

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 11, 2021

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 11, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	6,089	33.4	202	451.0	214	–	154	–
Three months ended June 30, 2020	4,565	(14.4)	36	(74.4)	(52)	–	(122)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	35.85		–	
Three months ended June 30, 2020	(28.49)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	35,115	22,017	62.6
As of March 31, 2021	35,101	22,038	62.7

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, 2021	–	30.00	–	50.00	80.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		60.00	–	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	11,600	14.1	300	56.8	250	47.6	180	–	41.74
Full year	23,500	8.7	900	28.3	800	21.4	520	–	120.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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, 2021	4,338,417 shares	As of March 31, 2021	4,338,417 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	60,392 shares	As of March 31, 2021	25,628 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, 2021	4,304,074 shares	Three months ended June 30, 2020	4,286,619 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	6,983,590	7,629,522
Notes and accounts receivable - trade	7,959,111	7,412,575
Merchandise and finished goods	3,646,537	2,940,392
Work in process	1,151,343	1,477,092
Raw materials and supplies	2,252,540	2,350,115
Other	934,664	1,279,731
Allowance for doubtful accounts	(204)	—
Total current assets	22,927,582	23,089,429
Non-current assets		
Property, plant and equipment	6,725,762	6,838,640
Intangible assets	557,799	518,730
Investments and other assets		
Investment securities	3,625,519	3,376,818
Other	1,264,337	1,291,957
Total investments and other assets	4,889,857	4,668,776
Total non-current assets	12,173,419	12,026,148
Total assets	35,101,001	35,115,577
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,737,165	1,842,327
Electronically recorded obligations - operating	2,951,463	3,276,546
Short-term borrowings	5,105,785	5,023,486
Income taxes payable	173,071	91,186
Provisions	154,973	155,206
Other	1,365,684	1,237,771
Total current liabilities	11,488,144	11,626,525
Non-current liabilities		
Long-term borrowings	428,001	421,708
Retirement benefit liability	156,043	168,448
Other	990,554	880,996
Total non-current liabilities	1,574,598	1,471,152
Total liabilities	13,062,742	13,097,678

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	3,221,868	3,221,868
Capital surplus	6,467,811	6,467,811
Retained earnings	10,769,680	10,708,326
Treasury shares	(62,626)	(150,391)
Total shareholders' equity	20,396,733	20,247,614
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,732,254	1,561,944
Foreign currency translation adjustment	(124,237)	171,547
Remeasurements of defined benefit plans	(7,417)	(6,546)
Total accumulated other comprehensive income	1,600,599	1,726,945
Non-controlling interests	40,925	43,338
Total net assets	22,038,259	22,017,898
Total liabilities and net assets	35,101,001	35,115,577

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, 2020	Three months ended June 30, 2021
Net sales	4,565,884	6,089,577
Cost of sales	3,375,280	4,645,836
Gross profit	1,190,604	1,443,740
Selling, general and administrative expenses		
Transportation costs	80,670	99,797
Salaries and bonuses	509,716	520,522
Technical research expenses	179,030	196,633
Other	384,426	424,254
Total selling, general and administrative expenses	1,153,843	1,241,207
Operating profit	36,760	202,533
Non-operating income		
Interest income	1,339	2,399
Dividend income	95,277	69,747
Other	1,998	4,695
Total non-operating income	98,615	76,842
Non-operating expenses		
Interest expenses	39,751	24,088
bank charge	16,132	31,397
Foreign exchange losses	131,775	9,047
Other	470	217
Total non-operating expenses	188,130	64,751
Ordinary profit (loss)	(52,754)	214,623
Extraordinary income		
Gain on sale of non-current assets	20,431	-
Gain on sale of investment securities	-	7,191
Total extraordinary income	20,431	7,191
Extraordinary losses		
Loss on disposal of non-current assets	-	43
Total extraordinary losses	-	43
Profit (loss) before income taxes	(32,323)	221,770
Income taxes	91,042	67,394
Profit (loss)	(123,365)	154,375
Profit (loss) attributable to non-controlling interests	(1,223)	90
Profit (loss) attributable to owners of parent	(122,142)	154,285

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(123,365)	154,375
Other comprehensive income		
Valuation difference on available-for-sale securities	203,974	(170,310)
Foreign currency translation adjustment	(53,434)	298,107
Remeasurements of defined benefit plans, net of tax	(86)	871
Total other comprehensive income	150,453	128,668
Comprehensive income	27,087	283,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,689	280,622
Comprehensive income attributable to non-controlling interests	(1,601)	2,421