

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended July 31, 2023 (Based on Japanese GAAP)

September 11, 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 TEL 075-621-7841
 Scheduled date of ordinary general meeting of shareholders: October 24, 2023
 Scheduled date to file Securities Report: October 24, 2023
 Scheduled date to commence dividend payments: October 25, 2023
 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, 2023 (from August 1, 2022 to July 31, 2023)

(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, 2023	7,830	22.3	1,858	35.6	1,927	30.1	1,366	29.7
Year ended July 31, 2022	6,401	11.4	1,371	38.6	1,481	41.8	1,052	39.3

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended July 31, 2023	170.07	—	12.9	13.7	23.7
Year ended July 31, 2022	131.07	—	10.8	11.6	21.4

(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, 2023	14,795	11,144	75.3	1,387.39
As of July 31, 2022	13,379	10,057	75.2	1,252.06

(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, 2023	(189)	(75)	(325)	3,374
Year ended July 31, 2022	1,181	(214)	(64)	3,919

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, 2022	—	0.00	—	35.00	35.00	281	26.7	2.9
Year ended July 31, 2023	—	0.00	—	45.00	45.00	361	26.5	3.4
Year ending July 31, 2024 (Forecast)	—	0.00	—	45.00	45.00		23.9	

3. Forecast of non-consolidated financial results for the year ending July 31, 2024 (from August 1, 2023 to July 31, 2024)

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, 2024	4,520	17.4	1,140	18.2	1,150	17.1	780	11.3	97.10
Full year	8,500	8.5	1,990	7.0	2,010	4.3	1,370	0.3	170.56

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: No

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, 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 July 31, 2023	10,405 shares	As of July 31, 2022	10,128 shares
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Average number of shares during the period

Year ended July 31, 2023	8,032,618 shares	Year ended July 31, 2022	8,032,762 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	5,826,790	5,301,752
Notes receivable - trade	11,429	12,252
Electronically recorded monetary claims - operating	57,931	182,574
Accounts receivable - trade	536,715	1,449,637
Contract assets	777,072	1,040,189
Finished goods	7,974	—
Work in process	1,268,297	1,741,835
Raw materials and supplies	308,935	428,537
Prepaid expenses	12,522	9,815
Other	32,919	29,974
Allowance for doubtful accounts	(141)	(20,984)
Total current assets	8,840,448	10,175,585

	(Thousands of yen)	
	As of July 31, 2022	As of July 31, 2023
Non-current assets		
Property, plant and equipment		
Buildings	1,099,671	1,113,037
Accumulated depreciation	(798,686)	(824,645)
Buildings, net	300,985	288,392
Structures	27,100	27,100
Accumulated depreciation	(24,908)	(25,093)
Structures, net	2,191	2,007
Machinery and equipment	764,976	689,649
Accumulated depreciation	(732,673)	(670,345)
Machinery and equipment, net	32,302	19,303
Vehicles	55,024	56,314
Accumulated depreciation	(51,251)	(52,778)
Vehicles, net	3,773	3,536
Tools, furniture and fixtures	243,062	256,030
Accumulated depreciation	(224,898)	(233,988)
Tools, furniture and fixtures, net	18,164	22,042
Land	3,453,567	3,453,567
Leased assets	50,790	50,790
Accumulated depreciation	(49,780)	(50,790)
Leased assets, net	1,009	–
Construction in progress	3,869	74,611
Total property, plant and equipment	3,815,865	3,863,459
Intangible assets		
Telephone subscription right	2,962	2,962
Software	–	1,402
Right to use water facilities	143	–
Leased assets	1,828	–
Total intangible assets	4,934	4,364
Investments and other assets		
Investment securities	290,122	300,794
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	12,150
Deferred tax assets	121,990	129,893
Guarantee deposits	76,823	78,378
Insurance funds	179,066	199,206
Other	1,138	991
Total investments and other assets	718,392	751,621
Total non-current assets	4,539,192	4,619,445
Total assets	13,379,640	14,795,031

(Thousands of yen)

	As of July 31, 2022	As of July 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	779,591	861,405
Short-term borrowings	700,000	700,000
Current portion of long-term borrowings	39,996	39,996
Lease liabilities	2,838	–
Accounts payable - other	110,224	126,249
Accrued expenses	38,697	43,846
Income taxes payable	258,203	411,448
Contract liabilities	217,378	335,648
Deposits received	35,443	39,874
Provision for bonuses	23,700	25,500
Provision for bonuses for directors (and other officers)	30,000	30,000
Provision for product warranties	15,400	18,000
Other	62,766	44,069
Total current liabilities	2,314,240	2,676,039
Non-current liabilities		
Long-term borrowings	143,339	103,343
Provision for retirement benefits	479,575	476,640
Provision for retirement benefits for directors (and other officers)	384,954	394,752
Total non-current liabilities	1,007,868	974,736
Total liabilities	3,322,108	3,650,775
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	2,837,418
Total retained earnings	6,178,937	7,263,918
Treasury shares	(12,238)	(13,453)
Total shareholders' equity	9,909,873	10,993,640
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	147,658	150,615
Total valuation and translation adjustments	147,658	150,615
Total net assets	10,057,532	11,144,255
Total liabilities and net assets	13,379,640	14,795,031

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023
Net sales	6,401,870	7,830,591
Cost of sales		
Beginning finished goods inventory	55,667	7,974
Cost of products manufactured	3,164,330	3,953,590
Total	3,219,997	3,961,565
Ending finished goods inventory	7,974	—
Cost of finished goods sold	3,212,022	3,961,565
Gross profit	3,189,847	3,869,026
Selling, general and administrative expenses	1,818,641	2,010,032
Operating profit	1,371,206	1,858,994
Non-operating income		
Interest income	390	302
Dividend income	3,992	23,674
Foreign exchange gains	87,594	30,609
Rental income	11,860	11,437
Subsidy income	1,595	1,904
Electricity sale income	1,397	1,344
Penalty income	5,199	—
Miscellaneous income	2,271	3,167
Total non-operating income	114,302	72,439
Non-operating expenses		
Interest expenses	3,865	4,268
Loss on retirement of non-current assets	237	0
Total non-operating expenses	4,103	4,268
Ordinary profit	1,481,405	1,927,165
Profit before income taxes	1,481,405	1,927,165
Income taxes - current	377,510	570,239
Income taxes - deferred	50,984	(9,202)
Total income taxes	428,494	561,037
Profit	1,052,910	1,366,127

Non-consolidated statements of changes in equity

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

Fiscal year ended July 31, 2023

(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	4,367,000	1,752,437	6,178,937	(12,238)	9,909,873
Changes during period									
Dividends of surplus						(281,146)	(281,146)		(281,146)
Profit						1,366,127	1,366,127		1,366,127
Purchase of treasury shares								(1,214)	(1,214)
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	—	1,084,981	1,084,981	(1,214)	1,083,766
Balance at end of period	1,663,687	2,079,487	2,079,487	59,500	4,367,000	2,837,418	7,263,918	(13,453)	10,993,640

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	147,658	147,658	10,057,532
Changes during period			
Dividends of surplus			(281,146)
Profit			1,366,127
Purchase of treasury shares			(1,214)
Net changes in items other than shareholders' equity	2,956	2,956	2,956
Total changes during period	2,956	2,956	1,086,723
Balance at end of period	150,615	150,615	11,144,255

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended July 31, 2022	Fiscal year ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,481,405	1,927,165
Depreciation	75,525	57,476
Interest and dividend income	(4,383)	(23,976)
Interest expenses	3,865	4,268
Foreign exchange losses (gains)	(95,297)	(28,118)
Increase (decrease) in allowance for doubtful accounts	(57)	20,842
Increase (decrease) in provision for bonuses	600	1,800
Increase (decrease) in provision for product warranties	(3,000)	2,600
Increase (decrease) in provision for retirement benefits	19,479	(2,934)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9,662	9,798
Decrease (increase) in trade receivables	(619,116)	(1,038,387)
Decrease (increase) in contract assets	777,072	(263,116)
Decrease (increase) in inventories	(525,555)	(667,825)
Increase (decrease) in trade payables	133,058	81,813
Increase (decrease) in contract liabilities	137,704	118,269
Other, net	89,509	13,301
Subtotal	1,480,473	212,977
Interest and dividends received	4,320	24,100
Interest paid	(3,891)	(4,378)
Income taxes refund (paid)	(299,734)	(422,095)
Net cash provided by (used in) operating activities	1,181,167	(189,395)
Cash flows from investing activities		
Payments into time deposits	(2,615,463)	(2,647,225)
Proceeds from withdrawal of time deposits	2,605,577	2,607,935
Purchase of investment securities	(5,957)	(6,416)
Purchase of property, plant and equipment	(234,223)	(18,852)
Proceeds from collection of loans receivable	53,009	13,304
Purchase of insurance funds	(20,140)	(20,140)
Other, net	3,156	(4,534)
Net cash provided by (used in) investing activities	(214,042)	(75,930)
Cash flows from financing activities		
Proceeds from long-term borrowings	183,335	—
Repayments of long-term borrowings	—	(39,996)
Purchase of treasury shares	(54)	(1,214)
Dividends paid	(240,983)	(281,146)
Other, net	(6,403)	(2,838)
Net cash provided by (used in) financing activities	(64,106)	(325,194)
Effect of exchange rate change on cash and cash equivalents	51,257	45,305
Net increase (decrease) in cash and cash equivalents	954,275	(545,215)
Cash and cash equivalents at beginning of period	2,965,313	3,919,589
Cash and cash equivalents at end of period	3,919,589	3,374,374