



Consolidated Financial Results for the Six Months Ended September 30, 2024 [Under Japanese GAAP]

November 12, 2024

Company name: SINKO INDUSTRIES LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6458
 URL: <https://www.sinko.co.jp/>
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 Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled date to commence dividend payments: December 3, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

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 profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	24,201	8.6	3,561	40.9	3,907	40.1	3,138	51.6
September 30, 2023	22,290	24.5	2,527	73.2	2,789	52.6	2,070	62.9

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	128.15	—
September 30, 2023	83.15	—

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	83,903	63,635	72.1	2,495.01
March 31, 2024	88,038	63,907	69.4	2,469.30

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, 2024	—	35.00	—	70.00	105.00
Fiscal year ending March 31, 2025	—	54.00			
Fiscal year ending March 31, 2025 (Forecast)			—	32.00	—

3. Consolidated financial results forecast for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	55,000	5.9	9,500	10.1	10,000	9.6	7,350	11.7	100.51

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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 September 30, 2024: 27,212,263 shares

As of March 31, 2024: 27,212,263 shares

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

As of September 30, 2024: 2,969,767 shares

As of March 31, 2024: 2,472,487 shares

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

Six months ended September 30, 2024: 24,491,995 shares

Six months ended September 30, 2023: 24,895,519 shares

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	17,735	17,744
Notes and accounts receivable - trade, and contract assets	18,593	15,318
Electronically recorded monetary claims - operating	7,416	6,427
Securities	4,999	3,500
Merchandise and finished goods	823	1,614
Work in process	844	984
Raw materials	2,033	2,080
Other	407	790
Allowance for doubtful accounts	(1,160)	(1,234)
Total current assets	51,693	47,225
Non-current assets		
Property, plant and equipment		
Land	9,059	9,059
Other, net	10,017	10,642
Total property, plant and equipment	19,076	19,701
Intangible assets	1,097	1,112
Investments and other assets		
Investment securities	14,687	14,265
Other	1,504	1,619
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	16,170	15,863
Total non-current assets	36,344	36,677
Total assets	88,038	83,903

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,369	5,276
Electronically recorded obligations - operating	5,744	2,975
Short-term borrowings	600	900
Current portion of long-term borrowings	395	338
Income taxes payable	1,865	1,481
Provision for bonuses	749	1,024
Provision for shareholder benefit program	17	-
Other	3,712	2,851
Total current liabilities	18,455	14,847
Non-current liabilities		
Long-term borrowings	1,599	1,429
Provision for retirement benefits for directors (and other officers)	19	7
Provision for share awards	236	255
Retirement benefit liability	859	848
Other	2,960	2,879
Total non-current liabilities	5,675	5,420
Total liabilities	24,130	20,268
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	6,096	6,121
Retained earnings	46,959	48,349
Treasury shares	(3,793)	(5,813)
Total shareholders' equity	55,085	54,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,928	5,559
Revaluation reserve for land	(725)	(725)
Foreign currency translation adjustment	801	1,171
Total accumulated other comprehensive income	6,004	6,006
Non-controlling interests	2,817	3,149
Total net assets	63,907	63,635
Total liabilities and net assets	88,038	83,903

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	22,290	24,201
Cost of sales	14,854	15,290
Gross profit	7,435	8,910
Selling, general and administrative expenses	4,908	5,349
Operating profit	2,527	3,561
Non-operating income		
Interest income	8	9
Dividend income	137	193
Share of profit of entities accounted for using equity method	14	93
Rental income	73	99
Miscellaneous income	77	58
Total non-operating income	310	454
Non-operating expenses		
Interest expenses	11	13
Rental expenses	11	22
Loss on retirement of non-current assets	2	30
Miscellaneous expenses	23	41
Total non-operating expenses	48	108
Ordinary profit	2,789	3,907
Extraordinary income		
Gain on sale of investment securities	264	531
Gain on sale of non-current assets	-	160
Total extraordinary income	264	691
Profit before income taxes	3,053	4,599
Income taxes - current	997	1,361
Income taxes - deferred	(52)	17
Total income taxes	945	1,378
Profit	2,107	3,220
Profit attributable to non-controlling interests	37	82
Profit attributable to owners of parent	2,070	3,138

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,107	3,220
Other comprehensive income		
Valuation difference on available-for-sale securities	722	(368)
Foreign currency translation adjustment	225	537
Share of other comprehensive income of entities accounted for using equity method	66	101
Total other comprehensive income	1,014	271
Comprehensive income	3,122	3,491
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,971	3,140
Comprehensive income attributable to non-controlling interests	150	351