

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

Consolidated Financial Results for the Nine Months Ended May 31, 2022 [Japanese GAAP]



July 14, 2022

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: July 14, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary briefing material on quarterly financial results: 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, 2022 (September 1, 2021 to May 31, 2022)

(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, 2022	86,696	2.6	6,881	0.9	7,979	12.4	5,109	12.9
May 31, 2021	84,487	13.6	6,822	42.8	7,099	66.7	4,526	78.7

(Note) Comprehensive income: Nine months ended May 31, 2022: ¥5,767 million [15.2%]

Nine months ended May 31, 2021: ¥5,004 million [86.8%]

	Basic profit per share	Diluted profit per share
	Yen	Yen
Nine months ended		
May 31, 2022	240.84	200.23
May 31, 2021	213.34	177.92

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2022	152,279	57,195	35.8
As of August 31, 2021	141,791	53,319	35.8

(Reference) Equity: As of May 31, 2022: ¥54,559 million

As of August 31, 2021: ¥50,820 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, 2021	-	35.00	-	40.00	75.00
Fiscal year ending August 31, 2022	-	37.50	-		
Fiscal year ending August 31, 2022 (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, 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
Full year	154,100	15.0	12,002	3.0	11,213	(5.4)	7,054	(6.8)	332.48

(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): Yes
 Newly included: one company (Meldia Development LLC)
 Meldia Development LLC, a newly established company in the United States, has been consolidated in the third quarter of the current fiscal year.
- (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):
 May 31, 2022: 21,217,600 shares
 August 31, 2021: 21,217,600 shares
 - 2) Total number of treasury shares at the end of the period:
 May 31, 2022: 521 shares
 August 31, 2021: 521 shares
 - 3) Average number of shares during the period:
 Nine months ended May 31, 2022: 21,217,079 shares
 Nine months ended May 31, 2021: 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

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of August 31, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	36,283,555	28,374,396
Notes and accounts receivable - trade	7,773,374	-
Notes and accounts receivable - trade, and contract assets	-	8,549,241
Real estate for sale	34,446,282	44,424,775
Real estate for sale in process	40,478,646	46,880,819
Costs on construction contracts in progress	757,016	1,246,335
Other	1,811,226	3,415,018
Allowance for doubtful accounts	(7,523)	(15,545)
Total current assets	121,542,579	132,875,041
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,320,089	6,354,998
Accumulated depreciation	(1,046,068)	(1,312,393)
Buildings and structures, net	5,274,021	5,042,605
Land	4,069,961	4,064,681
Other	483,978	586,655
Accumulated depreciation	(306,410)	(347,330)
Other, net	177,567	239,324
Total property, plant and equipment	9,521,551	9,346,611
Intangible assets	1,438,330	1,332,318
Investments and other assets		
Other	9,546,496	8,966,570
Allowance for doubtful accounts	(257,848)	(241,340)
Total investments and other assets	9,288,648	8,725,229
Total non-current assets	20,248,529	19,404,160
Total assets	141,791,109	152,279,201

(Thousand yen)

	As of August 31, 2021	As of May 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,008,432	15,092,519
Short-term borrowings	19,273,631	30,924,840
Current portion of long-term borrowings	10,536,506	9,029,007
Current portion of bonds payable	1,210,000	1,362,000
Current portion of convertible bond-type bonds with share acquisition rights	-	10,000,000
Income taxes payable	3,930,603	1,105,593
Provision for bonuses	468,425	223,144
Other	4,117,240	4,543,600
Total current liabilities	53,544,839	72,280,706
Non-current liabilities		
Bonds payable	3,274,500	2,662,500
Convertible-bond-type bonds with share acquisition rights	10,000,000	-
Long-term borrowings	19,910,946	18,476,491
Retirement benefit liability	644,987	695,225
Asset retirement obligations	125,810	120,005
Other	970,679	848,562
Total non-current liabilities	34,926,923	22,802,784
Total liabilities	88,471,763	95,083,490
Net assets		
Shareholders' equity		
Share capital	1,340,150	1,340,150
Capital surplus	1,238,646	1,233,992
Retained earnings	48,355,046	51,820,617
Treasury shares	(462)	(462)
Total shareholders' equity	50,933,380	54,394,297
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(35,302)	5,314
Foreign currency translation adjustment	(44,860)	183,748
Remeasurements of defined benefit plans	(32,561)	(23,960)
Total accumulated other comprehensive income	(112,724)	165,102
Non-controlling interests	2,498,689	2,636,310
Total net assets	53,319,345	57,195,711
Total liabilities and net assets	141,791,109	152,279,201

(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, 2021	For the nine months ended May 31, 2022
Net sales	84,487,409	86,696,793
Cost of sales	71,110,827	72,634,180
Gross profit	13,376,581	14,062,612
Selling, general and administrative expenses	6,554,452	7,180,795
Operating profit	6,822,128	6,881,817
Non-operating income		
Interest income	45,467	22,762
Dividend income	121	369,302
Foreign exchange gains	92,896	518,988
Cancellation income of advance money on a contract	11,500	12,150
Subsidies	266,266	90,102
Surrender value of insurance policies	113,922	61
Consumption taxes refund	134,734	-
Gain on investments in investment partnerships	-	213,801
Other	183,650	410,233
Total non-operating income	848,560	1,637,402
Non-operating expenses		
Interest expenses	434,602	395,323
Commission such as financings	109,951	109,024
Other	26,160	34,941
Total non-operating expenses	570,714	539,289
Ordinary profit	7,099,974	7,979,929
Extraordinary income		
Gain on sale of non-current assets	45,753	-
Gain on sale of investment securities	-	27,154
Total extraordinary income	45,753	27,154
Profit before income taxes	7,145,728	8,007,084
Income taxes	2,313,854	2,517,524
Profit	4,831,873	5,489,559
Profit attributable to non-controlling interests	305,481	379,664
Profit attributable to owners of parent	4,526,392	5,109,895

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended May 31

(Thousand yen)

	For the nine months ended May 31, 2021	For the nine months ended May 31, 2022
Profit	4,831,873	5,489,559
Other comprehensive income		
Valuation difference on available-for-sale securities	96,418	40,617
Foreign currency translation adjustment	65,348	228,608
Remeasurements of defined benefit plans, net of tax	10,895	8,601
Total other comprehensive income	172,662	277,827
Comprehensive income	5,004,536	5,767,386
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,699,054	5,387,722
Comprehensive income attributable to non-controlling interests	305,481	379,664