

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 7, 2024

Company name: Sakai Chemical Industry Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4078 URL <https://www.sakai-chem.co.jp>
 Representative: President, Representative Director Toshiyuki Yagura
 Director, General Manager of Accounting & Finance Department Hiroyuki Hattori
 Inquiries: TEL 072-223-4111
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	21,869	3.7	1,596	71.3	1,860	100.8	1,425	213.9
Three months ended June 30, 2023	21,086	(1.5)	932	(49.0)	926	(56.4)	454	(74.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	87.92		79.51	
Three months ended June 30, 2023	28.04		27.64	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	126,469	77,011	60.0	4,678.56
As of March 31, 2024	125,445	75,466	59.3	4,586.92

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, 2024	–	35.00	–	35.00	70.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		62.50	–	62.50	125.00

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
Six months ending September 30, 2024	42,000	3.8	2,400	161.7	2,300	159.8	1,600	–	98.70
Full year	87,000	6.0	5,400	83.5	5,200	69.6	4,300	–	265.26

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: Yes
- (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, 2024	17,000,000 shares	As of March 31, 2024	17,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	789,437 shares	As of March 31, 2024	789,316 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, 2024	16,210,636 shares	Three months ended June 30, 2023	16,194,241 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	16,590	17,452
Notes and accounts receivable - trade	29,570	29,276
Merchandise and finished goods	15,545	15,002
Work in process	5,155	4,984
Raw materials and supplies	8,046	7,958
Other	1,162	1,589
Allowance for doubtful accounts	(28)	(23)
Total current assets	76,042	76,240
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,648	15,511
Machinery, equipment and vehicles, net	7,666	7,523
Tools, furniture and fixtures, net	1,108	1,050
Land	13,305	13,333
Construction in progress	2,733	3,445
Total property, plant and equipment	40,463	40,863
Intangible assets		
Goodwill	888	860
Other	280	271
Total intangible assets	1,168	1,131
Investments and other assets		
Investment securities	6,206	6,776
Retirement benefit asset	104	111
Deferred tax assets	886	852
Other	586	525
Allowance for doubtful accounts	(12)	(31)
Total investments and other assets	7,770	8,234
Total non-current assets	49,402	50,229
Total assets	125,445	126,469
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,066	9,521
Short-term borrowings	15,108	14,644
Income taxes payable	576	426
Provision for bonuses	1,286	1,730
Other provisions	39	30
Other	5,679	5,002
Total current liabilities	31,757	31,355
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	3,000	3,000
Long-term borrowings	8,930	8,744
Provision for environmental measures	141	141
Retirement benefit liability	4,750	4,629
Deferred tax liabilities	1,136	1,338
Other	261	248
Total non-current liabilities	18,220	18,102
Total liabilities	49,978	49,458

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	21,838	21,838
Capital surplus	16,727	16,727
Retained earnings	34,334	35,192
Treasury shares	(1,716)	(1,716)
Total shareholders' equity	71,183	72,041
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,340	2,761
Deferred gains or losses on hedges	10	15
Foreign currency translation adjustment	572	788
Remeasurements of defined benefit plans	250	235
Total accumulated other comprehensive income	3,173	3,800
Share acquisition rights	35	35
Non-controlling interests	1,074	1,134
Total net assets	75,466	77,011
Total liabilities and net assets	125,445	126,469

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	21,086	21,869
Cost of sales	16,664	16,717
Gross profit	4,421	5,152
Selling, general and administrative expenses	3,489	3,555
Operating profit	932	1,596
Non-operating income		
Interest income	1	4
Dividend income	72	103
Foreign exchange gains	135	153
Subsidy income	–	50
Other	14	28
Total non-operating income	223	340
Non-operating expenses		
Interest expenses	21	33
Tender offer related expenses	194	–
Other	13	42
Total non-operating expenses	229	75
Ordinary profit	926	1,860
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	42	–
Total extraordinary income	42	0
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	91	19
Impairment losses	–	20
Total extraordinary losses	91	40
Profit before income taxes	878	1,820
Income taxes	313	358
Profit	565	1,461
Profit attributable to non-controlling interests	110	36
Profit attributable to owners of parent	454	1,425

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	565	1,461
Other comprehensive income		
Valuation difference on available-for-sale securities	500	398
Deferred gains or losses on hedges	89	3
Foreign currency translation adjustment	88	276
Remeasurements of defined benefit plans, net of tax	(4)	(14)
Total other comprehensive income	674	663
Comprehensive income	1,239	2,125
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,099	2,052
Comprehensive income attributable to non-controlling interests	139	72