Translation

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

November 8, 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 Inquiries:

Hiroyuki Hattori TEL 072-223-4111

Accounting & Finance Department

Scheduled date to file Semi-annual Securities Report: November 8, 2024 Scheduled date to commence dividend payments: December 2, 2024

Preparation of supplementary material on financial results: No

Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating pr	ofit	Ordinary pro	ofit	t Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	41,874	3.5	2,626	186.4	2,633	197.4	1,746	-
Six months ended September 30, 2023	40,471	(5.2)	917	(71.9)	885	(76.9)	(2,033)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	107.71	97.23
Six months ended September 30, 2023	(125.53)	_

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	121,246	77,140	62.7
As of March 31, 2024	125,445	75,466	59.3

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	_	35.00	_	35.00	70.00		
Year ending March 31, 2025	-	62.50					
Year ending March 31, 2025 (Forecast)			-	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

							r or commence in		an on Joan 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	87,000	6.0	5,400	83.5	5,200	69.6	4,300	_	265.20

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024:

Yes

(2) Application of special accounting methods for preparing semi-annual 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)

	1 (8	3 /	
As of September 30, 2024	17,000,000 shares	As of March 31, 2024	17,000,000 shares
Number of treasury shares at the end of the	period		
As of September 30, 2024	782,147 shares	As of March 31, 2024	789,316 shares
Average number of shares during the period	d (cumulative from the beg	ginning of the fiscal year)	
Six months ended September 30, 2024	16,214,269 shares	Six months ended September 30, 2023	16,199,777 shares

Semi-annual consolidated financial statements Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets	115 01 1/10/01/01 / 2021	110 01 00 01 00 01 00 0, 202 1
Current assets		
Cash and deposits	16,590	14,761
Notes and accounts receivable - trade	29,570	27,083
Merchandise and finished goods	15,545	14,056
Work in process	5,155	5,325
Raw materials and supplies	8,046	7,751
Other	1,162	1,320
Allowance for doubtful accounts	(28)	(21)
Total current assets	76,042	70,276
Non-current assets	,	
Property, plant and equipment		
Buildings and structures, net	15,648	16,665
Machinery, equipment and vehicles, net	7,666	7,667
Tools, furniture and fixtures, net	1,108	1,310
Land	13,305	13,368
Construction in progress	2,733	3,839
Total property, plant and equipment	40,463	42,852
Intangible assets	,	,
Goodwill	888	832
Other	280	266
Total intangible assets	1,168	1,099
Investments and other assets	1,100	1,077
Investment securities	6,206	5,549
Retirement benefit asset	104	107
Deferred tax assets	886	904
Other	586	487
Allowance for doubtful accounts	(12)	(31)
Total investments and other assets	7,770	7,017
Total non-current assets	49,402	50,969
Total assets	125,445	121,246
Liabilities	123,443	121,240
Current liabilities		
Notes and accounts payable - trade	9,066	9,026
Short-term borrowings	15,108	9,020 9,014
Income taxes payable	576	884
Provision for bonuses	1,286	1,293
Other provisions	39	55
Other	5,679	5,481
Total current liabilities	31,757	25,755
Non-current liabilities	31,737	25,755
Convertible-bond-type bonds with share acquisition rights	3,000	3,000
Long-term borrowings	8,930	9,213
Provision for environmental measures	141	160
Retirement benefit liability	4,750	4,617
Deferred tax liabilities	1,136	1,051
Other	261	306
-		18,350
		44,106
Total non-current liabilities Total liabilities	18,220 49,978	

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	21,838	21,838
Capital surplus	16,727	16,773
Retained earnings	34,334	35,513
Treasury shares	(1,716)	(1,700)
Total shareholders' equity	71,183	72,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,340	2,359
Deferred gains or losses on hedges	10	(24)
Foreign currency translation adjustment	572	1,087
Remeasurements of defined benefit plans	250	221
Total accumulated other comprehensive income	3,173	3,642
Share acquisition rights	35	35
Non-controlling interests	1,074	1,038
Total net assets	75,466	77,140
Total liabilities and net assets	125,445	121,246

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

Consolidated statements of income (cumulative)

Cost of sales 32,596 32,241 Gross profit 7,875 9,632 Selling, general and administrative expenses 6,958 7,006 Operating profit 917 2,626 Non-operating income 4 12 Interest income 4 12 Dividend income 78 107 Foreign exchange gains 324 - Subsidy income 30 55 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,63 Extraordinary income 9 0 Gain on sale of investment securities 43 50 Total extraordinary income 44			(Millions of yen)
Net sales 40,471 41,874 Cost of sales 32,596 32,241 Gross profit 7,875 9,632 Selling, general and administrative expenses 6,958 7,006 Operating profit 917 2,626 Non-operating income 4 12 Interest income 4 12 Dividend income 78 107 Foreign exchange gains 32 - Subsidy income - 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 53 67 Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 44 31 Extraordinary income 44 31 Extraordinary income 44 31 <th></th> <th>Six months ended</th> <th>Six months ended</th>		Six months ended	Six months ended
Cost of sales 32,596 32,241 Gross profit 7,875 9,632 Selling, general and administrative expenses 6,958 7,006 Operating profit 917 2,626 Non-operating income 4 12 Interest income 4 12 Dividend income 78 107 Foreign exchange gains 324 - Subsidy income - 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses - 70 Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 9 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43		September 30, 2023	September 30, 2024
Gross profit 7,875 9,632 Selling, general and administrative expenses 6,958 7,006 Operating profit 917 2,626 Non-operating income 4 12 Interest income 4 12 Dividend income 78 107 Foreign exchange gains 324 — Subsidy income — 50 Other 30 35 Total non-operating income 437 225 Non-operating expenses 53 67 Foreign exchange losses — 79 Interest expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 43 50 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 <td>Net sales</td> <td>40,471</td> <td>41,874</td>	Net sales	40,471	41,874
Selling, general and administrative expenses 6,958 7,006 Operating profit 917 2,626 Non-operating income 4 12 Interest income 78 107 Porcing exchange gains 324 - Subsidy income - 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 1 79 Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 48 50 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Loss on retirement of non-curren	Cost of sales	32,596	32,241
Operating profit 917 2,626 Non-operating income 4 12 Interest income 4 12 Dividend income 78 107 Foreign exchange gains 324 Subsidy income - 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Total extraordinary income 44 51 Extraordinary losses 57 204 Other - 3 20 Total extraordinary losses 57 204 <td>Gross profit</td> <td>7,875</td> <td>9,632</td>	Gross profit	7,875	9,632
Non-operating income 4 12 Dividend income 78 107 Foreign exchange gains 324 — Subsidy income — 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 98 60 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 57 204 Loss on retirement of non-current assets 98 60 Impairment losses 57 20 Other — 3 Total extraordinary losses 57 20 Loss on retirement of non-current assets 98 <td>Selling, general and administrative expenses</td> <td>6,958</td> <td>7,006</td>	Selling, general and administrative expenses	6,958	7,006
Interest income 4 12 Dividend income 78 107 Foreign exchange gains 324 — Subsidy income — 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 469 218 Extraordinary income 44 51 Extraordinary income 44 51 Extraordinary income 44 51 Extraordinary losses 57 204 Other — 3 Total extraordinary losses 57 20 Loss on retirement of non-current assets 98 60 Impairment losses 57 20	Operating profit	917	2,626
Dividend income 78 107 Foreign exchange gains 324 — Subsidy income — 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses — 79 Interest expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 469 218 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary losses 57 204 Loss on retirement of non-current assets 98 60 Impairment losses 57 204 Other — 3 Total extraordinary losses 156 267 Profit before income taxes 773 </td <td>Non-operating income</td> <td></td> <td></td>	Non-operating income		
Foreign exchange gains 324 — Subsidy income — 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses 53 67 Interest expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 449 21 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 57 204 Other — 3 Loss on retirement of non-current assets 98 60 Impairment losses 57 204 Other — 3 Total extraordinary losses 156 267 </td <td>Interest income</td> <td>4</td> <td>12</td>	Interest income	4	12
Subsidy income — 50 Other 30 55 Total non-operating income 437 225 Non-operating expenses — 225 Interest expenses 53 67 Foreign exchange losses — 79 tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other — 3 Total extraordinary losses 57 204 Other — 3 Total extraordinary losses 57 204 Other — 3 To	Dividend income	78	107
Other 30 55 Total non-operating income 437 225 Non-operating expenses Interest expenses 53 67 Foreign exchange losses 79 tender offer related expenses 342 Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 57 204 Other - 3 Total extraordinary losses 57 204 Other - 3 Total extraordinary losses 156 267	Foreign exchange gains	324	-
Total non-operating income 437 225 Non-operating expenses 53 67 Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 4 50 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 57 204 Other - 3 Total extraordinary losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Subsidy income	_	50
Non-operating expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 885 2,633 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Other	30	55
Interest expenses 53 67 Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Total non-operating income	437	225
Foreign exchange losses - 79 tender offer related expenses 342 - Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 98 60 Other - 3 Total extraordinary losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Non-operating expenses		
tender offer related expenses 342 — Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income — 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other — 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Interest expenses	53	67
Other 73 71 Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income	Foreign exchange losses	_	79
Total non-operating expenses 469 218 Ordinary profit 885 2,633 Extraordinary income	tender offer related expenses	342	_
Ordinary profit 885 2,633 Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Other	73	71
Extraordinary income 0 0 Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Total non-operating expenses	469	218
Gain on sale of non-current assets 0 0 Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Ordinary profit	885	2,633
Gain on sale of investment securities 43 50 Total extraordinary income 44 51 Extraordinary losses 5 60 Impairment of non-current assets 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Extraordinary income		
Total extraordinary income 44 51 Extraordinary losses 57 60 Loss on retirement of non-current assets 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Gain on sale of non-current assets	0	0
Extraordinary losses 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Gain on sale of investment securities	43	50
Loss on retirement of non-current assets 98 60 Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Total extraordinary income	44	51
Impairment losses 57 204 Other - 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Extraordinary losses		
Other – 3 Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Loss on retirement of non-current assets	98	60
Total extraordinary losses 156 267 Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Impairment losses	57	204
Profit before income taxes 773 2,416 Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Other	<u> </u>	3
Income taxes 2,569 608 Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Total extraordinary losses	156	267
Profit (loss) (1,796) 1,808 Profit attributable to non-controlling interests 236 62	Profit before income taxes	773	2,416
Profit attributable to non-controlling interests 236 62	Income taxes	2,569	608
	Profit (loss)	(1,796)	1,808
Profit (loss) attributable to owners of parent (2,033) 1,746	Profit attributable to non-controlling interests	236	62
	Profit (loss) attributable to owners of parent	(2,033)	1,746

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

		(Millions of yell)
	Six months ended	Six months ended
	September 30, 2023	September 30, 2024
Profit (loss)	(1,796)	1,808
Other comprehensive income		
Valuation difference on available-for-sale securities	747	(3)
Deferred gains or losses on hedges	6	(36)
Foreign currency translation adjustment	508	644
Remeasurements of defined benefit plans, net of tax	(8)	(29)
Total other comprehensive income	1,254	574
Comprehensive income	(542)	2,383
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(855)	2,215
Comprehensive income attributable to non-controlling	313	167
interests	313	107