

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 10, 2022

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: August 10, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	6,865	12.7	448	121.7	516	140.8	402	160.9
Three months ended June 30, 2021	6,089	33.4	202	451.0	214	–	154	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	95.60		–	
Three months ended June 30, 2021	35.85		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	38,436	23,568	61.2
As of March 31, 2022	37,858	23,161	61.1

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, 2022	–	60.00	–	105.00	165.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	80.00	–	85.00	165.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	14,000	7.8	650	(10.4)	625	(14.7)	400	(21.4)	94.41
Full year	29,300	10.2	1,500	8.4	1,450	3.0	950	(33.4)	224.22

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: 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, 2022	4,366,117 shares	As of March 31, 2022	4,366,117 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	156,031 shares	As of March 31, 2022	155,929 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, 2022	4,210,127 shares	Three months ended June 30, 2021	4,304,074 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	7,993,405	9,391,196
Notes and accounts receivable - trade	7,137,752	6,727,931
Electronically recorded monetary claims - operating	1,400,265	978,749
Merchandise and finished goods	2,751,053	2,782,872
Work in process	1,347,188	1,407,654
Raw materials and supplies	3,109,380	3,267,526
Other	1,336,688	1,011,029
Allowance for doubtful accounts	(59)	(55)
Total current assets	25,075,675	25,566,903
Non-current assets		
Property, plant and equipment	6,985,162	7,141,438
Intangible assets	480,763	435,260
Investments and other assets		
Investment securities	3,421,772	3,365,686
Other	1,895,471	1,927,004
Allowance for doubtful accounts	(261)	(261)
Total investments and other assets	5,316,982	5,292,429
Total non-current assets	12,782,908	12,869,129
Total assets	37,858,583	38,436,032
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,078,924	2,221,052
Electronically recorded obligations - operating	3,887,863	3,670,714
Short-term borrowings	5,688,722	5,851,599
Income taxes payable	269,304	93,977
Provisions	117,004	110,126
Other	1,488,501	1,759,622
Total current liabilities	13,530,319	13,707,094
Non-current liabilities		
Long-term borrowings	17,164	72,582
Retirement benefit liability	173,232	150,084
Other	976,495	937,613
Total non-current liabilities	1,166,892	1,160,280
Total liabilities	14,697,211	14,867,374

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	3,258,349	3,258,349
Capital surplus	6,504,292	6,504,292
Retained earnings	11,728,758	11,689,197
Treasury shares	(403,884)	(404,079)
Total shareholders' equity	21,087,515	21,047,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,564,136	1,524,539
Foreign currency translation adjustment	465,857	951,753
Remeasurements of defined benefit plans	(3,964)	(6,839)
Total accumulated other comprehensive income	2,026,029	2,469,453
Non-controlling interests	47,826	51,445
Total net assets	23,161,371	23,568,657
Total liabilities and net assets	37,858,583	38,436,032

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, 2021	Three months ended June 30, 2022
Net sales	6,089,577	6,865,299
Cost of sales	4,645,836	5,111,087
Gross profit	1,443,740	1,754,212
Selling, general and administrative expenses		
Transportation costs	99,797	105,850
Salaries and bonuses	520,522	539,693
Technical research expenses	196,633	214,833
Other	424,254	444,891
Total selling, general and administrative expenses	1,241,207	1,305,269
Operating profit	202,533	448,943
Non-operating income		
Interest income	2,399	1,823
Dividend income	69,747	77,681
Foreign exchange gains	–	42,403
Other	4,695	2,680
Total non-operating income	76,842	124,588
Non-operating expenses		
Interest expenses	24,088	29,620
bank charge	31,397	22,219
Foreign exchange losses	9,047	–
Other	217	4,919
Total non-operating expenses	64,751	56,759
Ordinary profit	214,623	516,771
Extraordinary income		
Gain on sale of non-current assets	–	1,813
Gain on sale of investment securities	7,191	–
Total extraordinary income	7,191	1,813
Extraordinary losses		
Loss on disposal of non-current assets	43	167
Total extraordinary losses	43	167
Profit before income taxes	221,770	518,418
Income taxes	67,394	115,380
Profit	154,375	403,037
Profit attributable to non-controlling interests	90	529
Profit attributable to owners of parent	154,285	402,508

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	154,375	403,037
Other comprehensive income		
Valuation difference on available-for-sale securities	(170,310)	(39,596)
Foreign currency translation adjustment	298,107	488,984
Remeasurements of defined benefit plans, net of tax	871	(2,874)
Total other comprehensive income	128,668	446,513
Comprehensive income	283,044	849,551
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	280,622	845,961
Comprehensive income attributable to non-controlling interests	2,421	3,589