

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

Consolidated Financial Results for the Fiscal Year Ended August 31, 2021 [Japanese GAAP]



October 14, 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

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Scheduled date of Annual General Meeting of Shareholders: November 29, 2021

Scheduled date of filing Annual Securities Report: November 30, 2021

Scheduled date of commencing dividend payments: November 30, 2021

Availability of supplementary briefing material on annual financial results: Available (Scheduled to be posted on the Company's website on October 14, 2021)

Schedule of annual 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 Fiscal Year Ended August 31, 2021 (September 1, 2020 to August 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	%
Fiscal year ended August 31, 2021	134,036	16.6	11,653	46.3	11,850	64.8	7,572	85.8
August 31, 2020	114,938	(5.0)	7,964	(23.7)	7,191	(23.7)	4,076	(32.8)

(Note) Comprehensive income: Fiscal year ended August 31, 2021: ¥8,291 million [94.2%]

Fiscal year ended August 31, 2020: ¥4,270 million [(32.8)%]

	Basic profit per share	Diluted profit per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2021	356.91	297.65	15.9	8.5	8.7
August 31, 2020	192.13	160.43	9.5	5.4	6.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended August 31, 2021: ¥- million

Fiscal year ended August 31, 2020: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of August 31, 2021	141,791	53,319	35.8	2,395.27
As of August 31, 2020	136,927	46,341	32.3	2,086.99

(Reference) Equity: As of August 31, 2021: ¥50,820 million

As of August 31, 2020: ¥44,279 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
August 31, 2021	21,942	669	(15,420)	35,702
August 31, 2020	7,106	(762)	(2,444)	27,755

Note regarding consolidated cash flows

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
August 31, 2020	-	24.00	-	24.00	48.00	1,018	25.0	2.4
August 31, 2021	-	35.00	-	40.00	75.00	1,591	21.0	3.3
Fiscal year ending August 31, 2022 (Forecast)	-	37.50	-	37.50	75.00		22.6	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2022 (September 1, 2021 to August 31, 2022)

(% 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
First half	57,282	3.2	4,024	(0.6)	3,647	(15.3)	2,383	(10.6)	112.32
Full year	154,100	15.0	12,002	3.0	11,213	(5.4)	7,054	(6.8)	332.48

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year ended August 31, 2021 (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 current fiscal year, although Alpha Construction is not a specified subsidiary of the Company. In addition, MPD Realty, Inc. has been consolidated starting in the current fiscal year because of its increased significance.
- (2) 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

(3) Total number of issued shares (common shares)

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

August 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:

August 31, 2021: 521 shares

August 31, 2020: 521 shares

3) Average number of shares during the period:

Fiscal year ended August 31, 2021: 21,217,079 shares

Fiscal year ended August 31, 2020: 21,217,079 shares

* These consolidated financial results are outside the scope of audits 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. (4) Future Outlook” on page 6 (Japanese version only).

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of August 31, 2020	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	28,470,636	36,283,555
Notes and accounts receivable-trade	3,968,997	7,773,374
Real estate for sale	30,419,580	34,446,282
Real estate for sale in process	38,880,531	40,478,646
Costs on construction contracts in progress	969,691	757,016
Other	3,041,288	1,811,226
Allowance for doubtful accounts	(61,952)	(7,523)
Total current assets	105,688,774	121,542,579
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,601,997	6,320,089
Accumulated depreciation	(1,940,000)	(1,046,068)
Buildings and structures, net	4,661,996	5,274,021
Vehicles	21,118	9,167
Accumulated depreciation	(17,852)	(9,167)
Vehicles, net	3,265	0
Land	14,743,476	4,069,961
Leased assets	198,103	202,062
Accumulated depreciation	(79,307)	(91,925)
Leased assets, net	118,795	110,136
Other	856,811	272,749
Accumulated depreciation	(179,249)	(205,317)
Other, net	677,562	67,431
Total property, plant and equipment	20,205,096	9,521,551
Intangible assets		
Goodwill	1,026,532	1,104,323
Other	742,614	334,006
Total intangible assets	1,769,146	1,438,330
Investments and other assets		
Investment securities	4,558,997	5,497,697
Long-term loans receivable	2,753,692	1,299,669
Deferred tax assets	1,065,764	1,658,544
Other	1,003,510	1,090,585
Allowance for doubtful accounts	(117,736)	(257,848)
Total investments and other assets	9,264,229	9,288,648
Total non-current assets	31,238,472	20,248,529
Total assets	136,927,246	141,791,109

(Thousand yen)

	As of August 31, 2020	As of August 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,625,661	14,008,432
Short-term borrowings	24,543,968	19,273,631
Current portion of long-term borrowings	7,335,359	10,536,506
Current portion of bonds payable	840,000	1,210,000
Income taxes payable	1,595,139	3,930,603
Provision for bonuses	362,452	468,425
Other	3,302,218	4,117,240
Total current liabilities	46,604,799	53,544,839
Non-current liabilities		
Bonds payable	4,484,500	3,274,500
Convertible bond-type bonds with share acquisition rights	10,000,000	10,000,000
Long-term borrowings	27,553,098	19,910,946
Lease obligations	124,031	114,421
Retirement benefit liability	635,732	644,987
Asset retirement obligations	328,118	125,810
Other	855,907	856,258
Total non-current liabilities	43,981,388	34,926,923
Total liabilities	90,586,188	88,471,763
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	48,355,046
Treasury shares	(462)	(462)
Total shareholders' equity	44,618,865	50,933,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(170,847)	(35,302)
Foreign currency translation adjustment	(115,293)	(44,860)
Remeasurements of defined benefit plans	(52,909)	(32,561)
Total accumulated other comprehensive income	(339,050)	(112,724)
Non-controlling interests	2,061,244	2,498,689
Total net assets	46,341,058	53,319,345
Total liabilities and net assets	136,927,246	141,791,109

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended August 31, 2020	For the fiscal year ended August 31, 2021
Net sales	114,938,381	134,036,955
Cost of sales	98,676,332	112,917,325
Gross profit	16,262,048	21,119,629
Selling, general and administrative expenses	8,297,581	9,465,740
Operating profit	7,964,467	11,653,888
Non-operating income		
Interest income	23,750	35,550
Dividend income	14,465	245
Foreign exchange gains	-	95,048
Cancellation income	73,916	19,780
Insurance agent income	20,457	24,493
An introduction fee	17,920	14,659
Subsidy	45,509	367,324
Surrender value of insurance policies	-	114,026
Consumption taxes refund	-	134,734
Other	133,526	310,069
Total non-operating income	329,546	1,115,932
Non-operating expenses		
Interest expenses	616,154	563,723
Commission such as financings	421,944	145,201
Provision of allowance for doubtful accounts	2,879	68,771
Other	61,514	141,263
Total non-operating expenses	1,102,492	918,960
Ordinary profit	7,191,521	11,850,861
Extraordinary income		
Gain on sale of non-current assets	-	45,753
Total extraordinary income	-	45,753
Extraordinary losses		
Loss on valuation of inventories	410,948	-
Total extraordinary losses	410,948	-
Profit before income taxes	6,780,572	11,896,615
Income taxes - current	2,434,837	4,191,803
Income taxes - deferred	(102,233)	(360,747)
Total income taxes	2,332,603	3,831,055
Profit	4,447,968	8,065,559
Profit attributable to non-controlling interests	371,426	492,883
Profit attributable to owners of parent	4,076,542	7,572,675

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended August 31, 2020	For the fiscal year ended August 31, 2021
Profit	4,447,968	8,065,559
Other comprehensive income		
Valuation difference on available-for-sale securities	(118,297)	135,545
Foreign currency translation adjustment	(39,265)	70,432
Remeasurements of defined benefit plans, net of tax	(20,030)	20,347
Total other comprehensive income	(177,593)	226,326
Comprehensive income	4,270,375	8,291,885
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,898,948	7,799,002
Comprehensive income attributable to non-controlling interests	371,426	492,883

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended August 31, 2020 (From September 1, 2019 to August 31, 2020)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,340,150	1,238,646	38,982,408	(462)	41,560,742
Changes during period					
Dividends of surplus			(1,018,419)		(1,018,419)
Profit attributable to owners of parent			4,076,542		4,076,542
Net changes in items other than shareholders' equity			-		-
Total changes during period	-	-	3,058,122	-	3,058,122
Balance at end of period	1,340,150	1,238,646	42,040,530	(462)	44,618,865

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(52,550)	(76,027)	(32,879)	(161,457)	1,704,485	43,103,771
Changes during period						
Dividends of surplus						(1,018,419)
Profit attributable to owners of parent						4,076,542
Net changes in items other than shareholders' equity	(118,297)	(39,265)	(20,030)	(177,593)	356,758	179,165
Total changes during period	(118,297)	(39,265)	(20,030)	(177,593)	356,758	3,237,287
Balance at end of period	(170,847)	(115,293)	(52,909)	(339,050)	2,061,244	46,341,058

For the fiscal year ended August 31, 2021 (From September 1, 2020 to August 31, 2021)
(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,340,150	1,238,646	42,040,530	(462)	44,618,865
Changes during period					
Dividends of surplus			(1,251,807)		(1,251,807)
Profit attributable to owners of parent			7,572,675		7,572,675
Change of scope of consolidation, etc.			(6,352)		(6,352)
Net changes in items other than shareholders' equity			-		-
Total changes during period	-	-	6,314,515	-	6,314,515
Balance at end of period	1,340,150	1,238,646	48,355,046	(462)	50,933,380

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(170,847)	(115,293)	(52,909)	(339,050)	2,061,244	46,341,058
Changes during period						
Dividends of surplus						(1,251,807)
Profit attributable to owners of parent						7,572,675
Change of scope of consolidation, etc.						(6,352)
Net changes in items other than shareholders' equity	135,545	70,432	20,347	226,326	437,445	663,771
Total changes during period	135,545	70,432	20,347	226,326	437,445	6,978,286
Balance at end of period	(35,302)	(44,860)	(32,561)	(112,724)	2,498,689	53,319,345

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended August 31, 2020	For the fiscal year ended August 31, 2021
Cash flows from operating activities		
Profit before income taxes	6,780,572	11,896,615
Depreciation	631,118	669,553
Amortization of goodwill	69,779	125,267
Increase (decrease) in allowance for doubtful accounts	22,404	85,682
Increase (decrease) in provision for bonuses	(92,924)	105,972
Increase (decrease) in retirement benefit liability	120,801	9,254
Interest and dividend income	(38,216)	(35,796)
Interest expenses	616,154	563,723
Loss (gain) on sale of property, plant and equipment	-	(45,753)
Surrender value of insurance policies	-	(114,026)
Decrease (increase) in trade receivables	686,517	(1,229,436)
Decrease (increase) in inventories	2,818,645	8,460,065
Decrease (increase) in advance payments to suppliers	(518,384)	975,877
Increase (decrease) in trade payables	(658,143)	2,817,928
Increase (decrease) in advances received	72,821	(124,792)
Increase (decrease) in leasehold and guarantee deposits received	(84,799)	(69,090)
Other, net	25,769	226,324
Subtotal	10,452,116	24,317,370
Interest and dividends received	38,216	35,796
Interest paid	(634,286)	(533,924)
Income taxes paid	(2,749,721)	(1,876,683)
Net cash provided by (used in) operating activities	7,106,324	21,942,558
Cash flows from investing activities		
Payments into time deposits	(26,290)	(33,737)
Proceeds from withdrawal of time deposits	712,353	168,517
Purchase of property, plant and equipment	(498,273)	(129,398)
Proceeds from sale of property, plant and equipment	34	206,389
Purchase of intangible assets	(124,670)	(62,458)
Purchase of investment securities	(14,746)	(765,637)
Proceeds from share of profits on investment securities	581,216	-
Loan advances to subsidiaries and associates	(511,710)	(1,244)
Collection of loans receivable from subsidiaries and affiliates	53,235	929,250
Loan advances	(231,048)	(339,900)
Proceeds from collection of loans receivable	3,500	64,500
Proceeds from cancellation of insurance funds	-	250,621
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(708,963)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	428,027
Other, net	2,505	(45,366)
Net cash provided by (used in) investing activities	(762,858)	669,564
Cash flows from financing activities		
Proceeds from short-term borrowings	54,303,959	42,710,200
Repayments of short-term borrowings	(57,046,275)	(48,052,249)
Proceeds from long-term borrowings	18,222,500	13,150,848
Repayments of long-term borrowings	(16,399,940)	(21,108,068)
Proceeds from issuance of bonds	500,000	-
Redemption of bonds	(985,500)	(840,000)
Dividends paid	(1,018,684)	(1,252,075)
Dividends paid to non-controlling interests	(14,667)	(19,560)
Other, net	(6,018)	(9,107)
Net cash provided by (used in) financing activities	(2,444,627)	(15,420,012)
Effect of exchange rate change on cash and cash equivalents	46,187	72,820
Net increase (decrease) in cash and cash equivalents	3,945,026	7,264,930
Cash and cash equivalents at beginning of period	23,810,049	27,755,076
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	682,769
Cash and cash equivalents at end of period	27,755,076	35,702,776