

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Under Japanese GAAP]

February 8, 2024

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: +81-3-5640-4159
 Scheduled date to file quarterly securities report: February 13, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	36,286	18.8	5,353	63.8	5,783	53.6	4,201	66.5
December 31, 2022	30,556	7.5	3,268	(5.6)	3,765	0.3	2,523	(2.4)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	169.10	—
December 31, 2022	99.76	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	82,547	60,290	69.7	2,324.27
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 December 31, 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 December 31, 2023:	2,472,523 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):

Nine months ended December 31, 2023:	24,848,629 shares
Nine months ended December 31, 2022:	25,292,950 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	14,332	15,164
Notes and accounts receivable - trade, and contract assets	17,077	17,356
Electronically recorded monetary claims - operating	6,475	6,997
Securities	5,000	5,000
Merchandise and finished goods	717	1,170
Work in process	714	1,066
Raw materials	1,953	2,391
Other	710	514
Allowance for doubtful accounts	(1,128)	(1,197)
Total current assets	45,853	48,466
Non-current assets		
Property, plant and equipment		
Land	8,932	8,932
Other, net	8,297	9,756
Total property, plant and equipment	17,229	18,689
Intangible assets	959	1,145
Investments and other assets		
Investment securities	12,022	12,826
Other	1,485	1,443
Allowance for doubtful accounts	(24)	(22)
Total investments and other assets	13,484	14,247
Total non-current assets	31,673	34,081
Total assets	77,526	82,547

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,605	5,216
Electronically recorded obligations - operating	3,980	5,492
Short-term borrowings	640	700
Current portion of long-term borrowings	497	433
Income taxes payable	1,248	717
Provision for bonuses	702	643
Provision for shareholder benefit program	56	-
Other	2,924	3,699
Total current liabilities	14,656	16,903
Non-current liabilities		
Long-term borrowings	1,995	1,690
Provision for retirement benefits for directors (and other officers)	16	19
Provision for share awards	201	225
Retirement benefit liability	823	839
Other	2,150	2,578
Total non-current liabilities	5,187	5,353
Total liabilities	19,843	22,256
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	6,086	6,096
Retained earnings	42,195	44,580
Treasury shares	(2,824)	(3,792)
Total shareholders' equity	51,280	52,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,969	4,622
Revaluation reserve for land	(725)	(725)
Foreign currency translation adjustment	632	897
Total accumulated other comprehensive income	3,877	4,794
Non-controlling interests	2,525	2,789
Total net assets	57,683	60,290
Total liabilities and net assets	77,526	82,547

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	30,556	36,286
Cost of sales	20,578	23,344
Gross profit	9,978	12,942
Selling, general and administrative expenses	6,710	7,588
Operating profit	3,268	5,353
Non-operating income		
Interest income	12	12
Dividend income	234	249
Share of profit of entities accounted for using equity method	54	31
Rental income	111	122
Miscellaneous income	165	87
Total non-operating income	578	503
Non-operating expenses		
Interest expenses	19	16
Rental expenses	37	21
Miscellaneous expenses	23	35
Total non-operating expenses	81	73
Ordinary profit	3,765	5,783
Extraordinary income		
Gain on sale of investment securities	-	440
Total extraordinary income	-	440
Extraordinary losses		
Loss on retirement of non-current assets	58	-
Total extraordinary losses	58	-
Profit before income taxes	3,706	6,224
Income taxes - current	1,086	1,814
Income taxes - deferred	186	120
Total income taxes	1,272	1,934
Profit	2,434	4,290
Profit (loss) attributable to non-controlling interests	(88)	88
Profit attributable to owners of parent	2,523	4,201

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	2,434	4,290
Other comprehensive income		
Valuation difference on available-for-sale securities	(81)	653
Foreign currency translation adjustment	550	351
Share of other comprehensive income of entities accounted for using equity method	156	88
Total other comprehensive income	625	1,093
Comprehensive income	3,060	5,383
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,873	5,119
Comprehensive income attributable to non-controlling interests	186	263