

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

Company name: Sakai Chemical Industry Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4078 URL <http://www.sakai-chem.co.jp>  
 Representative: President, Representative Director Masaaki Yabe  
 Director, General Manager of Accounting & Finance Department Hiroyuki Hattori  
 Inquiries: TEL 072-223-4111  
 Scheduled date to file Quarterly Securities Report: February 5, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

#### (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, 2020	62,600	(5.3)	3,136	0.4	2,716	(17.7)	2,311	15.7
Nine months ended December 31, 2019	66,091	(2.2)	3,122	(12.0)	3,302	(11.2)	1,996	(27.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	137.33		–	
Nine months ended December 31, 2019	118.79		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	126,067	83,712	63.8	4,774.42
As of March 31, 2020	121,648	81,492	64.4	4,657.04

### 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, 2020	–	20.00	–	20.00	40.00
Year ending March 31, 2021	–	15.00	–		
Year ending March 31, 2021 (Forecast)				15.00	30.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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
Full year	83,400	(4.3)	3,600	(10.3)	3,100	(26.3)	2,300	(9.3)	136.60

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: No
- 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 December 31, 2020	17,000,000 shares	As of March 31, 2020	17,000,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	163,006 shares	As of March 31, 2020	182,535 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	16,828,369 shares	Nine months ended December 31, 2019	16,810,159 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	9,110	9,362
Notes and accounts receivable - trade	25,491	26,964
Merchandise and finished goods	13,072	12,263
Work in process	3,212	3,377
Raw materials and supplies	6,826	6,354
Other	1,079	1,206
Allowance for doubtful accounts	(33)	(39)
Total current assets	58,760	59,490
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,292	17,321
Machinery, equipment and vehicles, net	11,946	13,467
Land	14,690	14,658
Other, net	7,517	8,090
Total property, plant and equipment	49,446	53,537
Intangible assets		
Goodwill	1,420	1,312
Other	481	412
Total intangible assets	1,901	1,725
Investments and other assets		
Investment securities	9,185	9,204
Other	2,384	2,140
Allowance for doubtful accounts	(29)	(30)
Total investments and other assets	11,539	11,313
Total non-current assets	62,888	66,577
Total assets	121,648	126,067
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,017	7,766
Short-term borrowings	9,238	10,369
Income taxes payable	686	439
Provision for bonuses	1,244	639
Other provisions	147	101
Other	6,104	5,708
Total current liabilities	25,438	25,024
Non-current liabilities		
Long-term borrowings	8,918	11,515
Provision for environmental measures	127	131
Retirement benefit liability	5,202	5,201
Other	468	481
Total non-current liabilities	14,717	17,330
Total liabilities	40,156	42,355

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	21,838	21,838
Capital surplus	16,301	16,302
Retained earnings	38,824	40,546
Treasury shares	(376)	(336)
Total shareholders' equity	76,587	78,351
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,929	2,377
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	(181)	(312)
Remeasurements of defined benefit plans	(19)	(25)
Total accumulated other comprehensive income	1,732	2,035
Non-controlling interests	3,172	3,325
Total net assets	81,492	83,712
Total liabilities and net assets	121,648	126,067

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	66,091	62,600
Cost of sales	52,219	49,844
Gross profit	13,871	12,756
Selling, general and administrative expenses	10,748	9,619
Operating profit	3,122	3,136
Non-operating income		
Interest income	11	10
Dividend income	246	222
Other	107	190
Total non-operating income	365	423
Non-operating expenses		
Interest expenses	61	59
Foreign exchange losses	51	140
Shutdown costs	–	541
Other	72	102
Total non-operating expenses	185	842
Ordinary profit	3,302	2,716
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on sales of investment securities	329	1,289
Total extraordinary income	332	1,290
Extraordinary losses		
Loss on retirement of non-current assets	175	284
Loss on valuation of investment securities	187	49
Other	2	4
Total extraordinary losses	365	338
Profit before income taxes	3,268	3,669
Income taxes	1,135	1,147
Profit	2,133	2,521
Profit attributable to non-controlling interests	136	210
Profit attributable to owners of parent	1,996	2,311

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	2,133	2,521
Other comprehensive income		
Valuation difference on available-for-sale securities	740	477
Deferred gains or losses on hedges	4	(12)
Foreign currency translation adjustment	14	(175)
Remeasurements of defined benefit plans, net of tax	10	(5)
Total other comprehensive income	770	284
Comprehensive income	2,904	2,805
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,764	2,614
Comprehensive income attributable to non-controlling interests	140	191