allowance for doubtful accounts	(17,009)	(185,185)
Total current assets	136,504,019	145,123,238
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,616,345	5,929,716
Accumulated depreciation	(1,354,043)	(1,644,348)
Buildings and structures, net	4,262,302	4,285,368
Land	3,124,791	3,677,789
Other	657,607	1,219,451
Accumulated depreciation	(373,815)	(411,069)
Other, net	283,792	808,381
Total property, plant and equipment	7,670,885	8,771,539
Intangible assets	1,282,318	1,734,254
Investments and other assets		
Other	7,878,514	7,587,691
Allowance for doubtful accounts	(241,310)	(229,296)
Total investments and other assets	7,637,203	7,358,394
Total non-current assets	16,590,408	17,864,189
Total assets	153,094,427	162,987,427

(Thousand yen)

	As of August 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,590,704	16,019,507
Short-term borrowings	27,043,300	33,120,766
Current portion of long-term borrowings	9,664,675	11,461,375
Current portion of bonds payable	1,162,000	836,000
Income taxes payable	2,515,912	2,928,941
Provision for bonuses	428,869	340,782
Other	3,224,064	4,219,236
Total current liabilities	62,629,526	68,926,609
Non-current liabilities		
Bonds payable	5,089,430	4,767,010
Long-term borrowings	23,188,228	23,332,193
Retirement benefit liability	716,975	737,188
Deferred tax liabilities	52,741	2,938,493
Asset retirement obligations	135,123	134,770
Other	710,326	861,405
Total non-current liabilities	29,892,825	32,771,060
Total liabilities	92,522,351	101,697,669
Net assets		
Shareholders' equity		
Share capital	1,340,150	1,340,150
Capital surplus	1,233,992	1,238,646
Retained earnings	54,828,906	55,384,584
Treasury shares	(462)	(462)
Total shareholders' equity	57,402,586	57,962,918
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	57,237	59,045
Foreign currency translation adjustment	235,539	209,149
Remeasurements of defined benefit plans	(35,519)	(29,225)
Total accumulated other comprehensive income	257,258	238,969
Non-controlling interests	2,912,231	3,087,869
Total net assets	60,572,076	61,289,757
Total liabilities and net assets	153,094,427	162,987,427

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended February 28

(Thousand yen)

	For the six months ended February 28, 2022	For the six months ended February 28, 2023
Net sales	62,076,625	62,299,706
Cost of sales	52,000,866	53,458,607
Gross profit	10,075,758	8,841,099
Selling, general and administrative expenses	4,743,003	5,151,900
Operating profit	5,332,755	3,689,199
Non-operating income		
Interest income	24,229	20,043
Dividend income	369,302	11,862
Foreign exchange gains	192,826	-
Cancellation income of advance money on a contract	7,750	35,598
Subsidy income	71,900	10,077
Surrender value of insurance policies	61	-
Gain on investments in investment partnerships	235,316	-
Other	221,076	169,328
Total non-operating income	1,122,464	246,911
Non-operating expenses		
Interest expenses	233,885	377,762
Commission such as financings	70,366	23,186
Subsidiary stock acquisition-related cost	-	368,199
Other	23,663	32,780
Total non-operating expenses	327,915	801,928
Ordinary profit	6,127,304	3,134,181
Extraordinary income		
Gain on sale of investment securities	27,154	-
Total extraordinary income	27,154	-
Extraordinary losses		
Loss on valuation of investment securities	-	740,929
Loss on sale of investment securities	-	23,481
Total extraordinary losses	-	764,411
Profit before income taxes	6,154,458	2,369,770
Income taxes	1,908,901	792,252
Profit	4,245,557	1,577,517
Profit attributable to non-controlling interests	335,714	213,415
Profit attributable to owners of parent	3,909,843	1,364,102

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended February 28

(Thousand yen)

	For the six months ended February 28, 2022	For the six months ended February 28, 2023
Profit	4,245,557	1,577,517
Other comprehensive income		
Valuation difference on available-for-sale securities	64,624	1,808
Foreign currency translation adjustment	5,734	(26,390)
Remeasurements of defined benefit plans, net of tax	66,945	6,293
Total other comprehensive income	137,304	(18,288)
Comprehensive income	4,382,861	1,559,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,047,147	1,345,813
Comprehensive income attributable to non-controlling interests	335,714	213,415

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended February 28, 2022	For the six months ended February 28, 2023
Cash flows from operating activities		
Profit before income taxes	6,154,458	2,369,770
Depreciation	254,593	266,273
Amortization of goodwill	81,205	91,531
Loss (gain) on valuation of investment securities	-	740,929
Increase (decrease) in allowance for doubtful accounts	(7,783)	131,797
Increase (decrease) in provision for bonuses	(52,729)	(88,086)
Increase (decrease) in retirement benefit liability	48,597	29,284
Interest and dividend income	(393,532)	(31,906)
Interest expenses	233,885	377,762
Loss (gain) on sale of investment securities	(27,154)	23,481
Decrease (increase) in trade receivables	(605,840)	(3,122,848)
Decrease (increase) in inventories	(9,268,521)	(14,554,541)
Decrease (increase) in advance payments to suppliers	147,955	373,278
Decrease (increase) in advances paid	(299,063)	(18,488)
Increase (decrease) in trade payables	(1,496,342)	(3,004,199)
Increase (decrease) in advances received	142,887	703,525
Increase (decrease) in leasehold and guarantee deposits received	22,986	(232,583)
Other, net	(1,355,310)	(377,555)
Subtotal	(6,419,706)	(16,322,576)
Interest and dividends received	393,532	31,906
Interest paid	(238,318)	(355,505)
Income taxes paid	(3,936,109)	(516,151)
Net cash provided by (used in) operating activities	(10,200,602)	(17,162,327)
Cash flows from investing activities		
Payments into time deposits	(12,000)	(1,512,801)
Proceeds from withdrawal of time deposits	412,006	-
Purchase of property, plant and equipment	(45,166)	(637,249)
Purchase of intangible assets	(24,213)	(16,555)
Purchase of investment securities	-	(977,800)
Proceeds from sale of investment securities	-	228,155
Proceeds from share of profits on investment securities	10,687	5,767
Proceeds from withdrawal of investments in silent partnerships	1,170,451	-
Loan advances to subsidiaries and associates	-	(50,701)
Collection of loans receivable from subsidiaries and affiliates	-	377,877
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(6,758,845)
Proceeds from cancellation of insurance funds	9,336	-
Other, net	519,483	(4,447)
Net cash provided by (used in) investing activities	2,040,583	(9,346,600)

(Thousand yen)

	For the six months ended February 28, 2022	For the six months ended February 28, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	26,176,050	23,756,150
Repayments of short-term borrowings	(18,879,250)	(18,040,784)
Proceeds from long-term borrowings	3,784,593	4,795,000
Repayments of long-term borrowings	(7,153,086)	(4,940,951)
Proceeds from issuance of bonds	500,000	-
Redemption of bonds	(424,000)	(754,000)
Dividends paid	(848,087)	(795,218)
Dividends paid to non-controlling interests	(31,786)	(36,676)
Other, net	(6,946)	(10,604)
Net cash provided by (used in) financing activities	3,117,486	3,972,915
Effect of exchange rate change on cash and cash equivalents	82,079	(55,689)
Net increase (decrease) in cash and cash equivalents	(4,960,453)	(22,591,702)
Cash and cash equivalents at beginning of period	35,702,776	35,890,322
Cash and cash equivalents at end of period	30,742,322	13,298,619