

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

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: Takao Yoshikawa TEL 03-3434-3401
 General Manager Administration Division
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 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, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	7,529	9.7	551	22.8	692	34.0	471	17.2
Three months ended June 30, 2022	6,865	12.7	448	121.7	516	140.8	402	160.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	111.33	–
Three months ended June 30, 2022	95.60	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	42,434	26,010	61.1
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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	80.00	–	120.00	200.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		90.00	–	125.00	215.00

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
Six months ending September 30, 2023	16,100	8.1	1,300	21.8	1,250	14.1	770	(5.9)	182.12
Full year	33,000	4.9	2,950	17.7	2,800	20.3	1,830	8.0	432.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2023	4,392,117 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 June 30, 2023	156,456 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)

Three months ended June 30, 2023	4,235,730 shares	Three months ended June 30, 2022	4,210,127 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	7,484,336	7,760,832
Notes and accounts receivable - trade	8,068,886	7,706,808
Electronically recorded monetary claims - operating	1,395,360	1,027,014
Merchandise and finished goods	3,406,701	4,602,569
Work in process	1,228,708	1,502,972
Raw materials and supplies	4,816,726	4,553,450
Other	1,039,755	1,133,220
Allowance for doubtful accounts	(97)	(101)
Total current assets	27,440,377	28,286,766
Non-current assets		
Property, plant and equipment	7,383,615	7,399,520
Intangible assets	307,527	271,009
Investments and other assets		
Investment securities	3,826,612	4,597,063
Other	1,846,782	1,880,389
Allowance for doubtful accounts	(258)	(0)
Total investments and other assets	5,673,136	6,477,452
Total non-current assets	13,364,280	14,147,982
Total assets	40,804,658	42,434,748
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,515,028	2,918,338
Electronically recorded obligations - operating	4,631,090	4,910,349
Short-term borrowings	4,751,028	4,826,460
Income taxes payable	336,586	273,501
Provisions	336,364	363,665
Other	1,807,735	1,756,555
Total current liabilities	14,377,834	15,048,870
Non-current liabilities		
Long-term borrowings	58,252	92,821
Retirement benefit liability	132,943	149,456
Other	939,791	1,132,808
Total non-current liabilities	1,130,986	1,375,086
Total liabilities	15,508,820	16,423,957

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,295,841	3,295,841
Capital surplus	6,541,784	6,541,784
Retained earnings	12,642,202	12,605,455
Treasury shares	(405,251)	(405,912)
Total shareholders' equity	22,074,576	22,037,168
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,837,502	2,375,116
Foreign currency translation adjustment	1,319,532	1,531,739
Remeasurements of defined benefit plans	1,162	1,228
Total accumulated other comprehensive income	3,158,197	3,908,083
Non-controlling interests	63,064	65,539
Total net assets	25,295,837	26,010,791
Total liabilities and net assets	40,804,658	42,434,748

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, 2022	Three months ended June 30, 2023
Net sales	6,865,299	7,529,670
Cost of sales	5,111,087	5,507,462
Gross profit	1,754,212	2,022,208
Selling, general and administrative expenses		
Transportation costs	105,850	97,099
Salaries and bonuses	539,693	633,369
Technical research expenses	214,833	231,238
Other	444,891	509,237
Total selling, general and administrative expenses	1,305,269	1,470,946
Operating profit	448,943	551,262
Non-operating income		
Interest income	1,823	3,299
Dividend income	77,681	97,155
Foreign exchange gains	42,403	87,700
Other	2,680	18,739
Total non-operating income	124,588	206,894
Non-operating expenses		
Interest expenses	29,620	49,876
bank charge	22,219	14,311
Other	4,919	1,306
Total non-operating expenses	56,759	65,495
Ordinary profit	516,771	692,660
Extraordinary income		
Gain on sale of non-current assets	1,813	—
Total extraordinary income	1,813	—
Extraordinary losses		
Loss on disposal of non-current assets	167	—
Total extraordinary losses	167	—
Profit before income taxes	518,418	692,660
Income taxes	115,380	219,047
Profit	403,037	473,613
Profit attributable to non-controlling interests	529	2,062
Profit attributable to owners of parent	402,508	471,550

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	403,037	473,613
Other comprehensive income		
Valuation difference on available-for-sale securities	(39,596)	537,613
Foreign currency translation adjustment	488,984	212,618
Remeasurements of defined benefit plans, net of tax	(2,874)	65
Total other comprehensive income	446,513	750,298
Comprehensive income	849,551	1,223,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	845,961	1,221,435
Comprehensive income attributable to non-controlling interests	3,589	2,476