

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: SAKAI HEAVY INDUSTRIES,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6358 URL <https://www.sakainet.co.jp/>  
 Representative: President and Representing Director Ichiro Sakai  
 Executive Officer  
 Inquiries: General Manager Administration Division Takao Yoshikawa TEL 03-3434-3401  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	6,706	(10.9)	449	(18.5)	503	(27.2)	690	46.3
Three months ended June 30, 2023	7,529	9.7	551	22.8	692	34.0	471	17.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	162.35	–
Three months ended June 30, 2023	111.33	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	44,375	29,677	66.7
As of March 31, 2024	44,237	29,165	65.8

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 March 31, 2024	–	90.00	–	195.00	285.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	85.00	–	130.00	215.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	15,500	(7.7)	1,050	(46.6)	1,050	(50.2)	700	(54.4)	164.85
Full year	33,000	(0.1)	2,730	(17.7)	2,700	(18.8)	1,830	(25.0)	430.96

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2024	4,407,817 shares	As of March 31, 2024	4,407,817 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	157,204 shares	As of March 31, 2024	157,116 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	4,250,671 shares	Three months ended June 30, 2023	4,235,730 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,383,385	8,847,841
Notes and accounts receivable - trade	7,097,977	5,284,034
Electronically recorded monetary claims - operating	1,400,759	887,380
Merchandise and finished goods	4,576,542	5,590,867
Work in process	1,286,375	1,515,822
Raw materials and supplies	4,795,261	5,021,111
Other	1,102,359	1,330,636
Allowance for doubtful accounts	(5,336)	(4,283)
Total current assets	28,637,323	28,473,411
Non-current assets		
Property, plant and equipment	7,573,903	7,747,308
Intangible assets	255,088	557,847
Investments and other assets		
Investment securities	6,036,108	5,930,122
Other	1,734,934	1,666,843
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	7,771,042	7,596,966
Total non-current assets	15,600,035	15,902,122
Total assets	44,237,358	44,375,534
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,663,632	2,121,169
Electronically recorded obligations - operating	4,461,405	3,674,046
Short-term borrowings	4,629,322	4,463,637
Income taxes payable	393,833	310,719
Provisions	350,818	372,899
Other	1,681,748	1,644,719
Total current liabilities	13,180,760	12,587,191
Non-current liabilities		
Long-term borrowings	155,672	146,069
Retirement benefit liability	191,422	237,924
Other	1,543,636	1,726,893
Total non-current liabilities	1,890,731	2,110,887
Total liabilities	15,071,492	14,698,078

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,337,367	3,337,367
Capital surplus	6,583,310	6,583,310
Retained earnings	14,191,837	14,053,062
Treasury shares	(409,977)	(410,499)
Total shareholders' equity	23,702,538	23,563,241
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,380,016	3,339,427
Foreign currency translation adjustment	2,027,177	2,715,954
Remeasurements of defined benefit plans	(15,878)	(18,184)
Total accumulated other comprehensive income	5,391,315	6,037,197
Non-controlling interests	72,012	77,016
Total net assets	29,165,866	29,677,455
Total liabilities and net assets	44,237,358	44,375,534

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	7,529,670	6,706,798
Cost of sales	5,507,462	4,684,181
Gross profit	2,022,208	2,022,617
Selling, general and administrative expenses		
Transportation costs	97,099	85,690
Salaries and bonuses	633,369	726,649
Technical research expenses	231,238	240,214
Other	509,237	520,954
Total selling, general and administrative expenses	1,470,946	1,573,509
Operating profit	551,262	449,108
Non-operating income		
Interest income	3,299	5,989
Dividend income	97,155	105,990
Foreign exchange gains	87,700	9,573
Other	18,739	6,585
Total non-operating income	206,894	128,139
Non-operating expenses		
Interest expenses	49,876	51,073
bank charge	14,311	18,135
Other	1,306	4,056
Total non-operating expenses	65,495	73,265
Ordinary profit	692,660	503,981
Extraordinary income		
Gain on sale of investment securities	–	288,407
Total extraordinary income	–	288,407
Profit before income taxes	692,660	792,389
Income taxes	219,047	101,821
Profit	473,613	690,567
Profit attributable to non-controlling interests	2,062	456
Profit attributable to owners of parent	471,550	690,111

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	473,613	690,567
Other comprehensive income		
Valuation difference on available-for-sale securities	537,613	(40,589)
Foreign currency translation adjustment	212,618	693,348
Remeasurements of defined benefit plans, net of tax	65	(2,305)
Total other comprehensive income	750,298	650,453
Comprehensive income	1,223,911	1,341,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,221,435	1,336,016
Comprehensive income attributable to non-controlling interests	2,476	5,004