



Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 7, 2025

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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	12,227	4.9	1,657	(15.4)	1,917	(14.0)	1,312	(16.0)
June 30, 2024	11,651	17.9	1,958	111.2	2,230	97.7	1,562	106.2

(Note) Comprehensive income: For the three months ended June 30, 2025: ¥ 2,361 million [(13.1) %]
 For the three months ended June 30, 2024: ¥ 2,716 million [29.1 %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	18.79	17.95
June 30, 2024	21.15	—

(Note) The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

(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, 2025	87,013	62,446	68.2	858.38
March 31, 2025	84,997	64,280	71.7	862.26

(Reference) Equity: As of June 30, 2025: ¥ 59,356 million
 As of March 31, 2025: ¥ 60,968 million

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, 2025	—	54.00	—	32.00	—
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		20.00	—	30.00	50.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

(Note) The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. The year-end dividend for the fiscal year ended March 31, 2025 is stated based on the post-stock-split amount. The total annual dividend is not shown, as the stock split prevents a simple aggregation. Assuming that the stock split was conducted at the beginning of the previous fiscal year, the second quarter-end dividend for the fiscal year ending March 31, 2025 would be ¥18 and the annual dividend would be ¥50.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2026(from April 1, 2025 to March 31, 2026)

(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, 2025	25,000	3.3	3,300	(7.3)	3,600	(7.9)	2,550	(18.8)	36.06
Full year	58,000	1.7	10,100	1.1	10,700	0.8	7,400	(5.5)	104.66

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: 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, 2025: 77,373,705 shares

As of March 31, 2025: 77,373,705 shares

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

As of June 30, 2025: 8,223,963 shares

As of March 31, 2025: 6,665,957 shares

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

Three months ended June 30, 2025: 69,851,679 shares

Three months ended June 30, 2024: 73,891,902 shares

(Notes) 1 The Company's shares held by the ESOP are included in treasury shares which are deducted from the total number of issued shares at the end of the period. These shares are also included in treasury shares to be deducted in the calculation of the average number of shares during the period. The Company's shares held by the ESOP are as follows.

Number of issued shares at the end of the period:

As of June 30, 2025: 719,424 shares

As of March 31, 2025: 722,418 shares

Average number of shares during the period:

For the three months ended June 30, 2025: 720,937 shares

For the three months ended June 30, 2024: 735,303 shares

2 The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, average number of shares outstanding during the period are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and on assumptions it considers reasonable. They do not constitute a guarantee of future results. Actual results may differ significantly due to a range of factors. For the assumptions behind the earnings forecast and important notes on its use, see page 2 of the attached materials, “1. Overview of Operating Results.”

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1. Overview of Operating Results

(1) Overview of Operating Results for the Three Months Under Review

During the three months ended June 30, 2025, Japan's economy remained on a moderate recovery path. Firms saw stronger earnings and a rise in consumer prices as the country pursued growth driven by higher wages and investment. On the other hand, the outlook remains uncertain, due to concerns over an economic downturn resulting from the impact of international trade policies.

In our industry, the business environment continued to be favorable, with order volumes for plumbing and equipment construction firms remaining at a high level due to strong demand for building air conditioning (including large redevelopment projects), industrial air conditioning for domestic manufacturing sites, and data center investments. Meanwhile, due to work-style reforms in construction and logistics industries and rising building costs, Japan's construction market has been affected to a certain extent by prolonged installation project timelines and reviews of investment plans. Close attention to future market trends is needed.

Against this backdrop, the Group launched its new Medium-term Management Plan, "move.2027," in the previous fiscal year, covering the period through the fiscal year ending March 31, 2027. Under this Medium-term Management Plan, we are pursuing management that is conscious of cost of capital and stock price. This Medium-term Management Plan sets new target management indicators such as ROE and PBR, in addition to the existing indicators of consolidated net sales and consolidated operating profit, clearly positioning capital cost management at the core of business operations. With this in mind, we have strengthened initiatives to boost production capacity through digital transformation and streamlining of production processes, while also enhancing sales strategies to capture the target markets defined in the Medium-term Management Plan.

Segment performance is as follows.

<Japan>

Sales of air conditioning equipment remained strong, and we made efforts to capture strong demand for air conditioning installation projects and maintenance. As a result, net sales rose to ¥11,001 million, up 2.1% year on year. On the profit side, labor costs and logistics costs increased, despite our efforts to establish price revisions and increase the added value of products and services. As a result, segment profit (operating profit) came to ¥1,710 million, down 13.8% year on year.

<Asia>

In China, worsening business sentiment and a stagnant real estate market have made conditions tougher and added to uncertainty. Amid these conditions, net sales for the three months under review rose to ¥1,246 million, up 42.2% year on year, reflecting increased sales of air conditioning equipment. On the profit side, despite efforts to raise profit margins in both production and sales, fierce price competition persisted. The segment posted a segment loss (operating loss) of ¥60 million, compared with a segment loss of ¥35 million in the same period in the previous fiscal year.

As a result, the Group's net sales reached ¥12,227 million, up 4.9% year on year. On the profit front, operating profit totaled ¥1,657 million, down 15.4% year on year, and ordinary profit decreased to ¥1,917 million, down 14.0% year on year. Profit attributable to owners of parent fell to ¥1,312 million, down 16.0% year on year.

(2) Overview of Financial Position for the Three Months Under Review

Total assets as of June 30, 2025 stood at ¥87,013 million, up ¥2,016 million from the end of the previous fiscal year. This was mainly due to a ¥3,192 million increase in cash and deposits, a ¥4,532 million decrease in trade receivables, and a ¥2,042 million increase in investment securities.

Liabilities stood at ¥24,567 million, up ¥3,850 million from the end of the previous fiscal year. This was mainly due to a ¥1,588 million decrease in trade payables, a ¥1,719 million decrease in income taxes payable, and a ¥6,000 million increase in convertible-bond-type bonds with share acquisition rights.

Net assets were ¥62,446 million, down ¥1,834 million from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent of ¥1,312 million, dividends of surplus of ¥2,285 million, purchase of treasury shares of ¥1,844 million, and a ¥1,414 million increase in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

At the present, there are no changes to the consolidated financial results forecasts for the six months ending September 30, 2025, and for the full-year of the fiscal year ending March 31, 2026, from those announced on May 15, 2025.

Going forward, the Company will promptly announce any revisions to its financial results forecast that it determines necessary.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	15,669	18,862
Notes and accounts receivable - trade, and contract assets	19,249	15,415
Electronically recorded monetary claims - operating	6,810	6,112
Securities	2,999	2,800
Merchandise and finished goods	1,100	1,412
Work in process	972	1,255
Raw materials	2,070	1,970
Other	563	856
Allowance for doubtful accounts	(1,283)	(1,157)
Total current assets	48,153	47,526
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,986	9,064
Land	9,204	9,216
Other, net	2,586	3,026
Total property, plant and equipment	20,777	21,307
Intangible assets	1,163	1,174
Investments and other assets		
Investment securities	13,212	15,255
Other	1,712	1,663
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	14,903	16,896
Total non-current assets	36,844	39,378
Deferred assets	—	108
Total assets	84,997	87,013

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,664	5,348
Electronically recorded obligations - operating	1,163	890
Short-term borrowings	745	1,385
Current portion of long-term borrowings	376	352
Income taxes payable	2,207	488
Provision for bonuses	795	550
Provision for shareholder benefit program	18	6
Other	3,408	3,402
Total current liabilities	15,379	12,424
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	—	6,000
Long-term borrowings	1,291	1,209
Provision for retirement benefits for directors (and other officers)	8	8
Provision for share awards	273	283
Retirement benefit liability	878	894
Other	2,885	3,745
Total non-current liabilities	5,336	12,142
Total liabilities	20,716	24,567
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	3,215	3,215
Retained earnings	51,716	50,742
Treasury shares	(5,572)	(7,415)
Total shareholders' equity	55,181	52,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,419	6,834
Revaluation reserve for land	(748)	(748)
Foreign currency translation adjustment	1,115	905
Total accumulated other comprehensive income	5,786	6,991
Non-controlling interests	3,312	3,090
Total net assets	64,280	62,446
Total liabilities and net assets	84,997	87,013

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	11,651	12,227
Cost of sales	7,054	7,600
Gross profit	4,596	4,627
Selling, general and administrative expenses	2,638	2,970
Operating profit	1,958	1,657
Non-operating income		
Interest income	0	10
Dividend income	176	225
Share of profit of entities accounted for using equity method	33	30
Miscellaneous income	88	62
Total non-operating income	300	329
Non-operating expenses		
Interest expenses	6	9
Loss on retirement of non-current assets	3	18
Miscellaneous expenses	19	40
Total non-operating expenses	28	68
Ordinary profit	2,230	1,917
Extraordinary income		
Gain on sale of investment securities	47	—
Total extraordinary income	47	—
Profit before income taxes	2,277	1,917
Income taxes - current	414	433
Income taxes - deferred	290	181
Total income taxes	705	615
Profit	1,572	1,301
Profit (loss) attributable to non-controlling interests	9	(10)
Profit attributable to owners of parent	1,562	1,312

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	1,572	1,301
Other comprehensive income		
Valuation difference on available-for-sale securities	865	1,414
Foreign currency translation adjustment	229	(289)
Share of other comprehensive income of entities accounted for using equity method	49	(65)
Total other comprehensive income	1,144	1,059
Comprehensive income	2,716	2,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,592	2,516
Comprehensive income attributable to non-controlling interests	124	(154)

(3) Notes to Quarterly Consolidated Financial Statements

(Segment information)

For the three-month period ended June 30, 2024

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	10,779	871	11,651	—	11,651
Intersegment net sales and transfers	—	4	4	(4)	—
Total	10,779	876	11,655	(4)	11,651
Segment profit (loss)	1,985	(35)	1,949	8	1,958

Notes:1. The adjustment of ¥ 8 million for segment profit is the elimination for intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated financial statements.

For the three-month period ended June 30, 2025

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on quarterly consolidated financial statements (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	11,001	1,226	12,227	—	12,227
Intersegment net sales and transfers	—	19	19	(19)	—
Total	11,001	1,246	12,247	(19)	12,227
Segment profit (loss)	1,710	(60)	1,650	6	1,657

Notes:1. The adjustment of ¥ 6 million for segment profit is the elimination for intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated financial statements.

(Significant changes in shareholders' equity)

Not applicable.

(Premise of going concern)

Not applicable.

(Notes related to quarterly consolidated statement of cash flows)

The Company has not prepared the quarterly consolidated statement of cash flows for the three months ended June 30, 2025.

Information regarding depreciation, including the amortization of intangible assets, for the three months ended June 30, 2024 and 2025, is as follows:

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	340	403