

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

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 General Manager
 Inquiries: Administration Division Takao Yoshikawa TEL 03-3434-3401
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	20,243	(16.7)	1,368	(47.0)	1,413	(47.2)	1,435	(26.3)
Nine months ended December 31, 2023	24,301	9.8	2,580	62.7	2,676	68.7	1,947	66.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	168.56	–
Nine months ended December 31, 2023	229.39	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	43,766	29,732	67.8
As of March 31, 2024	44,237	29,165	65.8

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, 2024	–	90.00	–	195.00	285.00
Year ending March 31, 2025	–	85.00	–		
Year ending March 31, 2025 (Forecast)				60.50	–

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,200	(17.6)	1,740	(47.6)	1,700	(48.9)	1,700	(30.3)	199.67

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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 December 31, 2024	8,845,634 shares	As of March 31, 2024	8,815,634 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	314,618 shares	As of March 31, 2024	314,232 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	8,519,172 shares	Nine months ended December 31, 2023	8,490,013 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	8,383,385	6,576,165
Notes and accounts receivable - trade	7,097,977	5,940,675
Electronically recorded monetary claims - operating	1,400,759	1,054,259
Merchandise and finished goods	4,576,542	6,454,050
Work in process	1,286,375	1,332,322
Raw materials and supplies	4,795,261	5,299,372
Other	1,102,359	1,491,575
Allowance for doubtful accounts	(5,336)	(3,118)
Total current assets	28,637,323	28,145,303
Non-current assets		
Property, plant and equipment	7,573,903	7,451,012
Intangible assets	255,088	533,901
Investments and other assets		
Investment securities	6,036,108	5,952,985
Other	1,734,934	1,683,146
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	7,771,042	7,636,131
Total non-current assets	15,600,035	15,621,045
Total assets	44,237,358	43,766,349
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,663,632	1,696,836
Electronically recorded obligations - operating	4,461,405	3,250,869
Short-term borrowings	4,629,322	4,891,139
Income taxes payable	393,833	234,936
Provisions	350,818	368,882
Other	1,681,748	1,528,113
Total current liabilities	13,180,760	11,970,779
Non-current liabilities		
Long-term borrowings	155,672	126,863
Retirement benefit liability	191,422	250,871
Other	1,543,636	1,684,901
Total non-current liabilities	1,890,731	2,062,636
Total liabilities	15,071,492	14,033,415

	(Thousands of yen)	
	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	3,337,367	3,381,692
Capital surplus	6,583,310	6,627,635
Retained earnings	14,191,837	14,436,370
Treasury shares	(409,977)	(411,065)
Total shareholders' equity	23,702,538	24,034,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,380,016	3,382,294
Foreign currency translation adjustment	2,027,177	2,264,676
Remeasurements of defined benefit plans	(15,878)	(20,227)
Total accumulated other comprehensive income	5,391,315	5,626,743
Non-controlling interests	72,012	71,556
Total net assets	29,165,866	29,732,933
Total liabilities and net assets	44,237,358	43,766,349

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	24,301,529	20,243,389
Cost of sales	17,224,552	14,322,414
Gross profit	7,076,976	5,920,974
Selling, general and administrative expenses		
Transportation costs	301,612	251,512
Salaries and bonuses	1,949,234	2,062,203
Technical research expenses	700,333	734,515
Other	1,545,199	1,504,675
Total selling, general and administrative expenses	4,496,379	4,552,906
Operating profit	2,580,596	1,368,068
Non-operating income		
Interest income	5,902	11,027
Dividend income	172,299	188,782
Foreign exchange gains	102,774	17,747
Other	35,761	35,362
Total non-operating income	316,737	252,919
Non-operating expenses		
Interest expenses	161,328	145,652
bank charge	54,378	55,594
Other	5,243	6,676
Total non-operating expenses	220,950	207,923
Ordinary profit	2,676,384	1,413,065
Extraordinary income		
Gain on sale of non-current assets	428	513
Gain on sale of investment securities	—	288,407
Total extraordinary income	428	288,921
Profit before income taxes	2,676,813	1,701,986
Income taxes	722,075	263,538
Profit	1,954,737	1,438,447
Profit attributable to non-controlling interests	7,224	2,458
Profit attributable to owners of parent	1,947,513	1,435,989

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,954,737	1,438,447
Other comprehensive income		
Valuation difference on available-for-sale securities	1,038,058	2,278
Foreign currency translation adjustment	955,859	238,179
Remeasurements of defined benefit plans, net of tax	(242)	(4,348)
Total other comprehensive income	1,993,675	236,109
Comprehensive income	3,948,412	1,674,556
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,933,182	1,671,460
Comprehensive income attributable to non-controlling interests	15,230	3,095