

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 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: August 6, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

#### (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, 2021	19,577	(4.3)	2,138	118.4	2,359	132.4	1,636	196.5
Three months ended June 30, 2020	20,459	(7.8)	979	(19.2)	1,014	(20.9)	552	(25.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	97.22		–	
Three months ended June 30, 2020	32.83		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	123,625	80,419	62.2	4,564.54
As of March 31, 2021	123,007	79,264	61.6	4,502.33

### 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, 2021	–	15.00	–	0.00	15.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	35.00	–	35.00	70.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	39,200	(2.6)	3,600	125.4	3,700	203.5	2,400	330.0	142.55
Full year	77,300	(9.0)	6,000	39.4	6,400	59.5	5,000	–	296.97

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021  
(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: 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, 2021	17,000,000 shares	As of March 31, 2021	17,000,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	163,231 shares	As of March 31, 2021	163,081 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, 2021	16,836,787 shares	Three months ended June 30, 2020	16,817,459 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	11,093	10,751
Notes and accounts receivable - trade	27,170	27,737
Merchandise and finished goods	12,102	12,476
Work in process	3,184	3,131
Raw materials and supplies	5,547	5,384
Other	1,204	1,638
Allowance for doubtful accounts	(41)	(37)
Total current assets	60,260	61,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,110	18,149
Machinery, equipment and vehicles, net	12,080	11,691
Tools, furniture and fixtures, net	1,254	1,227
Land	14,662	14,685
Construction in progress	3,513	3,241
Total property, plant and equipment	48,621	48,995
Intangible assets		
Goodwill	1,281	1,248
Other	425	428
Total intangible assets	1,706	1,677
Investments and other assets		
Investment securities	9,378	8,715
Retirement benefit asset	46	38
Deferred tax assets	2,474	2,632
Other	550	512
Allowance for doubtful accounts	(30)	(29)
Total investments and other assets	12,418	11,869
Total non-current assets	62,746	62,542
Total assets	123,007	123,625
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,966	8,561
Short-term borrowings	8,651	8,512
Income taxes payable	862	655
Provision for bonuses	1,228	1,661
Other provisions	98	25
Other	7,369	6,634
Total current liabilities	26,178	26,051
Non-current liabilities		
Long-term borrowings	11,787	11,518
Provision for environmental measures	133	134
Retirement benefit liability	5,155	5,144
Deferred tax liabilities	161	90
Other	326	266
Total non-current liabilities	17,564	17,153
Total liabilities	43,742	43,205

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	21,838	21,838
Capital surplus	16,302	16,302
Retained earnings	35,431	36,912
Treasury shares	(336)	(336)
Total shareholders' equity	73,236	74,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,799	2,275
Deferred gains or losses on hedges	14	1
Foreign currency translation adjustment	(281)	(173)
Remeasurements of defined benefit plans	36	30
Total accumulated other comprehensive income	2,568	2,134
Non-controlling interests	3,459	3,567
Total net assets	79,264	80,419
Total liabilities and net assets	123,007	123,625

**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, 2020	Three months ended June 30, 2021
Net sales	20,459	19,577
Cost of sales	16,276	14,057
Gross profit	4,183	5,519
Selling, general and administrative expenses	3,203	3,380
Operating profit	979	2,138
Non-operating income		
Interest income	4	2
Dividend income	146	130
Foreign exchange gains	–	99
Other	55	22
Total non-operating income	206	255
Non-operating expenses		
Interest expenses	19	18
Foreign exchange losses	97	–
Other	53	15
Total non-operating expenses	170	34
Ordinary profit	1,014	2,359
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	90
Total extraordinary income	0	90
Extraordinary losses		
Loss on explosion and fire accident	–	53
Loss on retirement of non-current assets	59	8
Loss on valuation of investment securities	49	–
Total extraordinary losses	108	62
Profit before income taxes	906	2,387
Income taxes	313	672
Profit	592	1,715
Profit attributable to non-controlling interests	40	78
Profit attributable to owners of parent	552	1,636

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	592	1,715
Other comprehensive income		
Valuation difference on available-for-sale securities	552	(526)
Deferred gains or losses on hedges	(2)	(16)
Foreign currency translation adjustment	(139)	178
Remeasurements of defined benefit plans, net of tax	(1)	(5)
Total other comprehensive income	407	(370)
Comprehensive income	1,000	1,344
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	971	1,202
Comprehensive income attributable to non-controlling interests	28	141