

**For the Fiscal Year Ended March 31, 2020**

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**Annual Select<sup>®</sup> 2020**

**SAKAI HEAVY INDUSTRIES, LTD.**

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### **Corporate Profile**

Japan has a network of roads which exceeds 1.2 million kilometers (750,000 miles), and it is the technology of SAKAI HEAVY INDUSTRIES, LTD. that has supported this construction. It will soon be 100 years since SAKAI introduced the very first road roller ever built in Japan. Over this time, we have continued to conduct technological research and develop innovative products to meet the ever increasing sophistication of highway construction, maintenance and repair as the pioneer in road construction equipment.

We believe our company mission is threefold. First, we provide reliable products and services to our clients. Second, we always try to introduce new technologies to further develop our road construction business. Third, we apply the technologies we have so acquired to other related business areas.

Today, in the field of road construction where higher technologies, greater diversification and deeper consideration to the environment is becoming increasingly necessary, we at SAKAI HEAVY INDUSTRIES, LTD. are determined to address the needs of our era and to make every effort to help countries throughout the world with their road infrastructure using our untiring exploration of innovative technology and our know-how, which has been acquired through years of experience.



**Ichiro Sakai**  
President and Representing Director

## I. Summary of Selected Financial Data (Consolidated)

|  | 68 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2016 | 69 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2017 | 70 <sup>th</sup> term<br>Fiscal year ended<br>March 31, 2018 | 71 <sup>st</sup> term<br>Fiscal year ended<br>March 31, 2019 | 72 <sup>nd</sup> term<br>Fiscal year ended<br>March 31, 2020 |
|--|--|--|--|--|--|
| Net sales<br>(Thousands of yen)  | 25,751,064   | 23,699,366   | 29,504,006   | 24,775,064   | 22,744,492   |
| Ordinary profit (loss)<br>(Thousands of yen)                                 | 1,677,050  | 1,549,884  | 3,145,379  | 1,199,970  | 829,906  |
| Profit (loss) attributable to<br>owners of parent<br>(Thousands of yen)      | 1,070,894  | 1,816,015  | 1,889,409  | 825,088  | 470,286  |
| Comprehensive income<br>(Thousands of yen)                                   | 645,376  | 2,236,001  | 2,147,830  | 236,623  | 15,551   |
| Net assets<br>(Thousands of yen)   | 18,668,924   | 20,605,337   | 22,475,618   | 22,285,287   | 21,919,981   |
| Total assets<br>(Thousands of yen)   | 33,254,015   | 35,819,124   | 39,277,509   | 35,402,964   | 35,448,327   |
| Net assets per share<br>(Yen)  | 4,397.62   | 4,854.74   | 5,278.82   | 5,218.13   | 5,103.57   |
| Basic earnings (loss) per share<br>(Yen)                                     | 252.61   | 428.44   | 444.96   | 193.77   | 109.95   |
| Diluted earnings per share<br>(Yen)  | —  | —  | —  | —  | —  |
| Equity ratio<br>(%)  | 56.1   | 57.4   | 57.1   | 62.8   | 61.7   |
| Return on equity (ROE)<br>(%)  | 5.8  | 9.3  | 8.8  | 3.7  | 2.1  |
| Price earnings ratio (PER)<br>(Times)  | 7.24   | 7.96   | 10.51  | 14.07  | 22.01  |
| Net cash provided by (used in)<br>operating activities<br>(Thousands of yen) | 2,472,156  | 3,751,795  | 4,464,931  | (3,633,169)  | 3,448,160  |
| Net cash provided by (used in)<br>investing activities<br>(Thousands of yen) | (422,209)  | (421,539)  | (425,847)  | (2,335,221)  | (825,877)  |
| Net cash provided by (used in)<br>financing activities<br>(Thousands of yen) | (664,007)  | (705,877)  | (906,239)  | (1,173,694)  | (226,644)  |
| Cash and cash equivalents at<br>end of period<br>(Thousands of yen)          | 5,675,849  | 8,340,226  | 11,404,134   | 4,210,496  | 6,682,986  |
| Number of employees<br>(Persons)   | 573  | 601  | 626  | 628  | 633  |

- Notes:
1. Net sales do not include consumption taxes.
  2. Diluted earnings per share is not provided because there were no potential shares.
  3. The Company consolidated ten shares of common shares into one share of common shares as of October 1, 2017. Net assets per share and basic earnings per share are calculated as if the consolidation of shares was conducted at the beginning of the 68th term.
  4. The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the 71st term, and the figures for the 70th term in this summary of selected financial data have been retrospectively adjusted to reflect the application of the aforementioned standard, etc.

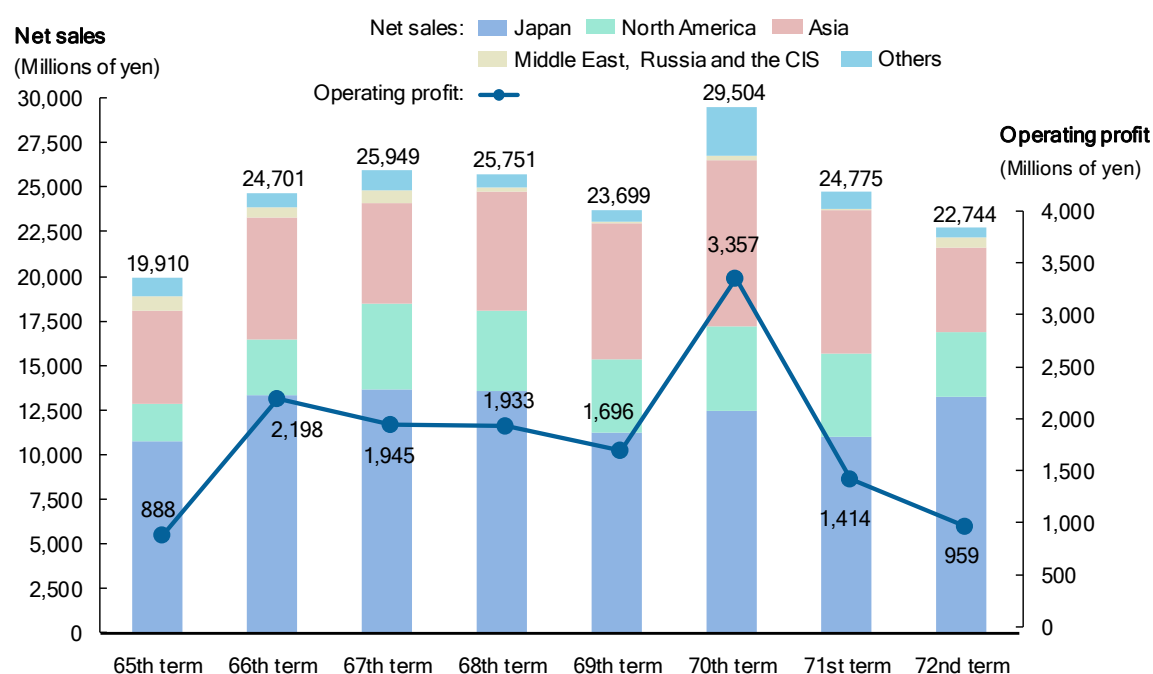
## II. Overview of Operations

In the business environment affecting SAKAI HEAVY INDUSTRIES, LTD. and its subsidiaries (the “Group”) during the fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020), the Japanese economy had been proceeding stably while the overseas economy was following a slowing trend under the effect of U.S.-China trade friction. However, in the fourth quarter, the spread of the new coronavirus disease (COVID-19) created an emergency situation in which socio-economic activity stopped on a global scale.

Under such conditions, the Group responded promptly to the emergency situation while steadily proceeding with its medium- to long-term growth strategies based on its overseas businesses and next-generation businesses.

Net sales for the fiscal year under review were ¥22,744 million, a decrease of 8.2% year on year, owing to a decrease in overseas sales, despite strong sales in Japan. In terms of profit, following the decrease of net sales, operating profit was ¥959 million, a decrease of 32.2% year on year, ordinary profit was ¥829 million, a decrease of 30.8% year on year, and profit attributable to owners of parent was ¥470 million, a decrease of 43.0% year on year.

### Trend of operating results



The following presents net sales on a consolidated basis by geographical segment.

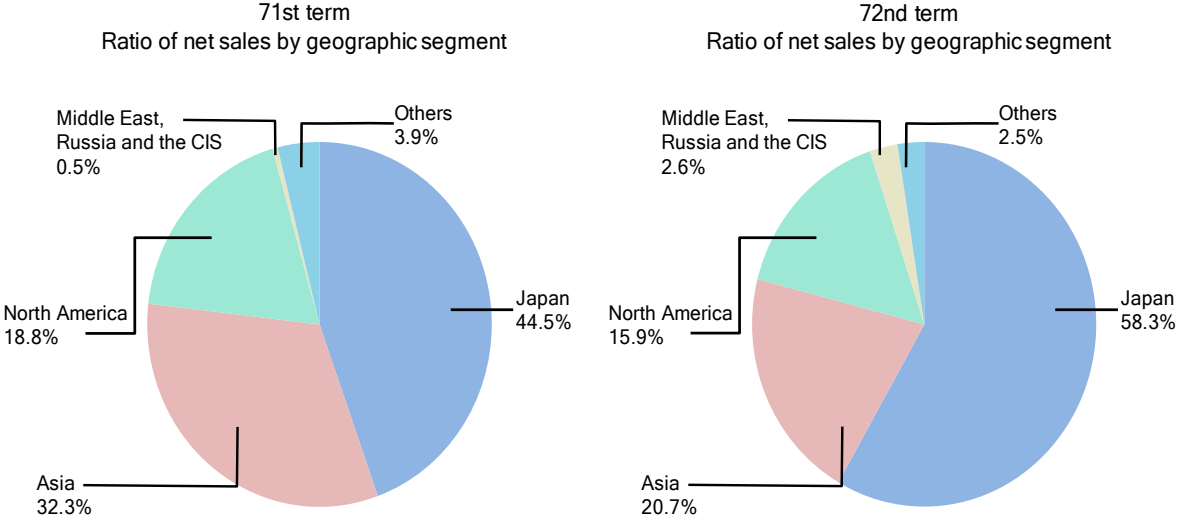
Net sales in Japan were ¥13,251 million, an increase of ¥2,216 million or 20.1% year on year, as a result of the end to the recoil-effect drop in demand following the extraordinary demand rush to beat new emissions regulations and vibrant public works driven by emergency measures to boost Japan’s resilience to disasters. Net sales to overseas markets were ¥9,492 million, a decrease of ¥4,246 million or 30.9% year on year, as a result of the COVID-19 crisis in addition to economic stagnation in Asia and emerging countries.

Net sales to North America were ¥3,618 million, a decrease of ¥1,037 million or 22.3% year on year, as a result of the sharp slowdown in demand in the fourth quarter.

Net sales to Asia were ¥4,708 million, a decrease of ¥3,291 million or 41.1% year on year, reflecting continued depressed demand.

Net sales to the Middle East, Russia, and the CIS were ¥588 million, an increase of ¥460 million or 4.6 times that of the previous fiscal year, reflecting official development assistance projects for the CIS, despite continued sluggish demand.

Net sales to other markets were ¥576 million, a decrease of ¥378 million or 39.7% year on year, mainly reflecting continued sluggish demand from Central and South America, Oceania, and Africa.



Operating results by segment are as follows:

**Japan**

Total net sales in Japan were ¥18,905 million, a decrease of 3.6% year on year, as a result of domestic sales performing strongly and mostly covering declines in international sales and inter-Group transactions. Operating profit was ¥824 million, 3.4 times that of the previous fiscal year.

**Overseas**

In the United States, total net sales were ¥3,643 million, a decrease of 23.3% year on year, and operating loss was ¥31 million, reflecting the sharp drop in demand. In Indonesia, total net sales were ¥3,567 million, a decrease of 46.1% year on year, reflecting continued stagnation in domestic sales and sales to third country markets, and operating profit was ¥54 million, a decrease of 94.3% year on year. In China, total net sales were ¥1,082 million, a decrease of 35.3% year on year, as a result of shrinking exports to the North American market despite the achievement of domestic market development, and operating profit was ¥17 million, 2.9 times that of the previous fiscal year.

### III. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousands of yen)

|  | As of March 31, 2019 | As of March 31, 2020 |
|--|----------------------|----------------------|
| <b>Assets</b>                          |                      |                      |
| Current assets                         |                      |                      |
| Cash and deposits                      | 4,282,830            | 6,755,441            |
| Notes and accounts receivable - trade  | 7,907,766            | 6,251,988            |
| Merchandise and finished goods         | 4,500,076            | 4,922,324            |
| Work in process                        | 1,832,262            | 1,434,719            |
| Raw materials and supplies             | 3,570,391            | 3,196,267            |
| Other                                  | 1,241,981            | 1,025,624            |
| Allowance for doubtful accounts        | (33,913)             | —                    |
| Total current assets                   | 23,301,394           | 23,586,366           |
| Non-current assets                     |                      |                      |
| Property, plant and equipment          |                      |                      |
| Buildings and structures               | 7,249,993            | 7,612,445            |
| Accumulated depreciation               | (4,584,140)          | (4,743,903)          |
| Buildings and structures, net          | 2,665,852            | 2,868,542            |
| Machinery, equipment and vehicles      | 3,609,916            | 3,636,272            |
| Accumulated depreciation               | (3,171,525)          | (3,092,777)          |
| Machinery, equipment and vehicles, net | 438,390              | 543,495              |
| Land                                   | 2,922,653            | 2,904,966            |
| Leased assets                          | 438,161              | 523,450              |
| Accumulated depreciation               | (196,962)            | (271,042)            |
| Leased assets, net                     | 241,198              | 252,407              |
| Other                                  | 1,539,481            | 1,593,471            |
| Accumulated depreciation               | (1,373,812)          | (1,346,167)          |
| Other, net                             | 165,668              | 247,303              |
| Total property, plant and equipment    | 6,433,764            | 6,816,715            |
| Intangible assets                      | 644,545              | 613,745              |
| Investments and other assets           |                      |                      |
| Investment securities                  | 3,331,735            | 2,695,310            |
| Deferred tax assets                    | 435,272              | 443,184              |
| Other                                  | 1,256,252            | 1,293,005            |
| Total investments and other assets     | 5,023,260            | 4,431,500            |
| Total non-current assets               | 12,101,570           | 11,861,961           |
| Total assets                           | 35,402,964           | 35,448,327           |

(Thousands of yen)

|   | As of March 31, 2019 | As of March 31, 2020 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 4,922,344            | 4,858,381            |
| Short-term borrowings                                 | 4,344,125            | 4,628,906            |
| Income taxes payable                                  | 67,435               | 332,068              |
| Provision for product warranties                      | 169,622              | 165,950              |
| Other   | 1,406,560            | 1,470,012            |
| Total current liabilities                             | 10,910,088           | 11,455,319           |
| Non-current liabilities                               |                      |                      |
| Long-term borrowings                                  | 1,262,895            | 1,232,620            |
| Lease obligations                                     | 307,498              | 302,271              |
| Deferred tax liabilities                              | 332,678              | 222,653              |
| Retirement benefit liability                          | 106,914              | 137,169              |
| Other   | 197,601              | 178,312              |
| Total non-current liabilities                         | 2,207,588            | 2,073,027            |
| Total liabilities                                     | 13,117,677           | 13,528,346           |
| <b>Net assets</b>                                     |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Share capital   | 3,158,962            | 3,191,658            |
| Capital surplus                                       | 6,404,905            | 6,437,601            |
| Retained earnings                                     | 11,085,205           | 11,109,401           |
| Treasury shares                                       | (60,905)             | (61,846)             |
| Total shareholders' equity                            | 20,588,168           | 20,676,814           |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 1,431,136            | 1,079,061            |
| Foreign currency translation adjustment               | 215,040              | 118,860              |
| Remeasurements of defined benefit plans               | 8,365                | 2,387                |
| Total accumulated other comprehensive income          | 1,654,543            | 1,200,309            |
| Non-controlling interests                             | 42,576               | 42,857               |
| Total net assets                                      | 22,285,287           | 21,919,981           |
| <b>Total liabilities and net assets</b>               | <b>35,402,964</b>    | <b>35,448,327</b>    |

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

**(Consolidated Statements of Income)**

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Net sales  | 24,775,064                          | 22,744,492                          |
| Cost of sales                                      | 18,086,632                          | 16,719,076                          |
| Gross profit                                       | 6,688,432                           | 6,025,416                           |
| Selling, general and administrative expenses       |                                     |                                     |
| Transportation costs                               | 409,257                             | 361,229                             |
| Salaries and bonuses                               | 2,095,493                           | 2,109,522                           |
| Technical research expenses                        | 836,964                             | 753,187                             |
| Other  | 1,931,899                           | 1,841,554                           |
| Total selling, general and administrative expenses | 5,273,614                           | 5,065,493                           |
| Operating profit                                   | 1,414,817                           | 959,923                             |
| Non-operating income                               |                                     |                                     |
| Interest income                                    | 8,393                               | 4,178                               |
| Dividend income                                    | 101,370                             | 112,286                             |
| Other  | 33,437                              | 37,917                              |
| Total non-operating income                         | 143,200                             | 154,383                             |
| Non-operating expenses                             |                                     |                                     |
| Interest expenses                                  | 163,903                             | 171,248                             |
| Foreign exchange losses                            | 73,240                              | 33,879                              |
| Bank charge  | 111,672                             | 70,249                              |
| Other  | 9,231                               | 9,022                               |
| Total non-operating expenses                       | 358,047                             | 284,399                             |
| Ordinary profit                                    | 1,199,970                           | 829,906                             |
| Extraordinary income                               |                                     |                                     |
| Gain on sales of non-current assets                | 10,386                              | 12,995                              |
| Gain on sales of investment securities             | 10                                  | -                                   |
| Surrender value of insurance policies              | -                                   | 8,400                               |
| Total extraordinary income                         | 10,396                              | 21,395                              |
| Extraordinary losses                               |                                     |                                     |
| Loss on disposal of non-current assets             | 417                                 | 1,253                               |
| Total extraordinary losses                         | 417                                 | 1,253                               |
| Profit before income taxes                         | 1,209,949                           | 850,048                             |
| Income taxes - current                             | 297,189                             | 358,096                             |
| Income taxes - deferred                            | 81,441                              | 21,615                              |
| Total income taxes                                 | 378,631                             | 379,712                             |
| Profit   | 831,317                             | 470,336                             |
| Profit attributable to non-controlling interests   | 6,229                               | 50                                  |
| Profit attributable to owners of parent            | 825,088                             | 470,286                             |

**(Consolidated Statements of Comprehensive Income)**

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 831,317                             | 470,336                             |
| Other comprehensive income                                     |                                     |                                     |
| Valuation difference on available-for-sale securities          | (535,772)                           | (352,075)                           |
| Foreign currency translation adjustment                        | (69,907)                            | (96,731)                            |
| Remeasurements of defined benefit plans, net of tax            | 10,986                              | (5,978)                             |
| Total other comprehensive income                               | (594,694)                           | (454,785)                           |
| Comprehensive income   | 236,623                             | 15,551                              |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | 231,064                             | 16,112                              |
| Comprehensive income attributable to non-controlling interests | 5,559                               | (561)                               |



### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2019

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 3,138,008            | 6,383,951       | 10,728,308        | (59,019)        | 20,191,248                 |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 20,953               | 20,953          |                   |                 | 41,907                     |
| Dividends of surplus                                 |                      |                 | (468,190)         |                 | (468,190)                  |
| Profit attributable to owners of parent              |                      |                 | 825,088           |                 | 825,088                    |
| Purchase of treasury shares                          |                      |                 |                   | (1,885)         | (1,885)                    |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 20,953               | 20,953          | 356,897           | (1,885)         | 396,919                    |
| Balance at end of period                             | 3,158,962            | 6,404,905       | 11,085,205        | (60,905)        | 20,588,168                 |

|  | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                       | 1,966,909   | 284,169                                 | (2,620)                                 | 2,248,457                                    | 35,911                    | 22,475,618       |
| Changes during period                                |   |   |   |  |                           |                  |
| Issuance of new shares                               |   |   |   |  |                           | 41,907           |
| Dividends of surplus                                 |   |   |   |  |                           | (468,190)        |
| Profit attributable to owners of parent              |   |   |   |  |                           | 825,088          |
| Purchase of treasury shares                          |   |   |   |  |                           | (1,885)          |
| Net changes in items other than shareholders' equity | (535,772)   | (69,128)                                | 10,986                                  | (593,914)                                    | 6,664                     | (587,250)        |
| Total changes during period                          | (535,772)   | (69,128)                                | 10,986                                  | (593,914)                                    | 6,664                     | (190,331)        |
| Balance at end of period                             | 1,431,136   | 215,040                                 | 8,365                                   | 1,654,543                                    | 42,576                    | 22,285,287       |

Fiscal year ended March 31, 2020

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 3,158,962            | 6,404,905       | 11,085,205        | (60,905)        | 20,588,168                 |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 32,696               | 32,696          |                   |                 | 65,392                     |
| Dividends of surplus                                 |                      |                 | (427,471)         |                 | (427,471)                  |
| Profit attributable to owners of parent              |                      |                 | 470,286           |                 | 470,286                    |
| Purchase of treasury shares                          |                      |                 |                   | (940)           | (940)                      |
| Change in scope of consolidation                     |                      |                 | (18,620)          |                 | (18,620)                   |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 32,696               | 32,696          | 24,195            | (940)           | 88,646                     |
| Balance at end of period                             | 3,191,658            | 6,437,601       | 11,109,401        | (61,846)        | 20,676,814                 |

|  | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period                       | 1,431,136   | 215,040                                 | 8,365                                   | 1,654,543                                    | 42,576                    | 22,285,287       |
| Changes during period                                |   |   |   |  |                           |                  |
| Issuance of new shares                               |   |   |   |  |                           | 65,392           |
| Dividends of surplus                                 |   |   |   |  |                           | (427,471)        |
| Profit attributable to owners of parent              |   |   |   |  |                           | 470,286          |
| Purchase of treasury shares                          |   |   |   |  |                           | (940)            |
| Change in scope of consolidation                     |   |   |   |  |                           | (18,620)         |
| Net changes in items other than shareholders' equity | (352,075)   | (96,180)                                | (5,978)                                 | (454,234)                                    | 281                       | (453,952)        |
| Total changes during period                          | (352,075)   | (96,180)                                | (5,978)                                 | (454,234)                                    | 281                       | (365,306)        |
| Balance at end of period                             | 1,079,061   | 118,860                                 | 2,387                                   | 1,200,309                                    | 42,857                    | 21,919,981       |

#### (4) Consolidated Statements of Cash Flows

(Thousands of yen)

|   | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>             |                                     |                                     |
| Profit before income taxes                              | 1,209,949                           | 850,048                             |
| Depreciation  | 548,809                             | 587,649                             |
| Increase (decrease) in allowance for doubtful accounts  | (4,097)                             | (33,094)                            |
| Increase (decrease) in provision for product warranties | (34,065)                            | (3,672)                             |
| Increase (decrease) in retirement benefit liability     | 4,437                               | 20,926                              |
| Interest and dividend income                            | (109,763)                           | (116,465)                           |
| Interest expenses                                       | 163,903                             | 171,248                             |
| Loss (gain) on sales of non-current assets              | (10,386)                            | (12,995)                            |
| Loss (gain) on disposal of non-current assets           | 417                                 | 1,253                               |
| Loss (gain) on sales of investment securities           | (10)                                | –                                   |
| Decrease (increase) in trade receivables                | 1,132,868                           | 1,639,973                           |
| Decrease (increase) in inventories                      | (2,493,251)                         | 259,973                             |
| Decrease (increase) in prepaid expenses                 | (184,941)                           | (227,122)                           |
| Decrease (increase) in accounts receivable - other      | (211,274)                           | 208,335                             |
| Increase (decrease) in trade payables                   | (1,873,132)                         | (30,895)                            |
| Increase (decrease) in accrued expenses                 | (245,472)                           | (179,091)                           |
| Other, net  | (298,272)                           | 163,565                             |
| Subtotal  | (2,404,282)                         | 3,299,636                           |
| Interest and dividends received                         | 107,487                             | 106,068                             |
| Interest paid   | (170,554)                           | (168,985)                           |
| Income taxes (paid) refund                              | (1,165,820)                         | 211,441                             |
| Net cash provided by (used in) operating activities     | (3,633,169)                         | 3,448,160                           |
| <b>Cash flows from investing activities</b>             |                                     |                                     |
| Payments into time deposits                             | (5,763)                             | (364)                               |
| Purchase of property, plant and equipment               | (2,137,429)                         | (776,535)                           |
| Proceeds from sales of property, plant and equipment    | 15,879                              | 46,027                              |
| Purchase of intangible assets                           | (134,975)                           | (123,255)                           |
| Proceeds from sales of investment securities            | 20                                  | 27,500                              |
| Loan advances   | –                                   | (400)                               |
| Collection of loans receivable                          | 5,327                               | 1,149                               |
| Purchase of shares of subsidiaries                      | (78,281)                            | –                                   |
| Net cash provided by (used in) investing activities     | (2,335,221)                         | (825,877)                           |

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2019 | Fiscal year ended<br>March 31, 2020 |
|--|-------------------------------------|-------------------------------------|
| <b>Cash flows from financing activities</b>  |                                     |                                     |
| Net increase (decrease) in short-term borrowings   | 517,600                             | 324,874                             |
| Proceeds from long-term borrowings   | 200,000                             | 430,450                             |
| Repayments of long-term borrowings   | (608,814)                           | (452,956)                           |
| Redemption of bonds  | (700,000)                           | —                                   |
| Purchase of treasury shares  | (1,885)                             | (940)                               |
| Dividends paid   | (468,190)                           | (427,471)                           |
| Dividends paid to non-controlling interests  | (4,427)                             | —                                   |
| Proceeds from share issuance to non-controlling shareholders                                     | 5,642                               | —                                   |
| Other, net   | (113,617)                           | (100,601)                           |
| Net cash provided by (used in) financing activities  | (1,173,694)                         | (226,644)                           |
| Effect of exchange rate change on cash and cash equivalents                                      | (51,552)                            | (3,978)                             |
| Net increase (decrease) in cash and cash equivalents   | (7,193,637)                         | 2,391,659                           |
| Cash and cash equivalents at beginning of period   | 11,404,134                          | 4,210,496                           |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | —                                   | 80,830                              |
| Cash and cash equivalents at end of period   | 4,210,496                           | 6,682,986                           |

## IV. Products



VIBRATORY PNEUMATIC TIRED ROLLER  
**GW750-2** 9,040Kg (19,930Lb)



VIBRATORY SINGLE DRUM ROLLER  
**SV900DV** 20,030Kg (44,460Lb)



VIBRATORY SINGLE DRUM ROLLER  
**SV521D** 10,325Kg (22,765Lb)



VIBRATORY DOUBLE DRUM ROLLER  
**SW652H-1K/SW654H** 8,080Kg (17,815Lb)



VIBRATORY DOUBLE DRUM ROLLER  
**TW504** 3,620Kg (7,980Lb)



ROAD RECLAIMER  
**PM550-2** 22,580Kg (49,780Lb)



ROAD PLANER  
**ER552F-2** 28,170Kg (62,105Lb)

### Contact us

SAKAI HEAVY INDUSTRIES, LTD.

International Business Headquarters

TELEPHONE: +81-3-3431-9971

FACSIMILE: +81-3-3436-6212

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

## V. Corporate Data

### Basic Information (as of March 31, 2020)

|                      |  |
|----------------------|--|
| Trade name:          | SAKAI HEAVY INDUSTRIES, LTD.   |
| Established:         | May 7, 1949  |
| Listed market:       | The First Section of Tokyo Stock Exchange<br>(Securities Code: 6358)       |
| Listed:              | September 1964   |
| Business year:       | From April 1 to March 31 of the following year                             |
| Share capital:       | 3,191 million yen  |
| Number of employees: | 633 persons (Consolidated)   |
| Head office:         | Hamamatsu-cho Seiwa Bldg., 1-4-8 Shibadaimon,<br>Minato-ku, Tokyo 105-0012 |
| Telephone:           | +81-3-3434-3401  |

### Business Office (as of July 1, 2020)

|       |   |
|-------|---|
| JAPAN | Sapporo<br>Sendai<br>Tokyo<br>Nagoya<br>Osaka<br>Hiroshima<br>Fukuoka |
|-------|---|

### Subsidiaries:

SAKAI AMERICA, INC.  
P.T. SAKAI INDONESIA  
P.T. SAKAI ROAD MACHINERY INDONESIA  
P.T. SAKAI SALES AND SERVICES ASIA  
SAKAI HEAVY INDUSTRIES (SHANGHAI), LTD.  
SAKAI KIKOH CORPORATION  
TOKYO FUJI CO., LTD.  
COMODO CO., LTD.  
SAKAI ENGINEERING CO., LTD.

### Directors (as of July 1, 2020)

|                                       |                  |
|---------------------------------------|------------------|
| President and Representing Director   | Ichiro Sakai     |
| Director and Executive Vice President | Ryosuke Watanabe |
| Director*                             | Kazushi Kiyomiya |
| Outside Director*                     | Ryuichi Tokunaga |
| Outside Director*                     | Makoto Kikkawa   |

### Executive Officers (as of July 1, 2020)

|                                   |                    |
|-----------------------------------|--------------------|
| Senior Managing Executive Officer | Kenichi Mizuuchi   |
| Managing Executive Officer        | Yukinori Tsukimoto |
| Managing Executive Officer        | Toshihiko Akimoto  |
| Executive Officer                 | Masahiro Tokita    |
| Executive Officer                 | Takao Yoshikawa    |
| Executive Officer                 | Yasunori Azumi     |
| Executive Officer                 | Fumio Yamanaka     |
| Executive Officer                 | Hiroshi Baba       |

\* Audit and Supervisory Committee Member

**Stock Status (as of March 31, 2020)**

|                                    |                   |
|------------------------------------|-------------------|
| Total number of shares authorized: | 14,990,000 shares |
| Total number of shares issued:     | 4,311,917 shares  |
| Number of shareholders:            | 3,609             |

**Major shareholders (Top 10)**

| Shareholder name  | Number of shares held<br>(Thousands) | Share-holding ratio<br>(excluding treasury<br>shares) (%) |
|---|--------------------------------------|---|
| Japan Trustee Services Bank, Ltd. (Trust Account)   | 219                                  | 5.12  |
| Mizuho Bank, Ltd.<br>(Standing proxy: Trust & Custody Services Bank, Ltd.)  | 209                                  | 4.89  |
| MUFG Bank, Ltd.   | 209                                  | 4.89  |
| The Master Trust Bank of Japan, Ltd. (Trust Account)  | 186                                  | 4.35  |
| CREDIT SUISSE AG, DUBLIN BRANCH PRIME<br>CLIENT ASSET EQUITY ACCOUNT (Standing<br>proxy: Credit Suisse Japan)             | 169                                  | 3.94  |
| MLI FOR CLIENT GENERAL OMNI NON<br>COLLATERAL NON TREATY-PB (Standing proxy:<br>Merrill Lynch Japan Securities Co., Ltd.) | 156                                  | 3.64  |
| Nippon Life Insurance Company<br>(Standing proxy: The Master Trust Bank of Japan, Ltd.)                                   | 150                                  | 3.51  |
| The Dai-ichi Life Insurance Company, Limited<br>(Standing proxy: Trust & Custody Services Bank, Ltd.)                     | 148                                  | 3.46  |
| Ichiro Sakai  | 123                                  | 2.88  |
| DFA INTL SMALL CAP VALUE PORTFOLIO<br>(Standing proxy: Citibank, N.A., Tokyo Branch)                                      | 94                                   | 2.20  |

\* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.