

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.



## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Under Japanese GAAP]

February 9, 2023

Company name: SINKO INDUSTRIES LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6458  
 URL: <https://www.sinko.co.jp/>  
 Representative: Satoshi Suenaga Chief Executive Officer  
 Inquiries: Tokuji Aota Executive Vice President, Chief Financial Officer  
 Telephone: +81-3-5640-4159  
 Scheduled date to file quarterly securities report: February 13, 2023  
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	30,556	7.5	3,268	(5.6)	3,765	0.3	2,523	(2.4)
December 31, 2021	28,433	10.7	3,463	(9.2)	3,753	(10.1)	2,584	(16.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	99.76	-
December 31, 2021	100.22	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2022	74,763	55,228	70.4	2,087.60
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	-	20.00	-		
Fiscal year ending March 31, 2023 (Forecast)				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
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 December 31, 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 December 31, 2022: 1,992,768 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):

Nine months ended December 31, 2022: 25,292,950 shares

Nine months ended December 31, 2021: 25,793,896 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2022	As of December 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	14,125	14,621
Notes and accounts receivable - trade, and contract assets	15,503	15,454
Electronically recorded monetary claims - operating	5,398	5,335
Securities	5,000	4,999
Merchandise and finished goods	633	1,180
Work in process	630	933
Raw materials	1,507	2,125
Other	566	876
Allowance for doubtful accounts	(1,229)	(1,211)
Total current assets	42,134	44,316
Non-current assets		
Property, plant and equipment		
Land	8,932	8,932
Other, net	7,686	8,056
Total property, plant and equipment	16,618	16,988
Intangible assets	874	991
Investments and other assets		
Investment securities	10,993	11,011
Other	1,450	1,480
Allowance for doubtful accounts	(24)	(24)
Total investments and other assets	12,419	12,467
Total non-current assets	29,912	30,447
Total assets	72,046	74,763

(Millions of yen)

	As of March 31,2022	As of December 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,899	4,492
Electronically recorded obligations - operating	3,908	4,717
Short-term borrowings	640	914
Current portion of long-term borrowings	490	490
Income taxes payable	619	260
Provision for bonuses	689	539
Provision for shareholder benefit program	49	-
Other	2,385	2,953
Total current liabilities	12,682	14,368
Non-current liabilities		
Long-term borrowings	2,462	2,101
Provision for retirement benefits for directors (and other officers)	13	16
Provision for share awards	190	192
Retirement benefit liability	799	804
Other	1,915	2,052
Total non-current liabilities	5,381	5,167
<b>Total liabilities</b>	<b>18,064</b>	<b>19,535</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	6,085	6,086
Retained earnings	38,961	40,203
Treasury shares	(2,292)	(2,825)
Total shareholders' equity	48,577	49,288
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,317	3,235
Revaluation reserve for land	(725)	(725)
Foreign currency translation adjustment	417	849
Total accumulated other comprehensive income	3,009	3,359
Non-controlling interests	2,395	2,580
<b>Total net assets</b>	<b>53,982</b>	<b>55,228</b>
<b>Total liabilities and net assets</b>	<b>72,046</b>	<b>74,763</b>

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

(Millions of yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	28,433	30,556
Cost of sales	18,350	20,578
Gross profit	10,083	9,978
Selling, general and administrative expenses	6,620	6,710
Operating profit	3,463	3,268
Non-operating income		
Interest income	6	12
Dividend income	197	234
Share of profit of entities accounted for using equity method	-	54
Miscellaneous income	189	276
Total non-operating income	394	578
Non-operating expenses		
Interest expenses	22	19
Share of loss of entities accounted for using equity method	0	-
Rental expenses	37	37
Miscellaneous expenses	43	23
Total non-operating expenses	103	81
Ordinary profit	3,753	3,765
Extraordinary losses		
Loss on retirement of non-current assets	-	58
Total extraordinary losses	-	58
Profit before income taxes	3,753	3,706
Income taxes - current	855	1,086
Income taxes - deferred	334	186
Total income taxes	1,189	1,272
Profit	2,563	2,434
Loss attributable to non-controlling interests	(21)	(88)
Profit attributable to owners of parent	2,584	2,523

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

(Millions of yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	2,563	2,434
Other comprehensive income		
Valuation difference on available-for-sale securities	592	(81)
Foreign currency translation adjustment	321	550
Share of other comprehensive income of entities accounted for using equity method	55	156
Total other comprehensive income	969	625
Comprehensive income	3,533	3,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,393	2,873
Comprehensive income attributable to non-controlling interests	139	186