

# Consolidated Financial Results for the Three Months Ended June 30, 2025

## SAKAI HEAVY INDUSTRIES, LTD.

Stock code: 6358  
URL <https://www.sakainet.co.jp/en/>

August 8, 2025

# Summary of Consolidated Financial Results

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

## 1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2025	5,749	(14.3)	149	(66.7)	154	(69.3)	91	(86.7)	10.72	—
June 30, 2024	6,706	(10.9)	449	(18.5)	503	(27.2)	690	46.3	81.18	—

Note: The Company made a two-for-one share split of its common shares effective October 1, 2024.

Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	40,758	29,280	71.7
March 31, 2025	42,624	30,130	70.5

## 2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	85.00	—	60.50	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		45.00	—	60.00	105.00

Note: The Company made a two-for-one share split of its common shares effective October 1, 2024.

For the year-end dividend per share for the fiscal year ended March 31, 2025, the figure shown is amount that takes into account the effect of the share split, and “—” is stated for the annual dividend. The interim dividend (¥85.00 per share) paid with a record date of September 30, 2024 is equivalent to ¥42.50 per share if converted to the dividend per share after such share split. Accordingly, the annual dividend for the previous fiscal year, combined with the year-end dividend, will be ¥103.00 per share.

## 3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Six months ending September 30, 2025	13,700	(4.8)	550	(55.3)	550	(53.3)	400	(69.3)	46.94
Fiscal year ending March 31, 2026	30,000	7.7	1,250	(21.1)	1,250	(16.4)	900	(37.3)	105.61

# Highlights of Consolidated Business Performance

## 1. Summary of Consolidated Business Performance for the Three Months Ended June 30, 2025

**1) Consolidated net sales: ¥5,749 million, down 14.3% YoY**

Adjustments continued amid increasing economic uncertainty.

**2) Operating profit: ¥149 million, down 66.7% YoY**

Operating profit declined due to a decrease in sales.

**3) Profit: ¥91 million, down 86.7% YoY**

Recorded a gain on sale of investment securities of ¥280 million in the same period in the previous fiscal year.

**4) Sales in Japan: ¥2,416 million, down 3.2% YoY**

Sales bottomed out in line with ongoing adjustments to distribution inventory amid strong government construction investment against the backdrop of measures to accelerate national land resilience.

**5) Sales in North America: ¥1,308 million, down 40.6% YoY**

Accelerated drop in demand due to future uncertainty caused by rising interest rates and North American tariff policies, despite the continued investment in road construction against the backdrop of the Infrastructure Investment and Jobs Act.

**6) Sales in Asia: ¥1,765 million, up 6.9% YoY**

Signs that sales bottomed out in Vietnam, Thailand, and Malaysia, etc.

# Highlights of Consolidated Business Performance

## 2. Adapting to a Changing Business Environment

### 1) Initiatives for enhancing the profitability of capital

#### (1) Progress of medium-term management policy

Five-year medium-term management policy: Net sales of ¥30 billion, operating profit of ¥3.10 billion, ROE of 8.0%

Results for the fiscal year two years prior (third year): Net sales of ¥33 billion, operating profit of ¥3.31 billion, ROE of 9.0%

Results for the previous fiscal year (fourth year): Net sales of ¥27.8 billion, operating profit of ¥1.58 billion, ROE of 4.9%

Forecast for the current fiscal year (fifth year): Net sales of ¥30 billion, operating profit of ¥1.25 billion, ROE of 3.0%

Results for three months ended June 30, 2025: Net sales of ¥5.7 billion, operating profit of ¥0.14 billion, ROE of 1.2%

#### (2) Progress of enhancing corporate value (PBR above 1)

At the end of March 2025: PBR 0.61 times (Share price ¥2,142)

At the end of June 2025: PBR 0.58 times (Share price ¥1,998)

### 2) Profit structure reform through sales price revisions, high added value, and efficiency

Cost-of-sales ratio: 71.9%, deterioration of 2.1% YoY...Cost-of-sales increased due to ongoing inflation and production adjustment

### 3) Increased investment in human capital

(1) Wage improvement and stabilized employment: Rise in wages (5.1% in the fiscal year ended March 31, 2024, 6.0% in the fiscal year ended March 31, 2025, 6.0% in the fiscal year ending March 31, 2026), and improvements to personnel systems

(2) Increasing on-site skilled labors and improving working conditions: Enhance factories and service areas, and establish healthy working environments. (installation of air conditioning systems)

### 4) Dealing with volatile demand

Inventory turnover: 2.38 times, down 0.28 times/10% YoY...¥12.1 billion → ¥11.3 billion

Currently strengthening adjustments to optimize inventory levels, as the Construction Machinery Market entered a period of adjustments amid slowdowns in the world economy.

### 5) Response to North American tariffs

(1) Tariff costs of ¥200 million have been factored into performance forecasts

(2) Price shifting measures through sales price revisions planned for the second half of the year

(3) Currently examining supply chain revisions

# Highlights of Consolidated Business Performance

## 3. Mid- to Long-Term Growth Strategy

### 1) Make more significant inroads into the Asian market:

Expand the ASEAN market centered on our Indonesian hub (sales development in mine and pavement markets)

### 2) Expand the scope of overseas business:

Develop the overseas market for road maintenance equipment (increase in ODA initiatives, start local production, completion of standardization of the cement and asphalt emulsion stabilizer method in Indonesia)

### 3) Pursue business opportunities in North America:

Increase our market share through niche marketing (strengthen technical sales with differentiated products)

### 4) Develop next-generation businesses:

Focus on market development for emergency brakes, compaction management systems, and Automatic Cutter Control System.  
Commercialization of autonomous rollers and EV rollers started (sales development for general civil engineering contractors)

## 4. Outlook for Business Environment

### 1) Global Construction Machinery Market

Although a phase of adjustment continues in the short term, potential demand for construction machinery is expected to remain stable in the medium term due to factors such as large-scale infrastructure investment plans in Japan and the U.S., infrastructure investment and mine development becoming active in emerging countries, together with renewal of aging infrastructure and response to increasingly severe natural disasters. As a result, the Global Construction Machinery Market is expected to bottom out through an economic cycle.

### 2) Risks and Countermeasures

The future direction of the world economy is unpredictable, due to the significant changes to framework of free trade and security with the second Trump administration's tariff policies and changes in the global political power balance. Under these circumstances, the Group will respond to U.S. tariffs and modify our supply chain, as well as strengthen our profit structure and human organizational capabilities, enhance our market competitiveness in response to changes in the business environment, and engage in activities to raise the level of manufacturing quality with the goal of further solidifying the foundations of our management during this period of demand adjustment to build our corporate structure in preparation for the market recovery period.

# Consolidated Business Performance

(Millions of yen)

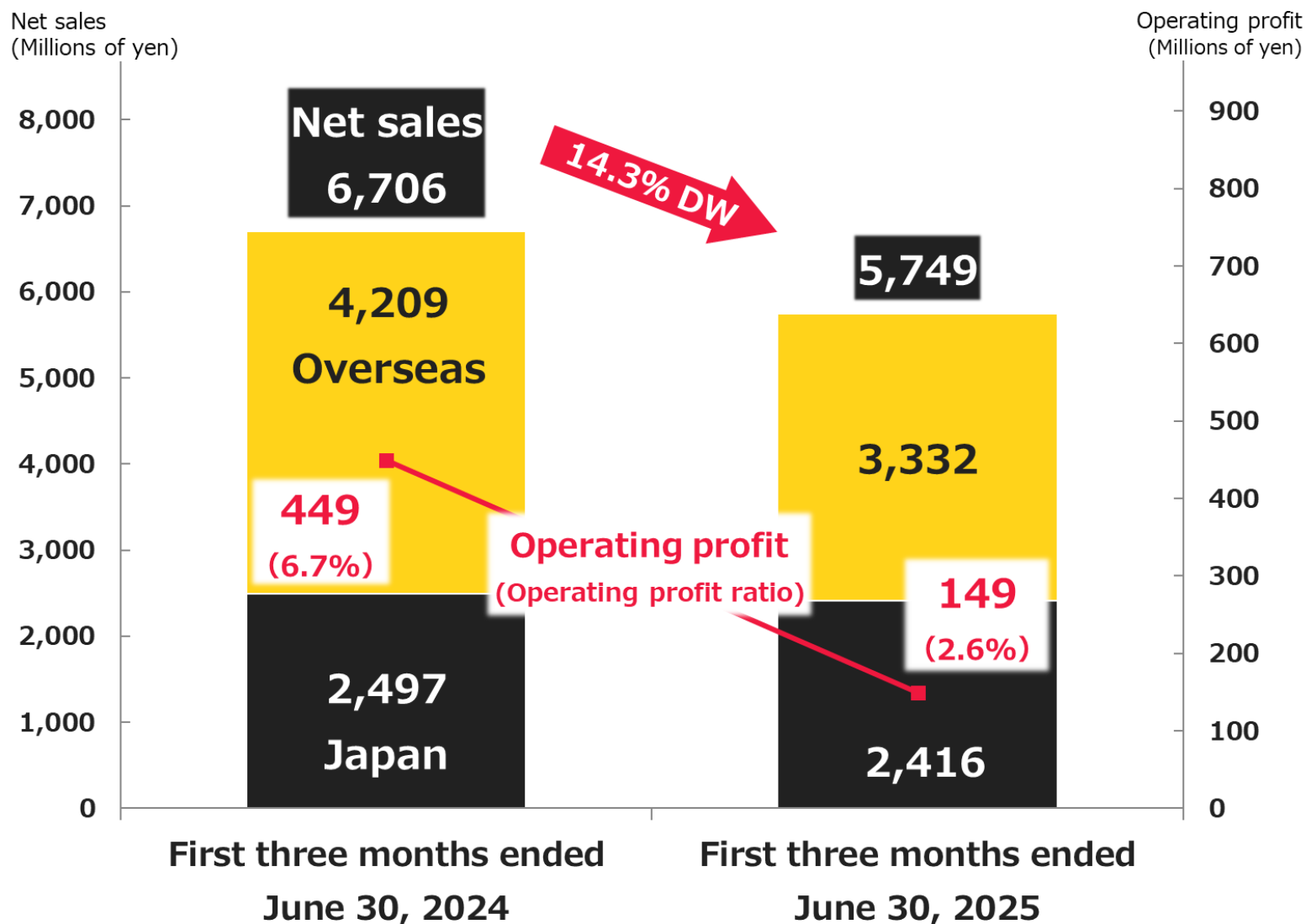
	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
<b>Net sales</b>	<b>6,706</b>	<b>5,749</b>	<b>▲ 957</b>	<b>▲ 14.3%</b>
<b>Japan</b>	<b>2,497</b>	<b>2,416</b>	<b>▲ 80</b>	<b>▲ 3.2%</b>
<b>Overseas</b>	<b>4,209</b>	<b>3,332</b>	<b>▲ 876</b>	<b>▲ 20.8%</b>
<b>Operating profit</b>	<b>449</b>	<b>149</b>	<b>▲ 299</b>	<b>▲ 66.7%</b>
<i>Operating profit ratio</i>	(6.7%)	(2.6%)		
<b>Ordinary profit</b>	<b>503</b>	<b>154</b>	<b>▲ 349</b>	<b>▲ 69.3%</b>
<b>Profit attributable to owners of parent</b>	<b>690</b>	<b>91</b>	<b>▲ 598</b>	<b>▲ 86.7%</b>

Cost-of-sales ratio

(69.8%)

(71.9%)

# Consolidated Business Performance (Graph)



# Sales by Region in Which Customers Are Located

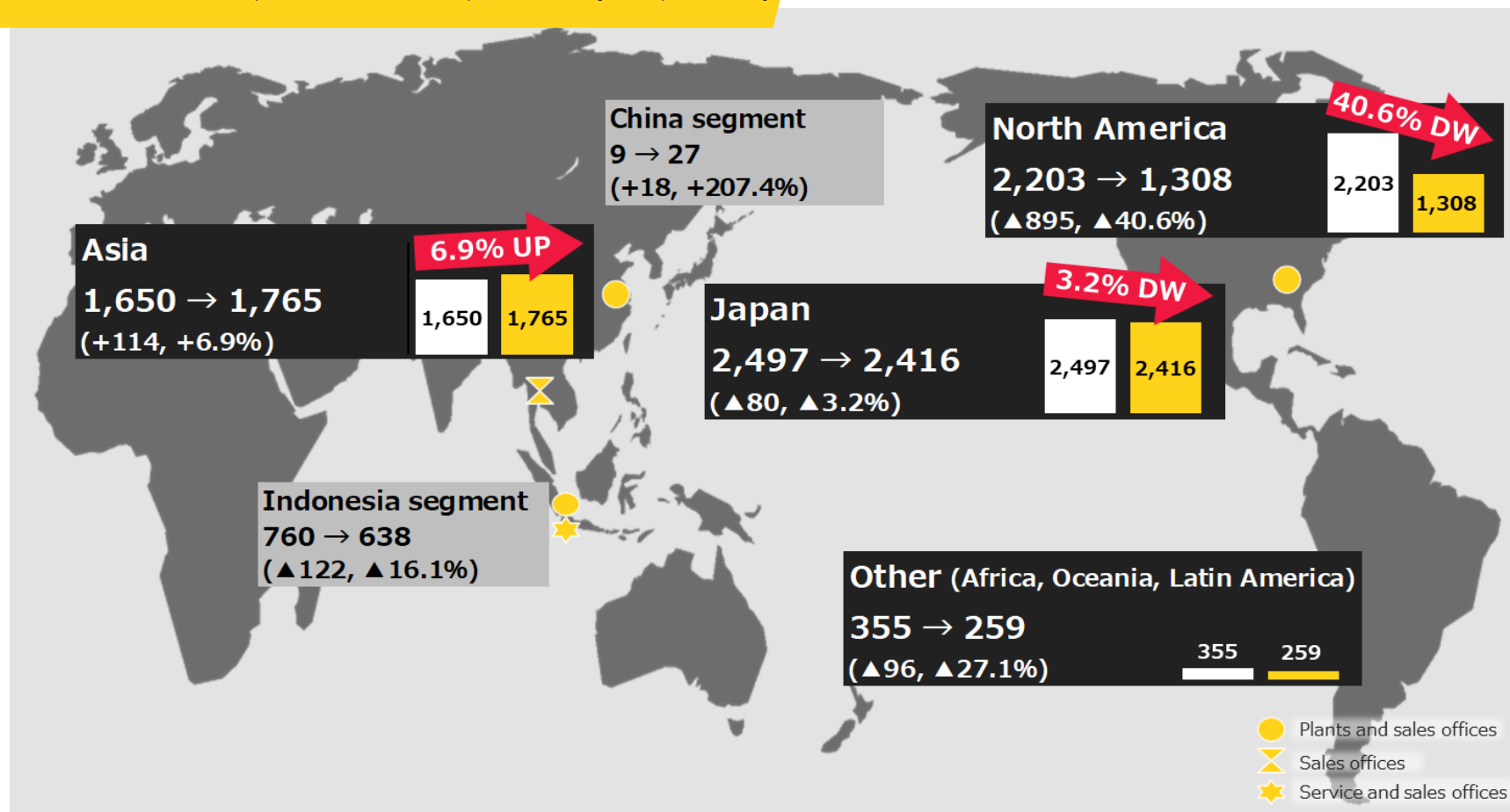
(Millions of yen)

	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
Japan	2,497	2,416	▲ 80	▲3.2%
Overseas	4,209	3,332	▲ 876	▲20.8%
North America	2,203	1,308	▲ 895	▲40.6%
Asia	1,650	1,765	114	6.9%
Other regions	355	259	▲ 96	▲27.1%
Total	6,706	5,749	▲ 957	▲14.3%



# Sales by Region (Map)

(Millions of yen)	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change
Japan	2,497	2,416	(▲ 80, ▲ 3.2%)
Overseas	4,209	3,332	(▲876, ▲20.8%)
<b>Total</b>	<b>6,706</b>	<b>5,749</b>	<b>(▲957, ▲14.3%)</b>



## Segment Information by Region in Which Our Manufacturing Facilities and Sales Offices Are Located

(Millions of yen)

Japan	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
Sales to external customers	3,733	3,774	41	1.1%
Intercompany sales	1,084	700	▲ 383	▲35.4%
Total net sales	4,817	4,475	▲ 342	▲7.1%
Operating profit	37	▲ 130	▲ 168	– %

(Millions of yen)

North America	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
Sales to external customers	2,203	1,308	▲ 895	▲40.6%
Intercompany sales	2	14	12	637.6%
Total net sales	2,205	1,323	▲ 882	▲40.0%
Operating profit	387	162	▲ 224	▲58.0%

(Millions of yen)

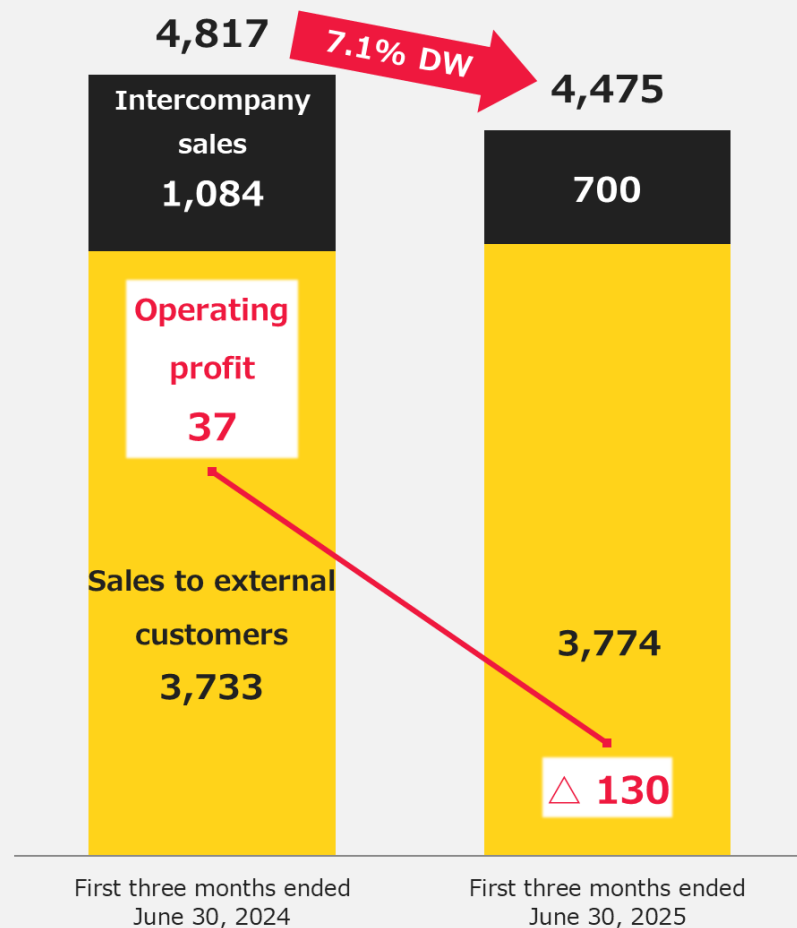
Indonesia	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
Sales to external customers	760	638	▲ 122	▲16.1%
Intercompany sales	747	880	132	17.7%
Total net sales	1,508	1,518	9	0.7%
Operating profit	79	111	32	40.4%

(Millions of yen)

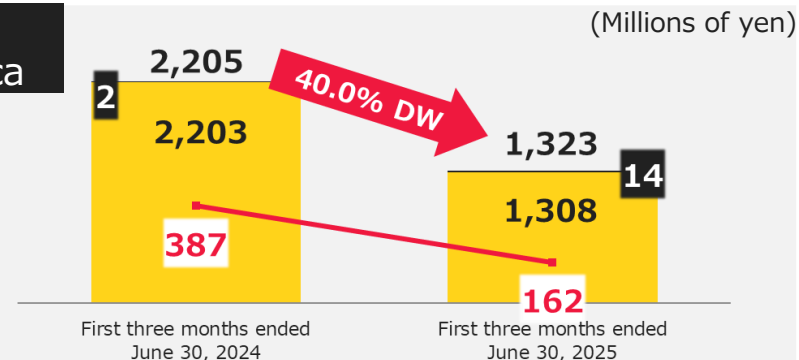
China	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	
			Amount	%
Sales to external customers	9	27	18	207.4%
Intercompany sales	372	198	▲ 173	▲46.6%
Total net sales	381	226	▲ 154	▲40.5%
Operating profit	35	▲ 4	▲ 40	– %

# Segment Information by Region (Graph)

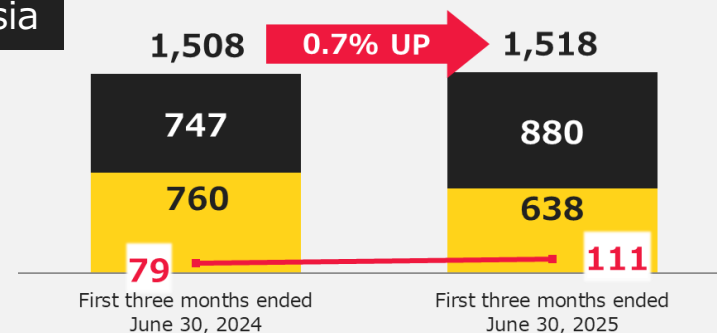
## Japan



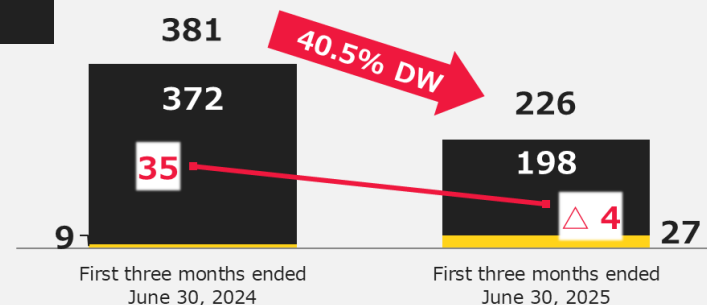
## North America



## Indonesia



## China



# Breakdown of YoY Changes in Operating Profit

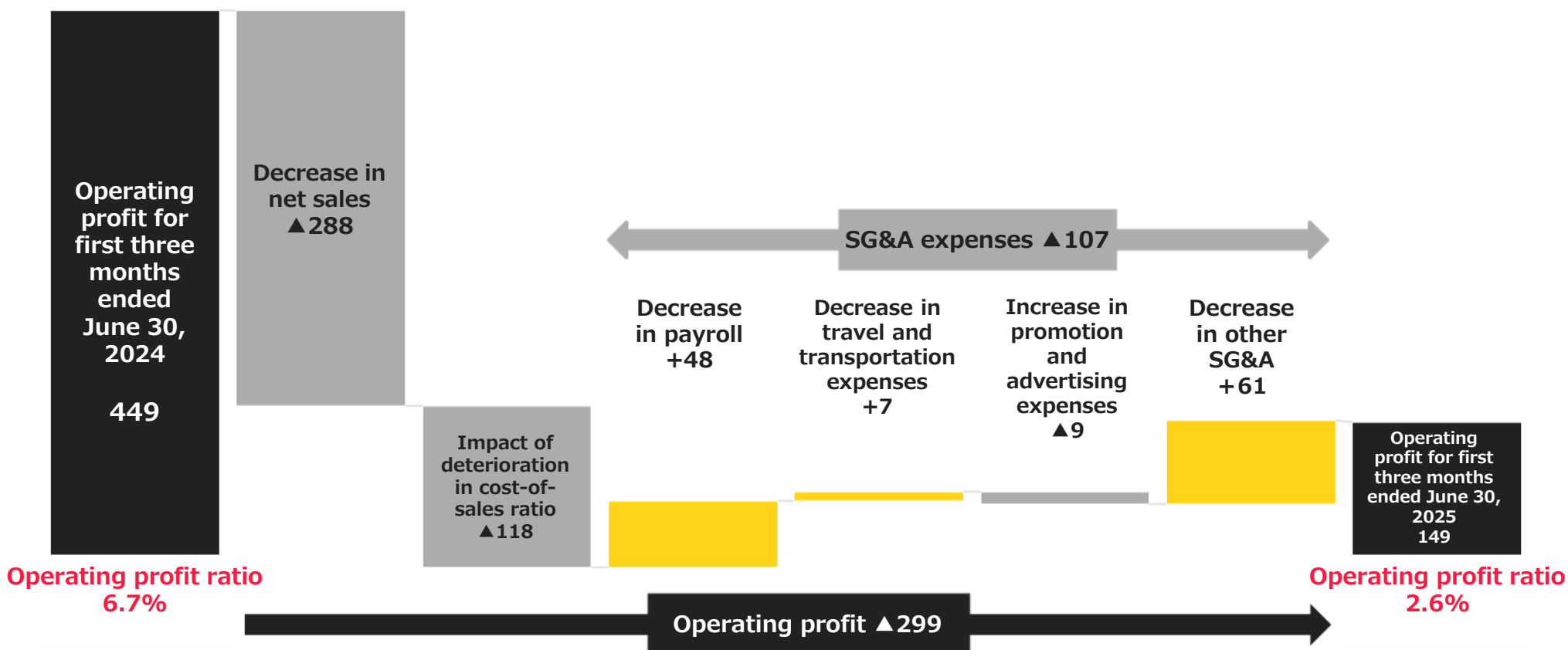
- Gross profit decreased by ¥288 million, in line with YoY decrease in net sales of ¥957 million.
- The cost-of-sales ratio deteriorated by 2.1%, and gross profit fell by ¥118 million.
- SG&A expenses fell by ¥107 million due to a decrease in payroll and other SG&A expenses.
- As a result, operating profit decreased by ¥299 million YoY to ¥149 million.

(Millions of yen)

	First three months ended June 30, 2024	First three months ended June 30, 2025	YoY change	Impact on operating profit	Note
Net sales	6,706	5,749	▲ 957	▲ 288	▲957 x (1 - 69.8%)
Cost-of-sales ratio	69.8%	71.9%	2.1%	▲ 118	5,749 x 2.1%
Gross profit	2,022	1,615	▲ 407		
SG&A expenses	1,573	1,465	▲ 107	+107	Payroll: down 48; Travel and transportation expenses: down 7; Promotion and advertising expenses: up 9; Other SG&A: down 61
Operating profit	449	149		▲ 299	

# Breakdown of YoY Changes in Operating Profit (Graph)

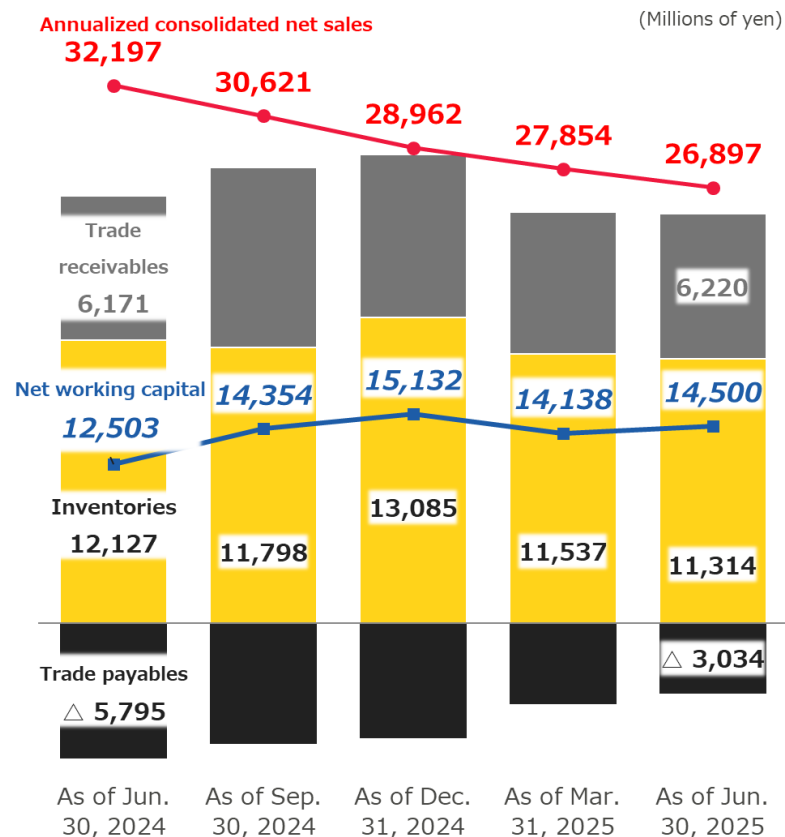
(Millions of yen)



# Net Working Capital (Trade Receivables + Inventories - Trade Payables)

- Net working capital invested in sales activities increased by ¥1,997 million, up 16.0% YoY to ¥14,500 million, in line with a YoY increase in trade receivables of ¥49 million, a YoY decrease in inventories of ¥813 million, and a YoY decrease in trade payables of ¥2,761 million.
- Due to a significant sales decline over the previous year, inventory turnover decreased by 0.28 times (down 10%) YoY to 2.38 times.
- The significant decrease in trade payables is due to production adjustments and adoption of the 60-day rule under the Subcontract Act.

	As of June 30, 2024	As of June 30, 2025	YoY change	
			Amount	%
Annualized consolidated net sales	32,197	26,897	▲5,300	▲16.5%
Trade receivables	6,171	6,220	49	0.8%
Inventories	12,127	11,314	▲813	▲6.7%
Trade payables	▲5,795	▲3,034	2,761	▲47.6%
Net working capital	12,503	14,500	1,997	16.0%
Inventory turnover	2.65 times	2.38 times	▲0.28 times	
Net working capital/Sales ratio	38.8%	53.9%	15.1%	



# Consolidated Business Forecast

No change from the previous forecast.

- While the global Construction Machinery Market continues to be in an adjustment phase under the rapidly changing global situation, we expect the global Construction Machinery Market will bottom out through an economic cycle, as solid potential demand is expected in the medium term.
- For the next business forecast, sales will bottom out toward the second half of the year. As for the U.S. tariffs, we will promote reduction of tariff cost burden by price shifting and supply chain modification.

(The assumed exchange rate used in the consolidated business forecast is ¥140 per US\$, and ¥200 million in U.S. tariff costs have been factored in.)

(Millions of yen)

	First half				Full year			
	Six months ended September 30, 2024 (Results)	Six months ending September 30, 2025 (Forecast)	YoY change		Fiscal year ended March 31, 2025 (Results)	Fiscal year ending March 31, 2026 (Forecast)	YoY change	
			Amount	%			Amount	%
Net sales	14,385	13,700	▲ 685	▲4.8%	27,854	30,000	2,145	7.7%
Operating profit	1,231	550	▲ 681	▲55.3%	1,583	1,250	▲ 333	▲21.1%
Ordinary profit	1,178	550	▲ 628	▲53.3%	1,494	1,250	▲ 244	▲16.4%
Profit attributable to owners of parent	1,302	400	▲ 902	▲69.3%	1,435	900	▲ 535	▲37.3%
Basic earnings per share (Yen)	¥152.97	¥46.94	▲¥106.03	▲69.3%	¥168.50	¥105.61	▲¥62.88	▲37.3%

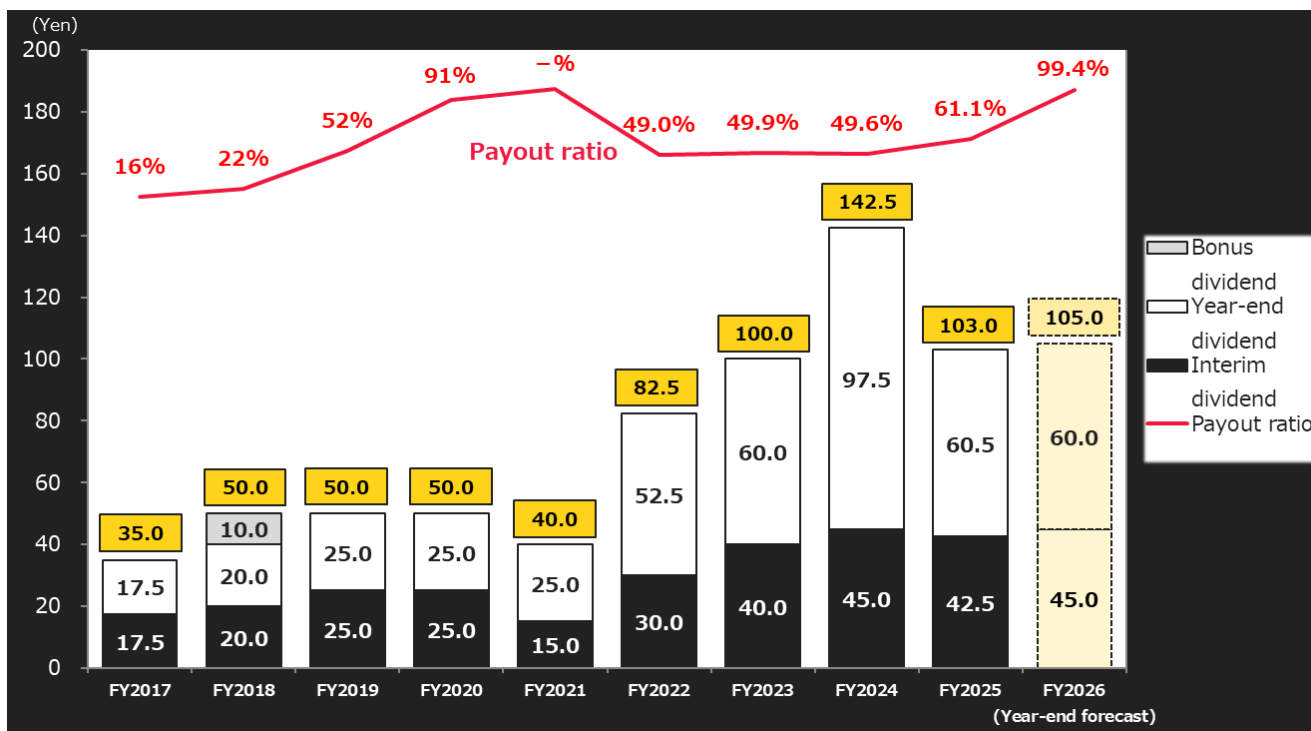
Note: We made a two-for-one share split effective October 1, 2024. Earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

# Dividends per Share

- Since the announcement of the Medium-Term Management Policy on June 2, 2021, we have set a dividend policy as follows, with a target of 8% ROE.

When ROE falls below 3%	: A payout ratio of 100% will apply.
When ROE is between 3% and 6%	: A DOE of 3% will apply.
When ROE exceeds 6%	: A payout ratio of 50% will apply.

- ROE in the full year forecast of financial results for the year ending March 31, 2026 is expected to 3%. In accordance with the dividend policy described to the left, we set a full year dividend forecast at DOE of 3%, and set the dividend per share to ¥105.



Note: We made a ten-for-one share consolidation effective October 1, 2017. Dividend payouts for the periods prior to the share consolidation are adjusted to be in line with the post-consolidation payouts.

We made a two-for-one share split effective October 1, 2024. Dividend payouts for the periods prior to the share split are adjusted to be in line with the post-split payouts.



# KPIs Established in the Medium-Term Management Policy

- In the year ended March 31, 2024, upside factors enabled us to achieve the KPIs established in the medium-term management policy.
- As the global Construction Machinery Market enters an adjustment phase, the addition of negative impacts from the U.S. tariff issue brings our current ROE forecast to 3.0%.
- We will continue to promote profit structure reform aiming for ROE 8% and PBR above 1.

(Millions of yen)

	Three months ended June 30, 2024 (Results)	Three months ended June 30, 2025 (Results)	Fiscal year ended March 31, 2024 (Results)	Fiscal year ended March 31, 2025 (Results)	Fiscal year ending March 31, 2026 (Forecast)	Target for the fiscal year ending March 31, 2026
Net sales	6,706	5,749	33,020	27,854	30,000	30,000
Operating profit	449	149	3,318	1,583	1,250	3,100
Rate of return on equity (ROE) *1	9.4%	1.2%	9.0%	4.9%	3.0%	8.0%
Share buybacks	—	—	—	—	Cumulative amount of share buybacks	
					340*2	500 ~ 2,000*3

\*1 The annualized ROEs were calculated based on the year-to-date results of the corresponding fiscal year.

\*2 The amount represents the cumulative amount of share buybacks that had been executed as of August 8, 2025.

\*3 The amount represents the targets of the cumulative amount of share buybacks through March 31, 2026.

# SAKAI

## MASTERS OF COMPACTION

### Contact us

SAKAI HEAVY INDUSTRIES, LTD.  
IR Office

Email: [sakai.ir@sakainet.co.jp](mailto:sakai.ir@sakainet.co.jp)

Telephone: +81-3-3434-3401 (from outside Japan)

Fax: +81-3-3436-6513 (from outside Japan)

Performance forecasts and other forward-looking statements in this document are based on information available at the time of this writing, as well as certain assumptions deemed reasonable. Actual performance and other results may differ depending on a variety of factors.