

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

Consolidated Financial Results for the Six Months Ended February 28, 2021 [Japanese GAAP]



April 12, 2021

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, Representative Director and Senior Managing Director

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Scheduled date of filing quarterly securities report: April 12, 2021

Scheduled date of commencing dividend payments: May 10, 2021

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, 2021 (September 1, 2020 to February 28, 2021)

(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, 2021	55,532	13.7	4,050	35.8	4,306	57.9	2,666	57.2
February 29, 2020	48,859	(8.2)	2,981	(43.8)	2,727	(42.4)	1,696	(46.0)

(Note) Comprehensive income: Six months ended February 28, 2021: ¥3,070 million [74.5 %]

Six months ended February 29, 2020: ¥1,760 million [(45.6 %)]

	Basic profit per share	Diluted profit per share
	Yen	Yen
Six months ended February 28, 2021	125.70	104.83
February 29, 2020	79.96	66.77

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of February 28, 2021	138,695	48,882	33.6
As of August 31, 2020	136,927	46,341	32.3

(Reference) Equity: As of February 28, 2021: ¥46,635 million

As of August 31, 2020: ¥44,279 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, 2020	-	24.00	-	24.00	48.00
Fiscal year ending August 31, 2021	-	35.00			
Fiscal year ending August 31, 2021 (Forecast)			-	35.00	70.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2021 (September 1, 2020 to August 31, 2021)

(% 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	140,000	21.8	10,274	29.0	10,054	39.8	6,400	57.0	301.64

(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: No
 - 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, 2021: 21,217,600 shares
 - August 31, 2020: 21,217,600 shares
 - 2) Total number of treasury shares at the end of the period:
 - February 28, 2021: 521 shares
 - August 31, 2020: 521 shares
 - 3) Average number of shares during the period:
 - Six months ended February 28, 2021: 21,217,079 shares
 - Six months ended February 29, 2020: 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, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	28,470,636	27,393,230
Notes and accounts receivable-trade	3,968,997	5,347,484
Real estate for sale	30,419,580	33,973,737
Real estate for sale in process	38,880,531	37,365,824
Costs on construction contracts in progress	969,691	1,110,176
Other	3,041,288	1,934,046
Allowance for doubtful accounts	(61,952)	(80,999)
Total current assets	105,688,774	107,043,502
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,601,997	7,264,033
Accumulated depreciation	(1,940,000)	(2,220,181)
Buildings and structures, net	4,661,996	5,043,852
Land	14,743,476	14,536,170
Other	1,076,033	468,307
Accumulated depreciation	(276,409)	(293,004)
Other, net	799,623	175,302
Total property, plant and equipment	20,205,096	19,755,325
Intangible assets	1,769,146	1,775,033
Investments and other assets		
Other	9,381,965	10,243,274
Allowance for doubtful accounts	(117,736)	(121,751)
Total investments and other assets	9,264,229	10,121,522
Total non-current assets	31,238,472	31,651,881
Total assets	136,927,246	138,695,384

(Thousand yen)

	As of August 31, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,625,661	10,035,057
Short-term borrowings	24,543,968	24,692,338
Current portion of long-term borrowings	7,335,359	7,748,865
Current portion of bonds payable	840,000	844,000
Income taxes payable	1,595,139	1,559,553
Provision for bonuses	362,452	391,640
Other	3,302,218	3,529,760
Total current liabilities	46,604,799	48,801,215
Non-current liabilities		
Bonds payable	4,484,500	4,060,500
Convertible bond-type bonds with share acquisition rights	10,000,000	10,000,000
Long-term borrowings	27,553,098	24,936,326
Retirement benefit liability	635,732	647,550
Asset retirement obligations	328,118	331,159
Other	979,938	1,035,905
Total non-current liabilities	43,981,388	41,011,441
Total liabilities	90,586,188	89,812,657
Net assets		
Shareholders' equity		
Share capital	1,340,150	1,340,150
Capital surplus	1,238,646	1,238,646
Retained earnings	42,040,530	44,198,311
Treasury shares	(462)	(462)
Total shareholders' equity	44,618,865	46,776,646
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(170,847)	(12,896)
Foreign currency translation adjustment	(115,293)	(82,831)
Remeasurements of defined benefit plans	(52,909)	(45,645)
Total accumulated other comprehensive income	(339,050)	(141,373)
Non-controlling interests	2,061,244	2,247,454
Total net assets	46,341,058	48,882,727
Total liabilities and net assets	136,927,246	138,695,384

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended February 28 and 29

(Thousand yen)

	For the six months ended February 29, 2020	For the six months ended February 28, 2021
Net sales	48,859,266	55,532,490
Cost of sales	41,968,104	47,131,684
Gross profit	6,891,162	8,400,806
Selling, general and administrative expenses	3,909,572	4,350,399
Operating profit	2,981,590	4,050,406
Non-operating income		
Interest income	17,578	39,113
Dividend income	46,032	121
Foreign exchange gains	54,531	7,541
Cancellation income of advance money on a contract	8,300	4,300
Subsidy income	-	186,190
Surrender value of insurance policies	-	113,913
Consumption taxes refund	-	134,734
Other	99,907	139,866
Total non-operating income	226,349	625,781
Non-operating expenses		
Interest expenses	295,260	295,782
Commission such as financings	176,466	47,019
Other	9,099	26,895
Total non-operating expenses	480,825	369,697
Ordinary profit	2,727,114	4,306,490
Extraordinary income		
Gain on sales of non-current assets	-	45,753
Total extraordinary income	-	45,753
Profit before income taxes	2,727,114	4,352,243
Income taxes	906,813	1,479,481
Profit	1,820,301	2,872,762
Profit attributable to non-controlling interests	123,794	205,771
Profit attributable to owners of parent	1,696,506	2,666,990

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended February 28

(Thousand yen)

	For the six months ended February 29, 2020	For the six months ended February 28, 2021
Profit	1,820,301	2,872,762
Other comprehensive income		
Valuation difference on available-for-sale securities	(93,718)	157,951
Foreign currency translation adjustment	28,433	32,461
Remeasurements of defined benefit plans, net of tax	5,030	7,263
Total other comprehensive income	(60,253)	197,677
Comprehensive income	1,760,047	3,070,439
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,636,252	2,864,668
Comprehensive income attributable to non-controlling interests	123,794	205,771

(4) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended February 29, 2020	For the six months ended February 28, 2021
Cash flows from operating activities		
Profit before income taxes	2,727,114	4,352,243
Depreciation	288,665	338,133
Amortization of goodwill	9,665	49,315
Increase (decrease) in allowance for doubtful accounts	46,471	23,061
Increase (decrease) in provision for bonuses	(68,159)	29,187
Increase (decrease) in retirement benefit liability	33,930	11,817
Interest and dividend income	(63,610)	(39,235)
Interest expenses	295,260	295,782
Loss (gain) on sales of non-current assets	-	(45,753)
Surrender value of insurance policies	-	(113,913)
Decrease (increase) in trade receivables	(1,025,957)	(1,378,487)
Decrease (increase) in inventories	(11,905,633)	(2,120,733)
Decrease (increase) in advance payments - trade	(263,503)	975,877
Decrease (increase) in advances paid	(648,176)	(25,712)
Increase (decrease) in trade payables	(836,453)	1,409,395
Increase (decrease) in advances received	187,492	547,047
Increase (decrease) in leasehold and guarantee deposits received	54,146	(13,081)
Other, net	(440,556)	(124,493)
Subtotal	(11,609,304)	4,170,451
Interest and dividends received	31,885	39,235
Interest paid	(309,742)	(263,032)
Income taxes paid	(1,747,079)	(1,589,106)
Net cash provided by (used in) operating activities	(13,634,240)	2,357,548
Cash flows from investing activities		
Payments into time deposits	(18,654)	(20,358)
Proceeds from withdrawal of time deposits	712,653	154,844
Purchase of property, plant and equipment	(215,913)	(53,933)
Proceeds from sales of property, plant and equipment	34	204,348
Purchase of intangible assets	(39,800)	(29,130)
Purchase of investment securities	(14,746)	(142,657)
Proceeds from share of profits on investment securities	733,151	-
Proceeds from cancellation of insurance funds	-	250,508
Loan advances to subsidiaries and associates	(496,263)	(445,502)
Collection of loans receivable to subsidiaries and affiliates	54,665	-
Other, net	(123,374)	(241,506)
Net cash provided by (used in) investing activities	591,751	(323,387)
Cash flows from financing activities		
Proceeds from short-term borrowings	32,508,664	21,521,825
Repayments of short-term borrowings	(25,040,034)	(21,373,455)
Proceeds from long-term borrowings	8,495,500	6,799,722
Repayments of long-term borrowings	(8,809,293)	(9,002,989)
Redemption of bonds	(413,000)	(420,000)
Dividends paid	(509,589)	(509,527)
Dividends paid to non-controlling interests	(14,670)	(19,560)
Other, net	10,122	(6,805)
Net cash provided by (used in) financing activities	6,227,699	(3,010,790)
Effect of exchange rate change on cash and cash equivalents	(10,501)	33,710
Net increase (decrease) in cash and cash equivalents	(6,825,290)	(942,919)
Cash and cash equivalents at beginning of period	23,810,049	27,755,076
Cash and cash equivalents at end of period	16,984,759	26,812,157