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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 14, 2025

Company name SAKAI HEAVY INDUSTRIES,LTD. Stock exchange listings: Tokyo Prime
Securities code 6358 URL <https://www.sakainet.co.jp/>
Representative (Title) President and Representing Director (Name)Ichiro Sakai
Inquiries (Title) General Manager of Administration Division (Name)Yasuyuki Fujikawa Tel 03-3434-3401
Date of general shareholders' meeting (as planned) June 27, 2025 Dividend payable date (as planned) June 30, 2025
Annual securities report filing date (as planned) June 26, 2025
Supplemental material of annual results : Yes
Convening briefing of annual results : Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|--------|------------------|--------|-----------------|--------|---|--------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 27,854 | (15.6) | 1,583 | (52.3) | 1,494 | (55.0) | 1,435 | (41.2) |
| March 31, 2024 | 33,020 | 5.0 | 3,318 | 32.4 | 3,324 | 42.8 | 2,440 | 44.0 |

| | Basic earnings per share | | Diluted earnings per share | | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|-------------------|--------------------------|--|----------------------------|--|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended | Yen | | Yen | | % | % | % |
| March 31, 2025 | 168.50 | | — | | 4.9 | 3.4 | 5.7 |
| March 31, 2024 | 287.37 | | — | | 9.0 | 7.8 | 10.1 |

(2) Consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 42,624 | 30,130 | 70.5 | 3,522.58 |
| March 31, 2024 | 44,237 | 29,165 | 65.8 | 3,422.24 |

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and equivalents, end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 399 | 39 | (1,220) | 7,599 |
| March 31, 2024 | 2,482 | (353) | (1,422) | 8,244 |

2. Cash dividends

| | Dividend per share | | | | | Total dividend paid | Payout ratio (consolidated) | Ratio of total amount of dividends to net assets (consolidated) |
|--|--------------------|----------------|---------------|------------|------------|-----------------------|-----------------------------|---|
| | First quarter | Second quarter | Third quarter | Year end | Annual | | | |
| Fiscal year ended March 31, 2024 | Yen — | Yen 90.00 | Yen — | Yen 195.00 | Yen 285.00 | Millions of yen 1,211 | % 49.6 | % 4.5 |
| Fiscal year ended March 31, 2025 | — | 85.00 | — | 60.50 | — | 878 | 61.1 | 3.0 |
| Fiscal year ending March 31, 2026 (Forecast) | — | 45.00 | — | 60.00 | 105.00 | | 99.4 | |

3. Consolidated financial 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 | 13,700 | (4.8) | 550 | (55.3) | 550 | (53.3) | 400 | (69.3) | 46.94 |
| Fiscal year ending March 31, 2026 | 30,000 | 7.7 | 1,250 | (21.1) | 1,250 | (16.4) | 900 | (37.3) | 105.61 |

* Notes

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
- (ii) Changes in accounting policies due to other reasons : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(3) Number of issued shares (common shares)

Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

| | | | |
|----------------------|------------------|----------------------|------------------|
| As of March 31, 2025 | 8,845,634 shares | As of March 31, 2024 | 8,815,634 shares |
|----------------------|------------------|----------------------|------------------|

Number of treasury stock at the end of fiscal year

| | | | |
|----------------------|----------------|----------------------|----------------|
| As of March 31, 2025 | 314,718 shares | As of March 31, 2024 | 314,232 shares |
|----------------------|----------------|----------------------|----------------|

Average number of shares during the period

| | | | |
|----------------------------------|------------------|----------------------------------|------------------|
| Fiscal year ended March 31, 2025 | 8,521,891 shares | Fiscal year ended March 31, 2024 | 8,492,675 shares |
|----------------------------------|------------------|----------------------------------|------------------|

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|----------------------------------|-----------------|--------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Fiscal year ended March 31, 2025 | 19,075 | (16.1) | 90 | (90.3) | 577 | (56.8) | 801 | (15.8) |
| March 31, 2024 | 22,746 | (3.9) | 937 | 38.0 | 1,338 | 81.0 | 952 | 119.2 |

| | Basic earnings per share | Diluted earnings per share |
|----------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Fiscal year ended March 31, 2025 | 94.07 | — |
| March 31, 2024 | 112.13 | — |

(2) Non-consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2025 | 26,196 | 18,921 | 72.2 | 2,217.98 |
| March 31, 2024 | 29,727 | 19,418 | 65.3 | 2,284.10 |

Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,383,385 | 7,668,034 |
| Notes and accounts receivable - trade | 7,097,977 | 5,339,465 |
| Electronically recorded monetary claims - operating | 1,400,759 | 736,827 |
| Merchandise and finished goods | 4,576,542 | 5,267,680 |
| Work in process | 1,286,375 | 1,146,451 |
| Raw materials and supplies | 4,795,261 | 5,123,865 |
| Other | 1,102,359 | 1,329,016 |
| Allowance for doubtful accounts | (5,336) | (58) |
| Total current assets | 28,637,323 | 26,611,283 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 9,040,797 | 9,514,129 |
| Accumulated depreciation | (5,951,009) | (6,325,290) |
| Buildings and structures, net | 3,089,787 | 3,188,839 |
| Machinery, equipment and vehicles | 4,121,584 | 4,202,287 |
| Accumulated depreciation | (3,425,185) | (3,499,810) |
| Machinery, equipment and vehicles, net | 696,399 | 702,476 |
| Land | 3,358,882 | 3,521,819 |
| Leased assets | 420,101 | 402,123 |
| Accumulated depreciation | (146,144) | (120,437) |
| Leased assets, net | 273,956 | 281,685 |
| Other | 1,619,004 | 1,709,212 |
| Accumulated depreciation | (1,464,127) | (1,519,203) |
| Other, net | 154,877 | 190,008 |
| Total property, plant and equipment | 7,573,903 | 7,884,830 |
| Intangible assets | 255,088 | 518,753 |
| Investments and other assets | | |
| Investment securities | 6,036,108 | 5,661,936 |
| Deferred tax assets | 268,396 | 301,760 |
| Other | 1,466,537 | 1,646,037 |
| Allowance for doubtful accounts | (0) | — |
| Total investments and other assets | 7,771,042 | 7,609,734 |
| Total non-current assets | 15,600,035 | 16,013,317 |
| Total assets | 44,237,358 | 42,624,601 |

(Thousands of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 1,663,632 | 1,590,956 |
| Electronically recorded obligations - operating | 4,461,405 | 1,884,375 |
| Short-term borrowings | 4,629,322 | 4,804,492 |
| Income taxes payable | 393,833 | 159,941 |
| Provision for product warranties | 350,818 | 387,684 |
| Other | 1,681,748 | 1,602,257 |
| Total current liabilities | 13,180,760 | 10,429,707 |
| Non-current liabilities | | |
| Long-term borrowings | 155,672 | 117,260 |
| Lease liabilities | 266,915 | 495,758 |
| Deferred tax liabilities | 1,144,202 | 1,058,923 |
| Retirement benefit liability | 191,422 | 246,770 |
| Other | 132,518 | 145,676 |
| Total non-current liabilities | 1,890,731 | 2,064,388 |
| Total liabilities | 15,071,492 | 12,494,096 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,337,367 | 3,381,692 |
| Capital surplus | 6,583,310 | 6,627,635 |
| Retained earnings | 14,191,837 | 14,436,335 |
| Treasury shares | (409,977) | (411,297) |
| Total shareholders' equity | 23,702,538 | 24,034,365 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,380,016 | 3,181,536 |
| Foreign currency translation adjustment | 2,027,177 | 2,846,230 |
| Remeasurements of defined benefit plans | (15,878) | (11,325) |
| Total accumulated other comprehensive income | 5,391,315 | 6,016,440 |
| Non-controlling interests | 72,012 | 79,697 |
| Total net assets | 29,165,866 | 30,130,504 |
| Total liabilities and net assets | 44,237,358 | 42,624,601 |

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 33,020,799 | 27,854,055 |
| Cost of sales | 23,650,889 | 20,179,460 |
| Gross profit | 9,369,909 | 7,674,595 |
| Selling, general and administrative expenses | | |
| Transportation costs | 387,499 | 324,181 |
| Salaries and bonuses | 2,693,141 | 2,702,397 |
| Technical research expenses | 944,433 | 984,815 |
| Other | 2,025,898 | 2,079,433 |
| Total selling, general and administrative expenses | 6,050,972 | 6,090,829 |
| Operating profit | 3,318,936 | 1,583,765 |
| Non-operating income | | |
| Interest income | 9,664 | 14,670 |
| Dividend income | 175,341 | 192,372 |
| Foreign exchange gains | 82,887 | — |
| Other | 43,150 | 46,605 |
| Total non-operating income | 311,043 | 253,648 |
| Non-operating expenses | | |
| Interest expenses | 227,786 | 201,175 |
| Foreign exchange losses | — | 59,925 |
| bank charge | 72,197 | 73,997 |
| Other | 5,718 | 7,869 |
| Total non-operating expenses | 305,702 | 342,967 |
| Ordinary profit | 3,324,276 | 1,494,446 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 431 | 513 |
| Gain on sale of investment securities | — | 366,167 |
| Total extraordinary income | 431 | 366,681 |
| Profit before income taxes | 3,324,708 | 1,861,128 |
| Income taxes - current | 720,791 | 450,801 |
| Income taxes - deferred | 156,121 | (29,030) |
| Total income taxes | 876,913 | 421,771 |
| Profit | 2,447,795 | 1,439,356 |
| Profit attributable to non-controlling interests | 7,253 | 3,402 |
| Profit attributable to owners of parent | 2,440,541 | 1,435,953 |

Consolidated statements of comprehensive income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit | 2,447,795 | 1,439,356 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,542,514 | (198,479) |
| Foreign currency translation adjustment | 711,792 | 826,929 |
| Remeasurements of defined benefit plans, net of tax | (17,040) | 4,552 |
| Total other comprehensive income | 2,237,265 | 633,002 |
| Comprehensive income | 4,685,060 | 2,072,359 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,673,829 | 2,061,033 |
| Comprehensive income attributable to non-controlling interests | 11,230 | 11,325 |

Consolidated statements of changes in equity
Fiscal year ended March 31, 2024

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,295,841 | 6,541,784 | 12,642,202 | (405,251) | 22,074,576 |
| Changes during period | | | | | |
| Issuance of new shares | 41,526 | 41,526 | | | 83,053 |
| Dividends of surplus | | | (890,905) | | (890,905) |
| Profit attributable to owners of parent | | | 2,440,541 | | 2,440,541 |
| Purchase of treasury shares | | | | (4,726) | (4,726) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 41,526 | 41,526 | 1,549,635 | (4,726) | 1,627,962 |
| Balance at end of period | 3,337,367 | 6,583,310 | 14,191,837 | (409,977) | 23,702,538 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,837,502 | 1,319,532 | 1,162 | 3,158,197 | 63,064 | 25,295,837 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 83,053 |
| Dividends of surplus | | | | | | (890,905) |
| Profit attributable to owners of parent | | | | | | 2,440,541 |
| Purchase of treasury shares | | | | | | (4,726) |
| Net changes in items other than shareholders' equity | 1,542,514 | 707,644 | (17,040) | 2,233,118 | 8,948 | 2,242,066 |
| Total changes during period | 1,542,514 | 707,644 | (17,040) | 2,233,118 | 8,948 | 3,870,028 |
| Balance at end of period | 3,380,016 | 2,027,177 | (15,878) | 5,391,315 | 72,012 | 29,165,866 |

Fiscal year ended March 31, 2025

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 3,337,367 | 6,583,310 | 14,191,837 | (409,977) | 23,702,538 |
| Changes during period | | | | | |
| Issuance of new shares | 44,325 | 44,325 | | | 88,650 |
| Dividends of surplus | | | (1,191,456) | | (1,191,456) |
| Profit attributable to owners of parent | | | 1,435,953 | | 1,435,953 |
| Purchase of treasury shares | | | | (1,319) | (1,319) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | 44,325 | 44,325 | 244,497 | (1,319) | 331,827 |
| Balance at end of period | 3,381,692 | 6,627,635 | 14,436,335 | (411,297) | 24,034,365 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 3,380,016 | 2,027,177 | (15,878) | 5,391,315 | 72,012 | 29,165,866 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 88,650 |
| Dividends of surplus | | | | | | (1,191,456) |
| Profit attributable to owners of parent | | | | | | 1,435,953 |
| Purchase of treasury shares | | | | | | (1,319) |
| Net changes in items other than shareholders' equity | (198,479) | 819,052 | 4,552 | 625,125 | 7,684 | 632,810 |
| Total changes during period | (198,479) | 819,052 | 4,552 | 625,125 | 7,684 | 964,637 |
| Balance at end of period | 3,181,536 | 2,846,230 | (11,325) | 6,016,440 | 79,697 | 30,130,504 |

Consolidated statements of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,324,708 | 1,861,128 |
| Depreciation | 679,841 | 713,484 |
| Increase (decrease) in allowance for doubtful accounts | 4,744 | (5,321) |
| Increase (decrease) in provision for product warranties | 14,454 | 36,865 |
| Increase (decrease) in retirement benefit liability | 27,902 | 46,870 |
| Interest and dividend income | (185,005) | (207,043) |
| Interest expenses | 227,786 | 201,175 |
| Loss (gain) on sale of investment securities | — | (366,167) |
| Loss (gain) on sale of non-current assets | (431) | (513) |
| Decrease (increase) in trade receivables | 1,227,614 | 2,558,148 |
| Decrease (increase) in inventories | (530,885) | (632,157) |
| Decrease (increase) in prepaid expenses | 155,060 | (96,809) |
| Decrease (increase) in accounts receivable - other | (25,720) | 17,408 |
| Increase (decrease) in trade payables | (1,383,047) | (2,731,291) |
| Increase (decrease) in accrued expenses | (93,264) | (132,034) |
| Other, net | (210,193) | (179,083) |
| Subtotal | 3,233,564 | 1,084,658 |
| Interest and dividends received | 128,251 | 160,484 |
| Interest paid | (211,731) | (203,816) |
| Income taxes refund (paid) | (668,030) | (641,958) |
| Net cash provided by (used in) operating activities | 2,482,054 | 399,367 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (284,437) | (324,544) |
| Proceeds from sale of property, plant and equipment | 1,157 | 513 |
| Purchase of intangible assets | (71,503) | (86,820) |
| Proceeds from sale of investment securities | — | 449,411 |
| Proceeds from collection of loans receivable | 1,083 | 627 |
| Net cash provided by (used in) investing activities | (353,700) | 39,188 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (471,911) | 175,344 |
| Proceeds from long-term borrowings | 150,000 | 100,000 |
| Repayments of long-term borrowings | (36,436) | (138,412) |
| Purchase of treasury shares | (4,726) | (1,319) |
| Dividends paid | (890,905) | (1,191,456) |
| Dividends paid to non-controlling interests | (2,452) | (3,571) |
| Other, net | (165,952) | (161,014) |
| Net cash provided by (used in) financing activities | (1,422,384) | (1,220,429) |
| Effect of exchange rate change on cash and cash equivalents | 122,012 | 136,635 |
| Net increase (decrease) in cash and cash equivalents | 827,981 | (645,237) |
| Cash and cash equivalents at beginning of period | 7,416,549 | 8,244,531 |
| Cash and cash equivalents at end of period | 8,244,531 | 7,599,293 |