

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

Consolidated Financial Results for the Nine Months Ended May 31, 2021 [Japanese GAAP]



July 13, 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

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

Phone: +81-3-5381-3201

Scheduled date of filing quarterly securities report: July 13, 2021

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the nine months ended May 31, 2021 (September 1, 2020 to May 31, 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	%
Nine months ended								
May 31, 2021	84,487	13.6	6,822	42.8	7,099	66.7	4,526	78.7
May 31, 2020	74,363	(6.4)	4,778	(31.9)	4,259	(31.8)	2,533	(38.1)

(Note) Comprehensive income: Nine months ended May 31, 2021: ¥5,004 million [86.8%]

Nine months ended May 31, 2020: ¥2,678 million [(37.0%)]

	Basic profit per share	Diluted profit per share
	Yen	Yen
Nine months ended		
May 31, 2021	213.34	177.92
May 31, 2020	119.41	99.71

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2021	148,635	50,068	32.1
As of August 31, 2020	136,927	46,341	32.3

(Reference) Equity: As of May 31, 2021: ¥47,720 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

(Note) The Company acquired 70% of the total issued shares of Alpha Construction Co. Inc. and made it a consolidated subsidiary during the third quarter of the current fiscal year, although Alpha Construction is not a specified subsidiary of the Company. For the nine months ended May 31, 2021, only the balance sheet has been consolidated. In addition, MPD Realty, Inc. has been consolidated starting in the third quarter of the current fiscal year because of its increased significance.

(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):

May 31, 2021: 21,217,600 shares
August 31, 2020: 21,217,600 shares

2) Total number of treasury shares at the end of the period:

May 31, 2021: 521 shares
August 31, 2020: 521 shares

3) Average number of shares during the period:

Nine months ended May 31, 2021: 21,217,079 shares
Nine months ended May 31, 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).

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of August 31, 2020	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	28,470,636	27,840,198
Notes and accounts receivable-trade	3,968,997	8,828,585
Real estate for sale	30,419,580	34,056,288
Real estate for sale in process	38,880,531	43,946,588
Costs on construction contracts in progress	969,691	1,219,586
Other	3,041,288	2,128,825
Allowance for doubtful accounts	(61,952)	(76,154)
Total current assets	105,688,774	117,943,918
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,601,997	7,293,073
Accumulated depreciation	(1,940,000)	(2,374,992)
Buildings and structures, net	4,661,996	4,918,080
Land	14,743,476	14,559,328
Other	1,076,033	475,813
Accumulated depreciation	(276,409)	(308,772)
Other, net	799,623	167,040
Total property, plant and equipment	20,205,096	19,644,450
Intangible assets	1,769,146	1,881,007
Investments and other assets		
Other	9,381,965	9,287,483
Allowance for doubtful accounts	(117,736)	(121,721)
Total investments and other assets	9,264,229	9,165,762
Total non-current assets	31,238,472	30,691,219
Total assets	136,927,246	148,635,138

(Thousand yen)

	As of August 31, 2020	As of May 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,625,661	13,747,596
Short-term borrowings	24,543,968	25,555,436
Current portion of long-term borrowings	7,335,359	9,210,029
Current portion of bonds payable	840,000	1,030,000
Income taxes payable	1,595,139	2,172,589
Provision for bonuses	362,452	195,814
Other	3,302,218	4,239,275
Total current liabilities	46,604,799	56,150,742
Non-current liabilities		
Bonds payable	4,484,500	3,524,500
Convertible bond-type bonds with share acquisition rights	10,000,000	10,000,000
Long-term borrowings	27,553,098	26,973,321
Retirement benefit liability	635,732	652,320
Asset retirement obligations	328,118	331,714
Other	979,938	934,508
Total non-current liabilities	43,981,388	42,416,364
Total liabilities	90,586,188	98,567,106
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	45,308,762
Treasury shares	(462)	(462)
Total shareholders' equity	44,618,865	47,887,096
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(170,847)	(74,429)
Foreign currency translation adjustment	(115,293)	(49,944)
Remeasurements of defined benefit plans	(52,909)	(42,013)
Total accumulated other comprehensive income	(339,050)	(166,388)
Non-controlling interests	2,061,244	2,347,322
Total net assets	46,341,058	50,068,031
Total liabilities and net assets	136,927,246	148,635,138

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended May 31

(Thousand yen)

	For the nine months ended May 31, 2020	For the nine months ended May 31, 2021
Net sales	74,363,250	84,487,409
Cost of sales	63,776,588	71,110,827
Gross profit	10,586,662	13,376,581
Selling, general and administrative expenses	5,808,006	6,554,452
Operating profit	4,778,655	6,822,128
Non-operating income		
Interest income	20,302	45,467
Dividend income	46,032	121
Foreign exchange gains	22,390	92,896
Cancellation income of advance money on a contract	10,520	11,500
A subsidy	-	266,266
Surrender value of insurance policies	-	113,922
Consumption taxes refund	-	134,734
Other	155,234	183,650
Total non-operating income	254,480	848,560
Non-operating expenses		
Interest expenses	444,107	434,602
Commission such as financings	308,448	109,951
Other	20,658	26,160
Total non-operating expenses	773,214	570,714
Ordinary profit	4,259,921	7,099,974
Extraordinary income		
Gain on sales of non-current assets	-	45,753
Total extraordinary income	-	45,753
Profit before income taxes	4,259,921	7,145,728
Income taxes	1,439,217	2,313,854
Profit	2,820,704	4,831,873
Profit attributable to non-controlling interests	287,152	305,481
Profit attributable to owners of parent	2,533,552	4,526,392

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended May 31

(Thousand yen)

	For the nine months ended May 31, 2020	For the nine months ended May 31, 2021
Profit	2,820,704	4,831,873
Other comprehensive income		
Valuation difference on available-for-sale securities	(156,479)	96,418
Foreign currency translation adjustment	7,299	65,348
Remeasurements of defined benefit plans, net of tax	7,409	10,895
Total other comprehensive income	(141,770)	172,662
Comprehensive income	2,678,933	5,004,536
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,391,781	4,699,054
Comprehensive income attributable to non-controlling interests	287,152	305,481