

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 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 file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

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	24,301	9.8	2,580	62.7	2,676	68.7	1,947	66.1
Nine months ended December 31, 2022	22,125	11.8	1,585	36.0	1,586	31.5	1,172	40.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	458.78		–	
Nine months ended December 31, 2022	277.45		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	44,871	28,431	63.2
As of March 31, 2023	40,804	25,295	61.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	80.00	–	120.00	200.00
Year ending March 31, 2024	–	90.00	–		
Year ending March 31, 2024 (Forecast)				180.00	270.00

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,100	5.2	3,300	31.7	3,300	41.8	2,300	35.7	542.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: No
- 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 December 31, 2023	4,407,817 shares	As of March 31, 2023	4,392,117 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	156,770 shares	As of March 31, 2023	156,308 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	4,245,007 shares	Nine months ended December 31, 2022	4,225,699 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	7,484,336	7,674,361
Notes and accounts receivable - trade	8,068,886	6,864,310
Electronically recorded monetary claims - operating	1,395,360	1,704,339
Merchandise and finished goods	3,406,701	5,684,138
Work in process	1,228,708	1,392,269
Raw materials and supplies	4,816,726	4,985,928
Other	1,039,755	1,570,927
Allowance for doubtful accounts	(97)	(4,383)
Total current assets	27,440,377	29,871,892
Non-current assets		
Property, plant and equipment	7,383,615	7,648,645
Intangible assets	307,527	248,717
Investments and other assets		
Investment securities	3,826,612	5,314,102
Other	1,846,782	1,788,546
Allowance for doubtful accounts	(258)	(0)
Total investments and other assets	5,673,136	7,102,648
Total non-current assets	13,364,280	15,000,011
Total assets	40,804,658	44,871,904
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,515,028	2,433,706
Electronically recorded obligations - operating	4,631,090	5,370,191
Short-term borrowings	4,751,028	4,761,992
Income taxes payable	336,586	464,703
Provisions	336,364	358,848
Other	1,807,735	1,413,677
Total current liabilities	14,377,834	14,803,119
Non-current liabilities		
Long-term borrowings	58,252	165,275
Retirement benefit liability	132,943	172,435
Other	939,791	1,299,504
Total non-current liabilities	1,130,986	1,637,215
Total liabilities	15,508,820	16,440,335

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,295,841	3,337,367
Capital surplus	6,541,784	6,583,310
Retained earnings	12,642,202	13,698,809
Treasury shares	(405,251)	(407,627)
Total shareholders' equity	22,074,576	23,211,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,837,502	2,875,560
Foreign currency translation adjustment	1,319,532	2,267,383
Remeasurements of defined benefit plans	1,162	920
Total accumulated other comprehensive income	3,158,197	5,143,864
Non-controlling interests	63,064	75,844
Total net assets	25,295,837	28,431,569
Total liabilities and net assets	40,804,658	44,871,904

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	22,125,725	24,301,529
Cost of sales	16,470,850	17,224,552
Gross profit	5,654,875	7,076,976
Selling, general and administrative expenses		
Transportation costs	323,010	301,612
Salaries and bonuses	1,736,250	1,949,234
Technical research expenses	685,540	700,333
Other	1,324,400	1,545,199
Total selling, general and administrative expenses	4,069,202	4,496,379
Operating profit	1,585,672	2,580,596
Non-operating income		
Interest income	4,053	5,902
Dividend income	123,076	172,299
Foreign exchange gains	75,947	102,774
Other	22,860	35,761
Total non-operating income	225,937	316,737
Non-operating expenses		
Interest expenses	145,553	161,328
bank charge	69,713	54,378
Other	9,859	5,243
Total non-operating expenses	225,125	220,950
Ordinary profit	1,586,484	2,676,384
Extraordinary income		
Gain on sale of non-current assets	1,901	428
Total extraordinary income	1,901	428
Extraordinary losses		
Loss on disposal of non-current assets	177	–
Total extraordinary losses	177	–
Profit before income taxes	1,588,209	2,676,813
Income taxes	411,733	722,075
Profit	1,176,475	1,954,737
Profit attributable to non-controlling interests	4,066	7,224
Profit attributable to owners of parent	1,172,409	1,947,513

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,176,475	1,954,737
Other comprehensive income		
Valuation difference on available-for-sale securities	127,445	1,038,058
Foreign currency translation adjustment	1,447,655	955,859
Remeasurements of defined benefit plans, net of tax	(3,690)	(242)
Total other comprehensive income	1,571,410	1,993,675
Comprehensive income	2,747,886	3,948,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,729,122	3,933,182
Comprehensive income attributable to non-controlling interests	18,764	15,230