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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 [Under Japanese GAAP]

August 9, 2022

Company name: SINKO INDUSTRIES LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6458  
 URL: <https://www.sinko.co.jp/>  
 Representative: Satoshi Suenaga Chief Executive Officer  
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 Telephone: +81-6-6367-1811  
 Scheduled date to file quarterly securities report: August 10, 2022  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (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, 2022	7,935	0.6	436	(25.9)	671	(3.3)	470	(14.1)
June 30, 2021	7,890	9.4	589	(10.8)	694	(14.8)	547	(29.4)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	18.52	-
June 30, 2021	21.19	-

#### (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2022	71,330	53,388	71.3	2,016.95
March 31, 2022	72,046	53,982	71.6	2,015.13

### 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, 2022	-	20.00	-	30.00	50.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		20.00	-	30.00	50.00

3. Consolidated financial results forecast for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Six months ending September 30, 2022	18,000	2.4	1,850	1.1	2,050	2.0	1,480	3.6	57.81
Full year	43,000	2.5	5,750	0.7	6,100	0.8	4,180	2.0	163.28

\* Notes:

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2022: 27,212,263 shares

As of March 31, 2022: 27,212,263 shares

2) Number of treasury shares at the end of the period:

As of June 30, 2022: 2,002,941 shares

As of March 31, 2022: 1,612,639 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Three months ended June 30, 2022: 25,404,456 shares

Three months ended June 30, 2021: 25,837,017 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2022	As of June 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	14,125	14,457
Notes and accounts receivable - trade, and contract assets	15,503	12,111
Electronically recorded monetary claims - operating	5,398	5,866
Securities	5,000	5,000
Merchandise and finished goods	633	1,026
Work in process	630	996
Raw materials	1,507	1,800
Other	566	955
Allowance for doubtful accounts	(1,229)	(1,130)
Total current assets	42,134	41,084
Non-current assets		
Property, plant and equipment		
Land	8,932	8,932
Other, net	7,686	8,038
Total property, plant and equipment	16,618	16,970
Intangible assets	874	920
Investments and other assets		
Investment securities	10,993	10,916
Other	1,450	1,461
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	12,419	12,354
Total non-current assets	29,912	30,245
Total assets	72,046	71,330

(Millions of yen)

	As of March 31,2022	As of June 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,899	3,583
Electronically recorded obligations - operating	3,908	3,362
Short-term borrowings	640	1,400
Current portion of long-term borrowings	490	490
Income taxes payable	619	72
Provision for bonuses	689	400
Provision for shareholder benefit program	49	43
Other	2,385	3,249
Total current liabilities	12,682	12,602
Non-current liabilities		
Long-term borrowings	2,462	2,346
Provision for retirement benefits for directors (and other officers)	13	14
Provision for share awards	190	177
Retirement benefit liability	799	784
Other	1,915	2,016
Total non-current liabilities	5,381	5,339
Total liabilities	18,064	17,941
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	6,085	6,085
Retained earnings	38,961	38,660
Treasury shares	(2,292)	(2,840)
Total shareholders' equity	48,577	47,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,317	3,237
Revaluation reserve for land	(725)	(725)
Foreign currency translation adjustment	417	604
Total accumulated other comprehensive income	3,009	3,116
Non-controlling interests	2,395	2,543
Total net assets	53,982	53,388
Total liabilities and net assets	72,046	71,330

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	7,890	7,935
Cost of sales	5,187	5,410
Gross profit	2,702	2,524
Selling, general and administrative expenses	2,113	2,087
Operating profit	589	436
Non-operating income		
Interest income	1	0
Dividend income	88	117
Share of profit of entities accounted for using equity method	-	6
Miscellaneous income	53	140
Total non-operating income	142	264
Non-operating expenses		
Interest expenses	7	7
Share of loss of entities accounted for using equity method	6	-
Rental expenses	9	10
Commission expenses	-	6
Miscellaneous expenses	13	5
Total non-operating expenses	36	29
Ordinary profit	694	671
Profit before income taxes	694	671
Income taxes - current	22	58
Income taxes - deferred	201	135
Total income taxes	223	194
Profit	471	477
Profit (loss) attributable to non-controlling interests	(76)	6
Profit attributable to owners of parent	547	470

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	471	477
Other comprehensive income		
Valuation difference on available-for-sale securities	85	(79)
Foreign currency translation adjustment	216	284
Share of other comprehensive income of entities accounted for using equity method	49	44
Total other comprehensive income	351	250
Comprehensive income	822	727
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	790	578
Comprehensive income attributable to non-controlling interests	31	149