

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended January 31, 2023 (Based on Japanese GAAP)

March 10, 2023

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
 Inquiries: TEL 075-621-7841
 Scheduled date to file Quarterly Securities Report: March 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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 six months ended January 31, 2023 (from August 1, 2022 to January 31, 2023)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended January 31, 2023	3,848	32.2	964	84.3	982	78.9	700	83.5
Six months ended January 31, 2022	2,911	27.9	523	107.4	548	108.9	381	99.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended January 31, 2023	87.21	–
Six months ended January 31, 2022	47.52	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2023	13,861	10,460	75.5	1,302.22
As of July 31, 2022	13,379	10,057	75.2	1,252.06

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended July 31, 2022	–	0.00	–	35.00	35.00
Year ending July 31, 2023	–	0.00	–	–	–
Year ending July 31, 2023 (Forecast)	–	–	–	35.00	35.00

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
Full year	7,700	20.3	1,620	18.1	1,580	6.7	1,080	2.6	134.45

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of January 31, 2023	:	8,042,881 shares	As of July 31, 2022	:	8,042,881 shares
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Number of treasury shares at the end of the period

As of January 31, 2023	:	10,238 shares	As of July 31, 2022	:	10,128 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended January 31, 2023	:	8,032,699 shares	Six months ended January 31, 2022	:	8,032,770 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	5,826,790	4,388,375
Notes receivable - trade	11,429	648
Electronically recorded monetary claims - operating	57,931	53,129
Trade receivables and contract asset	1,313,788	2,823,456
Finished goods	7,974	—
Work in process	1,268,297	1,595,797
Raw materials and supplies	308,935	401,536
Prepaid expenses	12,522	7,957
Other	32,919	36,927
Allowance for doubtful accounts	(141)	(291)
Total current assets	8,840,448	9,307,538

(Thousands of yen)

	As of July 31, 2022	As of January 31, 2023
Non-current assets		
Property, plant and equipment		
Buildings	1,099,671	1,112,757
Accumulated depreciation	(798,686)	(811,578)
Buildings, net	300,985	301,178
Structures	27,100	27,100
Accumulated depreciation	(24,908)	(25,000)
Structures, net	2,191	2,099
Machinery and equipment	764,976	686,956
Accumulated depreciation	(732,673)	(661,474)
Machinery and equipment, net	32,302	25,481
Vehicles	55,024	55,024
Accumulated depreciation	(51,251)	(51,880)
Vehicles, net	3,773	3,144
Tools, furniture and fixtures	243,062	245,587
Accumulated depreciation	(224,898)	(228,563)
Tools, furniture and fixtures, net	18,164	17,024
Land	3,453,567	3,453,567
Leased assets	50,790	50,790
Accumulated depreciation	(49,780)	(50,671)
Leased assets, net	1,009	118
Construction in progress	3,869	25,488
Total property, plant and equipment	3,815,865	3,828,103
Intangible assets		
Telephone subscription right	2,962	2,962
Software	—	427
Right to use water facilities	143	2
Leased assets	1,828	735
Total intangible assets	4,934	4,128
Investments and other assets		
Investment securities	290,122	269,876
Shares of subsidiaries and associates	25,207	25,207
Investments in capital	5,000	5,000
Long-term loans receivable from subsidiaries and associates	19,044	14,811
Deferred tax assets	121,990	129,146
Guarantee deposits	76,823	77,412
Insurance funds	179,066	199,206
Other	1,138	1,064
Total investments and other assets	718,392	721,725
Total non-current assets	4,539,192	4,553,957
Total assets	13,379,640	13,861,496

	(Thousands of yen)	
	As of July 31, 2022	As of January 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	779,591	921,472
Short-term borrowings	700,000	700,000
Current portion of long-term borrowings	39,996	39,996
Lease liabilities	2,838	854
Accounts payable - other	110,224	107,315
Accrued expenses	38,697	34,729
Income taxes payable	258,203	308,507
Contract liabilities	217,378	192,610
Deposits received	35,443	23,019
Provision for bonuses	23,700	25,300
Provision for bonuses for directors (and other officers)	30,000	27,186
Provision for product warranties	15,400	18,300
Other	62,766	11,005
Total current liabilities	2,314,240	2,410,297
Non-current liabilities		
Long-term borrowings	143,339	123,341
Provision for retirement benefits	479,575	477,700
Provision for retirement benefits for directors (and other officers)	384,954	389,829
Total non-current liabilities	1,007,868	990,870
Total liabilities	3,322,108	3,401,167
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	4,367,000	4,367,000
Retained earnings brought forward	1,752,437	2,171,900
Total retained earnings	6,178,937	6,598,400
Treasury shares	(12,238)	(12,620)
Total shareholders' equity	9,909,873	10,328,954
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	147,658	131,374
Total valuation and translation adjustments	147,658	131,374
Total net assets	10,057,532	10,460,328
Total liabilities and net assets	13,379,640	13,861,496

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended January 31, 2022	Six months ended January 31, 2023
Net sales	2,911,397	3,848,878
Cost of sales	1,505,512	1,898,815
Gross profit	1,405,884	1,950,062
Selling, general and administrative expenses	882,798	985,935
Operating profit	523,086	964,126
Non-operating income		
Interest income	227	167
Dividend income	1,854	21,228
Foreign exchange gains	16,575	—
Rental income	5,791	5,836
Subsidy income	1,245	1,886
Miscellaneous income	1,964	3,311
Total non-operating income	27,657	32,430
Non-operating expenses		
Interest expenses	1,856	2,185
Foreign exchange losses	—	12,359
Loss on retirement of non-current assets	—	0
Total non-operating expenses	1,856	14,545
Ordinary profit	548,886	982,012
Profit before income taxes	548,886	982,012
Income taxes	167,166	281,403
Profit	381,720	700,609

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended January 31, 2022	Six months ended January 31, 2023
Cash flows from operating activities		
Profit before income taxes	548,886	982,012
Depreciation	39,203	28,205
Interest and dividend income	(2,081)	(21,395)
Interest expenses	1,856	2,185
Foreign exchange losses (gains)	(22,923)	8,738
Increase (decrease) in allowance for doubtful accounts	(16)	150
Increase (decrease) in provision for bonuses	1,500	1,600
Increase (decrease) in provision for bonuses for directors (and other officers)	(20,729)	(2,814)
Increase (decrease) in provision for product warranties	(1,200)	2,900
Increase (decrease) in provision for retirement benefits	4,567	(1,875)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	4,830	4,875
Decrease (increase) in trade receivables and contract assets	(257,087)	(1,494,084)
Decrease (increase) in inventories	(308,941)	(412,126)
Increase (decrease) in trade payables	(78,928)	141,881
Increase (decrease) in accrued consumption taxes	33,302	(51,741)
Increase (decrease) in contract liabilities	104,271	(24,767)
Other, net	12,972	(243)
Subtotal	59,482	(836,499)
Interest and dividends received	2,135	2,955
Interest paid	(1,081)	(1,397)
Income taxes refund (paid)	(155,423)	(233,269)
Net cash provided by (used in) operating activities	(94,887)	(1,068,210)
Cash flows from investing activities		
Payments into time deposits	(1,402,031)	(1,446,263)
Proceeds from withdrawal of time deposits	1,390,301	1,440,537
Purchase of property, plant and equipment	(20,018)	(42,497)
Purchase of investment securities	(2,877)	(3,193)
Proceeds from collection of loans receivable	53,009	8,836
Purchase of insurance funds	(20,140)	(20,140)
Other, net	(1,681)	(1,982)
Net cash provided by (used in) investing activities	(3,439)	(64,703)
Cash flows from financing activities		
Repayments of long-term borrowings	—	(19,998)
Purchase of treasury shares	(54)	(381)
Dividends paid	(240,983)	(281,146)
Other, net	(3,201)	(1,983)
Net cash provided by (used in) financing activities	(244,239)	(303,509)
Effect of exchange rate change on cash and cash equivalents	21,758	(1,836)
Net increase (decrease) in cash and cash equivalents	(320,808)	(1,438,260)
Cash and cash equivalents at beginning of period	2,965,313	3,919,589
Cash and cash equivalents at end of period	2,644,505	2,481,329