

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 2, 2024

Company name: Sangetsu Corporation  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 8130 URL <https://www.sangetsu.co.jp/>  
 Representative: Representative Director, President and CEO Yasumasa Kondo  
 Executive Officer, General Manager of  
 Inquiries: Corporate Division Shigenobu Maki TEL 052-564-3314  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	46,717	3.2	3,665	(32.9)	3,760	(32.7)	2,439	(35.8)
Three months ended June 30, 2023	45,249	16.8	5,460	44.5	5,586	41.1	3,798	43.5

(Note) Comprehensive income Three months ended June 30, 2024 2,410 Millions of yen ,(40.5)%  
 Three months ended June 30, 2023 4,053 Millions of yen , 47.9%

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	41.55		41.53	
Three months ended June 30, 2023	64.72		64.68	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	169,015	104,716	61.9
As of March 31, 2024	170,750	106,709	62.5

(Reference) Equity As of June 30, 2024 104,696 Millions of yen As of March 31, 2024 106,638 Millions of yen

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2024	–	65.00	–	75.00	140.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	75.00	–	75.00	150.00

(Note) Revisions to the dividend forecast announced most recently: No

### 3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	93,500	3.2	7,600	(25.9)	7,800	(25.4)	5,200	(27.0)	88.56
Full year	196,000	3.2	16,000	(16.2)	16,500	(16.2)	11,000	(23.0)	187.34

(Note) Revisions to the earnings forecast announced most recently: No

4. Notes

- (1) Significant changes in the scope of consolidation during the period No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024		59,200,000 shares	As of March 31, 2024		59,200,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2024		454,840 shares	As of March 31, 2024		483,404 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024		58,719,987 shares	Three months ended June 30, 2023		58,680,638 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	25,096	23,012
Notes and accounts receivable - trade, and contract assets	34,948	31,227
Electronically recorded monetary claims - operating	24,300	26,327
Securities	300	300
Merchandise and finished goods	18,380	20,404
Work in process	278	270
Raw materials and supplies	3,129	3,074
Other	1,446	2,204
Allowance for doubtful accounts	(416)	(401)
Total current assets	107,463	106,421
Non-current assets		
Property, plant and equipment		
Land	16,468	16,468
Other, net	23,440	23,312
Total property, plant and equipment	39,909	39,781
Intangible assets		
Software	1,247	1,456
Goodwill	1,173	1,132
Other	807	836
Total intangible assets	3,228	3,425
Investments and other assets		
Investment securities	8,128	7,509
Investment property	4,888	4,870
Guarantee deposits	1,894	1,937
Retirement benefit asset	548	579
Deferred tax assets	3,978	3,223
Other	729	1,284
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	20,149	19,387
Total non-current assets	63,287	62,594
Total assets	170,750	169,015

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,131	16,806
Contract liabilities	1,208	1,202
Electronically recorded obligations - operating	15,423	15,197
Short-term borrowings	5,711	8,288
Lease liabilities	522	511
Income taxes payable	2,681	502
Provision for bonuses	3,602	1,407
Provision for bonuses for directors (and other officers)	134	34
Provision for product warranties	389	399
Other	7,468	7,025
Total current liabilities	53,273	51,376
Non-current liabilities		
Long-term borrowings	—	2,000
Lease liabilities	1,251	1,237
Deferred tax liabilities	256	268
Retirement benefit liability	6,495	6,522
Asset retirement obligations	1,784	1,683
Other	979	1,210
Total non-current liabilities	10,767	12,922
Total liabilities	64,040	64,298
<b>Net assets</b>		
Shareholders' equity		
Share capital	13,616	13,616
Capital surplus	17,175	17,179
Retained earnings	70,799	68,835
Treasury shares	(791)	(744)
Total shareholders' equity	100,799	98,886
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,305	2,973
Deferred gains or losses on hedges	(20)	—
Foreign currency translation adjustment	1,241	1,492
Remeasurements of defined benefit plans	1,312	1,345
Total accumulated other comprehensive income	5,839	5,810
Share acquisition rights	55	4
Non-controlling interests	14	15
Total net assets	106,709	104,716
Total liabilities and net assets	170,750	169,015

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	45,249	46,717
Cost of sales	30,655	32,150
Gross profit	14,593	14,567
Selling, general and administrative expenses	9,132	10,902
Operating profit	5,460	3,665
Non-operating income		
Interest income	7	17
Dividend income	94	89
Rental income from real estate	108	106
Other	44	63
Total non-operating income	254	277
Non-operating expenses		
Interest expenses	73	63
Rental expenses on real estate	29	27
Foreign exchange losses	23	85
Other	2	5
Total non-operating expenses	129	182
Ordinary profit	5,586	3,760
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	—	11
Gain on liquidation of subsidiaries and associates	59	—
Total extraordinary income	60	12
Extraordinary losses		
Loss on retirement of non-current assets	11	13
Loss on sale of investment securities	7	12
Total extraordinary losses	18	25
Profit before income taxes	5,627	3,747
Income taxes - current	914	406
Income taxes - deferred	914	901
Total income taxes	1,829	1,307
Profit	3,798	2,439
Profit attributable to owners of parent	3,798	2,439

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,798	2,439
Other comprehensive income		
Valuation difference on available-for-sale securities	457	(332)
Deferred gains or losses on hedges	5	20
Foreign currency translation adjustment	(268)	250
Remeasurements of defined benefit plans, net of tax	61	32
Total other comprehensive income	255	(29)
Comprehensive income	4,053	2,410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,053	2,410