

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Year Ended July 31, 2022 (Based on Japanese GAAP)

September 8, 2022

Company name: Samco Inc.
 Stock exchange listing: Tokyo
 Stock code: 6387 URL <https://www.samco.co.jp>
 Representative: President & COO Tsukasa Kawabe
 Director, Executive Officer, Accounting and Administration Shozo Miyamoto TEL 075-621-7841
 Scheduled date of ordinary general meeting of shareholders: October 25, 2022
 Scheduled date to file Securities Report: October 25, 2022
 Scheduled date to commence dividend payments: October 26, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended July 31, 2022 (from August 1, 2021 to July 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended July 31, 2022	6,401	11.4	1,371	38.6	1,481	41.8	1,052	39.3
Year ended July 31, 2021	5,746	(2.1)	989	9.7	1,044	12.6	755	19.1

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended July 31, 2022	131.07	—	10.8	11.6	21.4
Year ended July 31, 2021	94.09	—	8.3	9.0	17.2

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2022	13,379	10,057	75.2	1,252.06
As of July 31, 2021	12,069	9,410	78.0	1,171.47

(3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended July 31, 2022	1,181	(214)	(64)	3,919
Year ended July 31, 2021	493	(815)	(210)	2,965

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended July 31, 2021	—	0.00	—	30.00	30.00	240	31.9	2.6
Year ended July 31, 2022	—	0.00	—	35.00	35.00	281	26.7	2.9
Year ending July 31, 2023 (Forecast)	—	0.00	—	35.00	35.00		26.0	

3. Forecast of non-consolidated financial results for the year ending July 31, 2023 (from August 1, 2022 to July 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending January 31, 2023	3,840	31.9	830	58.7	810	47.6	550	44.1	68.47
Full year	7,700	20.3	1,620	18.1	1,580	6.7	1,080	2.6	134.45

4. Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(2) Number of issued shares (common shares)

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

As of July 31, 2022	8,042,881 shares	As of July 31, 2021	8,042,881 shares
---------------------	------------------	---------------------	------------------

Number of treasury shares at the end of the period

As of July 31, 2022	10,128 shares	As of July 31, 2021	10,108 shares
---------------------	---------------	---------------------	---------------

Average number of shares during the period

Year ended July 31, 2022	8,032,762 shares	Year ended July 31, 2021	8,032,868 shares
--------------------------	------------------	--------------------------	------------------

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2021	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	4,826,002	5,826,790
Notes receivable - trade	10,672	11,429
Electronically recorded monetary claims - operating	41,176	57,931
Accounts receivable - trade	1,858,335	536,715
Contract assets	—	777,072
Finished goods	—	7,974
Work in process	679,474	1,268,297
Raw materials and supplies	171,191	308,935
Prepaid expenses	15,261	12,522
Other	112,646	32,919
Allowance for doubtful accounts	(199)	(141)
Total current assets	7,714,562	8,840,448

	(Thousands of yen)	
	As of July 31, 2021	As of July 31, 2022
Non-current assets		
Property, plant and equipment		
Buildings	1,092,273	1,099,671
Accumulated depreciation	(768,498)	(798,686)
Buildings, net	323,774	300,985
Structures	26,536	27,100
Accumulated depreciation	(24,748)	(24,908)
Structures, net	1,787	2,191
Machinery and equipment	762,424	764,976
Accumulated depreciation	(707,556)	(732,673)
Machinery and equipment, net	54,867	32,302
Vehicles	55,024	55,024
Accumulated depreciation	(48,155)	(51,251)
Vehicles, net	6,868	3,773
Tools, furniture and fixtures	240,913	243,062
Accumulated depreciation	(216,398)	(224,898)
Tools, furniture and fixtures, net	24,514	18,164
Land	3,231,918	3,453,567
Leased assets	50,790	50,790
Accumulated depreciation	(46,775)	(49,780)
Leased assets, net	4,014	1,009
Construction in progress	1,076	3,869
Total property, plant and equipment	3,648,823	3,815,865
Intangible assets		
Telephone subscription right	2,962	2,962
Right to use water facilities	424	143
Leased assets	5,226	1,828
Total intangible assets	8,613	4,934
Investments and other assets		
Investment securities	305,047	290,122
Shares of subsidiaries and associates	25,207	25,207
Investments in capital	5,000	5,000
Long-term loans receivable from subsidiaries and associates	23,565	19,044
Deferred tax assets	100,662	121,990
Guarantee deposits	78,158	76,823
Insurance funds	158,925	179,066
Other	1,302	1,138
Total investments and other assets	697,869	718,392
Total non-current assets	4,355,307	4,539,192
Total assets	12,069,869	13,379,640

	(Thousands of yen)	
	As of July 31, 2021	As of July 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	646,532	779,591
Short-term borrowings	700,000	700,000
Current portion of long-term borrowings	—	39,996
Lease liabilities	6,403	2,838
Accounts payable - other	125,178	110,224
Accrued expenses	37,407	38,697
Income taxes payable	175,929	258,203
Contract liabilities	—	217,378
Deposits received	34,225	35,443
Provision for bonuses	23,100	23,700
Provision for bonuses for directors (and other officers)	30,000	30,000
Provision for product warranties	18,400	15,400
Other	24,036	62,766
Total current liabilities	1,821,212	2,314,240
Non-current liabilities		
Long-term borrowings	—	143,339
Lease liabilities	2,838	—
Long-term accounts payable - other	227	—
Provision for retirement benefits	460,095	479,575
Provision for retirement benefits for directors (and other officers)	375,291	384,954
Total non-current liabilities	838,452	1,007,868
Total liabilities	2,659,665	3,322,108
Net assets		
Shareholders' equity		
Share capital	1,663,687	1,663,687
Capital surplus		
Legal capital surplus	2,079,487	2,079,487
Total capital surplus	2,079,487	2,079,487
Retained earnings		
Legal retained earnings	59,500	59,500
Other retained earnings		
General reserve	3,867,000	4,367,000
Retained earnings brought forward	1,590,547	1,752,437
Total retained earnings	5,517,047	6,178,937
Treasury shares	(12,184)	(12,238)
Total shareholders' equity	9,248,037	9,909,873
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	162,165	147,658
Total valuation and translation adjustments	162,165	147,658
Total net assets	9,410,203	10,057,532
Total liabilities and net assets	12,069,869	13,379,640

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended July 31, 2021	Fiscal year ended July 31, 2022
Net sales	5,746,666	6,401,870
Cost of sales		
Beginning finished goods inventory	—	55,667
Cost of products manufactured	2,815,063	3,164,330
Total	2,815,063	3,219,997
Ending finished goods inventory	—	7,974
Cost of finished goods sold	2,815,063	3,212,022
Gross profit	2,931,602	3,189,847
Selling, general and administrative expenses	1,942,179	1,818,641
Operating profit	989,423	1,371,206
Non-operating income		
Interest income	703	390
Dividend income	3,435	3,992
Foreign exchange gains	30,839	87,594
Rental income	5,588	11,860
Subsidy income	1,427	1,595
Electricity sale income	1,677	1,397
Penalty income	13,750	5,199
Miscellaneous income	2,485	2,271
Total non-operating income	59,906	114,302
Non-operating expenses		
Interest expenses	3,548	3,865
Sales discounts	792	—
Loss on retirement of non-current assets	—	237
Miscellaneous losses	216	—
Total non-operating expenses	4,558	4,103
Ordinary profit	1,044,772	1,481,405
Profit before income taxes	1,044,772	1,481,405
Income taxes - current	288,530	377,510
Income taxes - deferred	419	50,984
Total income taxes	288,949	428,494
Profit	755,822	1,052,910

Non-consolidated statements of changes in equity

Fiscal year ended July 31, 2021

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,663,687	2,079,487	2,079,487	59,500	3,867,000	1,035,550	4,962,050	(11,405)	8,693,819
Changes during period									
Dividends of surplus						(200,824)	(200,824)		(200,824)
Profit						755,822	755,822		755,822
Purchase of treasury shares								(778)	(778)
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	554,997	554,997	(778)	554,218
Balance at end of period	1,663,687	2,079,487	2,079,487	59,500	3,867,000	1,590,547	5,517,047	(12,184)	9,248,037

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	94,221	94,221	8,788,040
Changes during period			
Dividends of surplus			(200,824)
Profit			755,822
Purchase of treasury shares			(778)
Net changes in items other than shareholders' equity	67,944	67,944	67,944
Total changes during period	67,944	67,944	622,163
Balance at end of period	162,165	162,165	9,410,203

Fiscal year ended July 31, 2022

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	1,663,687	2,079,487	2,079,487	59,500	3,867,000	1,590,547	5,517,047	(12,184)	9,248,037
Cumulative effects of changes in accounting policies						(150,037)	(150,037)		(150,037)
Restated balance	1,663,687	2,079,487	2,079,487	59,500	3,867,000	1,440,510	5,367,010	(12,184)	9,098,000
Changes during period									
Dividends of surplus						(240,983)	(240,983)		(240,983)
Profit						1,052,910	1,052,910		1,052,910
Provision of general reserve					500,000	(500,000)			
Purchase of treasury shares								(54)	(54)
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	500,000	311,927	811,927	(54)	811,872
Balance at end of period	1,663,687	2,079,487	2,079,487	59,500	4,367,000	1,752,437	6,178,937	(12,238)	9,909,873

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	162,165	162,165	9,410,203
Cumulative effects of changes in accounting policies			(150,037)
Restated balance	162,165	162,165	9,260,166
Changes during period			
Dividends of surplus			(240,983)
Profit			1,052,910
Provision of general reserve			
Purchase of treasury shares			(54)
Net changes in items other than shareholders' equity	(14,507)	(14,507)	(14,507)
Total changes during period	(14,507)	(14,507)	797,365
Balance at end of period	147,658	147,658	10,057,532

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended July 31, 2021	Fiscal year ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,044,772	1,481,405
Depreciation	94,589	75,525
Interest and dividend income	(4,138)	(4,383)
Interest expenses	3,548	3,865
Foreign exchange losses (gains)	(26,299)	(95,297)
Increase (decrease) in allowance for doubtful accounts	28	(57)
Increase (decrease) in provision for bonuses	(500)	600
Increase (decrease) in provision for bonuses for directors (and other officers)	5,609	–
Increase (decrease) in provision for product warranties	(8,600)	(3,000)
Increase (decrease) in provision for retirement benefits	22,679	19,479
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(11,983)	9,662
Decrease (increase) in trade receivables	(299,302)	(619,116)
Decrease (increase) in contract assets	–	777,072
Decrease (increase) in inventories	(222,006)	(525,555)
Increase (decrease) in trade payables	400,018	133,058
Increase (decrease) in advances received	(41,309)	–
Increase (decrease) in contract liabilities	–	137,704
Other, net	(76,569)	89,509
Subtotal	880,535	1,480,473
Interest and dividends received	4,265	4,320
Interest paid	(3,506)	(3,891)
Income taxes refund (paid)	(387,816)	(299,734)
Net cash provided by (used in) operating activities	493,478	1,181,167
Cash flows from investing activities		
Payments into time deposits	(2,546,159)	(2,615,463)
Proceeds from withdrawal of time deposits	2,531,441	2,605,577
Purchase of investment securities	(5,622)	(5,957)
Purchase of property, plant and equipment	(780,215)	(234,223)
Proceeds from collection of loans receivable	5,183	53,009
Purchase of insurance funds	(20,140)	(20,140)
Other, net	(229)	3,156
Net cash provided by (used in) investing activities	(815,741)	(214,042)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	183,335
Purchase of treasury shares	(778)	(54)
Dividends paid	(200,824)	(240,983)
Other, net	(8,423)	(6,403)
Net cash provided by (used in) financing activities	(210,026)	(64,106)
Effect of exchange rate change on cash and cash equivalents	21,072	51,257
Net increase (decrease) in cash and cash equivalents	(511,217)	954,275
Cash and cash equivalents at beginning of period	3,476,531	2,965,313
Cash and cash equivalents at end of period	2,965,313	3,919,589