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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 [Under Japanese GAAP]

November 8, 2023

Company name: SINKO INDUSTRIES LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6458  
 URL: <https://www.sinko.co.jp/>  
 Representative: Satoshi Suenaga Chief Executive Officer  
 Inquiries: Tokuji Aota Executive Vice President, Chief Financial Officer  
 Telephone: +81-6-6367-1811  
 Scheduled date to file quarterly securities report: November 13, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (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	%
Six months ended September 30, 2023	22,290	24.5	2,527	73.2	2,789	52.6	2,070	62.9
September 30, 2022	17,910	1.9	1,459	(20.2)	1,827	(9.1)	1,270	(11.1)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	83.15		—	
September 30, 2022	50.18		—	

#### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	80,215	58,902	70.1	2,272.84
March 31, 2023	77,526	57,683	71.1	2,187.08

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	20.00	—	37.00	57.00
Fiscal year ending March 31, 2024	—	35.00			
Fiscal year ending March 31, 2024 (Forecast)			—	50.00	85.00

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024(from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	50,000	11.6	7,100	18.4	7,420	13.4	5,320	17.8	214.32

\* Notes:

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries resulting in the change in scope of consolidation): None
  
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
  
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - 2) Changes in accounting policies due to other reasons: None
  - 3) Changes in accounting estimates: None
  - 4) Restatement: None
  
- (4) Number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
 

As of September 30, 2023:	27,212,263 shares
As of March 31, 2023:	27,212,263 shares
  
  - 2) Number of treasury shares at the end of the period:
 

As of September 30, 2023:	2,473,803 shares
As of March 31, 2023:	1,992,311 shares
  
  - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
 

Six months ended September 30, 2023:	24,895,519 shares
Six months ended September 30, 2022:	25,324,525 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,332	16,783
Notes and accounts receivable - trade, and contract assets	17,077	15,426
Electronically recorded monetary claims - operating	6,475	5,933
Securities	5,000	5,000
Merchandise and finished goods	717	1,045
Work in process	714	972
Raw materials	1,953	2,105
Other	710	583
Allowance for doubtful accounts	(1,128)	(1,165)
Total current assets	45,853	46,686
Non-current assets		
Property, plant and equipment		
Land	8,932	8,932
Other, net	8,297	9,012
Total property, plant and equipment	17,229	17,944
Intangible assets	959	1,105
Investments and other assets		
Investment securities	12,022	13,043
Other	1,485	1,458
Allowance for doubtful accounts	(24)	(23)
Total investments and other assets	13,484	14,479
Total non-current assets	31,673	33,529
Total assets	77,526	80,215

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,605	4,841
Electronically recorded obligations - operating	3,980	4,831
Short-term borrowings	640	900
Current portion of long-term borrowings	497	473
Income taxes payable	1,248	860
Provision for bonuses	702	1,034
Provision for shareholder benefit program	56	—
Other	2,924	3,088
<b>Total current liabilities</b>	<b>14,656</b>	<b>16,030</b>
Non-current liabilities		
Long-term borrowings	1,995	1,768
Provision for retirement benefits for directors (and other officers)	16	18
Provision for share awards	201	217
Retirement benefit liability	823	819
Other	2,150	2,459
<b>Total non-current liabilities</b>	<b>5,187</b>	<b>5,283</b>
<b>Total liabilities</b>	<b>19,843</b>	<b>21,313</b>
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	6,086	6,096
Retained earnings	42,195	43,323
Treasury shares	(2,824)	(3,794)
<b>Total shareholders' equity</b>	<b>51,280</b>	<b>51,447</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,969	4,692
Revaluation reserve for land	(725)	(725)
Foreign currency translation adjustment	632	812
<b>Total accumulated other comprehensive income</b>	<b>3,877</b>	<b>4,779</b>
Non-controlling interests	2,525	2,675
<b>Total net assets</b>	<b>57,683</b>	<b>58,902</b>
<b>Total liabilities and net assets</b>	<b>77,526</b>	<b>80,215</b>

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	17,910	22,290
Cost of sales	12,220	14,854
Gross profit	5,690	7,435
Selling, general and administrative expenses	4,230	4,908
Operating profit	1,459	2,527
Non-operating income		
Interest income	5	8
Dividend income	134	137
Share of profit of entities accounted for using equity method	28	14
Rental income	78	73
Miscellaneous income	177	77
Total non-operating income	423	310
Non-operating expenses		
Interest expenses	13	11
Loss on cancellation of insurance policies	0	12
Rental expenses	26	11
Miscellaneous expenses	14	12
Total non-operating expenses	55	48
Ordinary profit	1,827	2,789
Extraordinary income		
Gain on sale of investment securities	—	264
Total extraordinary income	—	264
Profit before income taxes	1,827	3,053
Income taxes - current	592	997
Income taxes - deferred	(5)	(52)
Total income taxes	587	945
Profit	1,240	2,107
Profit (loss) attributable to non-controlling interests	(30)	37
Profit attributable to owners of parent	1,270	2,070

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,240	2,107
Other comprehensive income		
Valuation difference on available-for-sale securities	70	722
Foreign currency translation adjustment	551	225
Share of other comprehensive income of entities accounted for using equity method	122	66
Total other comprehensive income	744	1,014
Comprehensive income	1,985	3,122
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,739	2,971
Comprehensive income attributable to non-controlling interests	245	150