

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 7, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)

Company name: Showa Sangyo Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2004
 URL: <https://www.showa-sangyo.co.jp/>
 Representative: Hideyuki Tsukagoshi, President and CEO
 Inquiries: Kiyoshi Shirai, General Manager of Finance & Accounting Dept.
 Telephone: +81-3-3257-2036
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	255,669	(3.7)	9,745	(13.9)	12,046	(14.8)	10,397	0.3
December 31, 2023	265,555	4.9	11,319	148.1	14,137	115.0	10,362	156.3

Note: Comprehensive income For the nine months ended December 31, 2024: ¥10,953 million [(18.5)%]
 For the nine months ended December 31, 2023: ¥13,444 million [158.0%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	318.74	—
December 31, 2023	309.76	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	262,629	137,851	51.1
March 31, 2024	262,238	133,253	49.4

Reference: Equity
 As of December 31, 2024: ¥134,176 million
 As of March 31, 2024: ¥129,610 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	30.00	—	50.00	80.00
Fiscal year ending March 31, 2025	—	40.00	—		
Fiscal year ending March 31, 2025 (Forecast)				60.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes
Regarding the revision to the forecast of cash dividends, please refer to “Notice Concerning Revision to Dividends Forecast (Dividend Increase)” (in Japanese only) published today (February 7, 2025).

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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
Full year	346,000	(0.1)	12,000	(8.7)	13,000	(21.5)	11,000	(11.0)	337.60

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Showa Sangyo International Vietnam Co., Ltd.)

Note: For details, please see “2. Quarterly consolidated financial statements, (3) Notes on quarterly consolidated financial statements (Changes in the scope of consolidation or scope of application of the equity method)” on page 9 of the attached materials (in Japanese only).

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please see “2. Quarterly consolidated financial statements, (3) Notes on quarterly consolidated financial statements (Notes on changes in accounting policies)” on page 9 of the attached materials (in Japanese only).

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	32,995,420 shares
As of March 31, 2024	33,985,420 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	522,608 shares
As of March 31, 2024	542,511 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	32,619,428 shares
Nine months ended December 31, 2023	33,454,574 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. In no way is the Company asserting assurances or guarantees of the achievement of any future business plan targets or measures stated herein.

For matters related to the financial results forecasts, please see “1. Overview of operating results and others, (3) Explanation of consolidated financial forecasts and other forward-looking statements” on page 4 of the attached materials (in Japanese only).

Quarterly consolidated financial statements
(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,140	7,413
Notes and accounts receivable - trade	61,498	62,708
Merchandise and finished goods	16,155	15,575
Work in process	2,635	2,939
Raw materials and supplies	29,926	27,446
Other	4,516	4,820
Allowance for doubtful accounts	(111)	(78)
Total current assets	122,760	120,824
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,366	31,158
Machinery, equipment and vehicles, net	28,424	26,445
Land	21,732	21,321
Other, net	3,958	7,079
Total property, plant and equipment	86,481	86,005
Intangible assets		
Goodwill	976	867
Customer-related intangible assets	1,737	1,544
Other	1,393	1,322
Total intangible assets	4,106	3,734
Investments and other assets		
Investment securities	44,042	47,799
Retirement benefit asset	1,260	1,334
Other	3,849	3,175
Allowance for doubtful accounts	(262)	(246)
Total investments and other assets	48,889	52,063
Total non-current assets	139,477	141,804
Total assets	262,238	262,629
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,330	23,994
Short-term borrowings	13,051	14,498
Commercial papers	14,000	17,000
Income taxes payable	3,223	1,810
Provision for bonuses	2,424	800
Other	24,269	20,577
Total current liabilities	83,299	78,680
Non-current liabilities		
Bonds payable	18,000	18,000
Long-term borrowings	8,300	8,000
Provision for retirement benefits for directors (and other officers)	24	17
Retirement benefit liability	9,279	9,360
Other	10,082	10,719
Total non-current liabilities	45,685	46,097
Total liabilities	128,985	124,777

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	14,293	14,293
Capital surplus	7,876	5,256
Retained earnings	92,934	100,016
Treasury shares	(1,173)	(1,550)
Total shareholders' equity	113,931	118,016
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,735	14,563
Deferred gains or losses on hedges	293	321
Foreign currency translation adjustment	697	342
Remeasurements of defined benefit plans	952	932
Total accumulated other comprehensive income	15,679	16,160
Non-controlling interests	3,642	3,674
Total net assets	133,253	137,851
Total liabilities and net assets	262,238	262,629

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	265,555	255,669
Cost of sales	221,526	211,279
Gross profit	44,028	44,390
Selling, general and administrative expenses	32,709	34,645
Operating profit	11,319	9,745
Non-operating income		
Interest income	2	7
Dividend income	724	697
Share of profit of entities accounted for using equity method	1,796	1,291
Foreign exchange gains	—	210
Other	628	457
Total non-operating income	3,151	2,664
Non-operating expenses		
Interest expenses	151	214
Compensation for damage	9	65
Foreign exchange losses	110	—
Other	61	83
Total non-operating expenses	333	363
Ordinary profit	14,137	12,046
Extraordinary income		
Gain on sale of non-current assets	1	2,709
Gain on sale of investment securities	671	319
Gain on sales of investments in capital of subsidiaries and associates	—	241
National subsidies	35	—
Total extraordinary income	708	3,270
Extraordinary losses		
Loss on abandonment of non-current assets	332	279
Loss on sale of non-current assets	0	0
Other	62	3
Total extraordinary losses	395	283
Profit before income taxes	14,450	15,033
Income taxes - current	3,642	3,838
Income taxes - deferred	267	725
Total income taxes	3,909	4,563
Profit	10,540	10,469
Profit attributable to non-controlling interests	177	72
Profit attributable to owners of parent	10,362	10,397

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	10,540	10,469
Other comprehensive income		
Valuation difference on available-for-sale securities	2,682	900
Deferred gains or losses on hedges	(167)	28
Foreign currency translation adjustment	—	(230)
Remeasurements of defined benefit plans, net of tax	24	(19)
Share of other comprehensive income of entities accounted for using equity method	363	(195)
Total other comprehensive income	2,903	483
Comprehensive income	13,444	10,953
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,194	10,878
Comprehensive income attributable to non-controlling interests	249	75