

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 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 Shosuke Yasuda  
 Director, Managing Executive Officer, Yasumasa Kondo  
 General Manager of Corporate Division TEL 052-564-3314  
 Inquiries: Director, Managing Executive Officer, Yasumasa Kondo  
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 Scheduled date to file Quarterly Securities Report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2023 (from April 1, 2023 to December 31, 2023)

#### (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, 2023	140,006	10.2	14,970	2.4	15,398	2.6	10,887	5.0
Nine months ended December 31, 2022	127,029	18.2	14,622	200.8	15,006	197.1	10,373	243.8

(Note) Comprehensive income  
 Nine months ended December 31, 2023 12,890 Millions of yen , 9.7%  
 Nine months ended December 31, 2022 11,752 Millions of yen , 215.0%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	185.46	185.35
Nine months ended December 31, 2022	176.81	176.69

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	163,736	101,153	61.7
As of March 31, 2023	164,454	95,825	58.2

(Reference) Equity As of December 31, 2023 101,082 Millions of yen As of March 31, 2023 95,741 Millions of yen

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	40.00	–	65.00	105.00
Year ending March 31, 2024	–	65.00	–		
Year ending March 31, 2024 (Forecast)				75.00	140.00

(Note) Revisions to the dividend forecast announced most recently: Yes

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	191,000	8.5	20,000	(1.4)	20,500	(0.9)	14,600	4.2	248.71

(Note) Revisions to the earnings forecast announced most recently: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(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: 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: 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, 2023	59,200,000 shares	As of March 31, 2023	59,200,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	483,744 shares	As of March 31, 2023	519,348 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, 2023	58,703,150 shares	Nine months ended December 31, 2022	598,668,939 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	24,817	18,798
Notes and accounts receivable - trade, and contract assets	36,698	35,107
Electronically recorded monetary claims - operating	19,512	23,131
Securities	300	300
Merchandise and finished goods	18,166	20,127
Work in process	256	241
Raw materials and supplies	2,503	3,419
Other	3,075	1,499
Allowance for doubtful accounts	(487)	(431)
Total current assets	104,843	102,192
Non-current assets		
Property, plant and equipment		
Land	16,634	16,634
Other, net	20,191	22,515
Total property, plant and equipment	36,825	39,150
Intangible assets		
Software	1,340	1,143
Goodwill	1,340	1,216
Other	831	867
Total intangible assets	3,512	3,227
Investments and other assets		
Investment securities	6,182	7,222
Investment property	4,968	4,908
Guarantee deposits	1,855	1,858
Deferred tax assets	5,229	4,517
Other	1,153	764
Allowance for doubtful accounts	(116)	(104)
Total investments and other assets	19,273	19,166
Total non-current assets	59,610	61,544
Total assets	164,454	163,736

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,410	17,251
Contract liabilities	1,026	1,326
Electronically recorded obligations - operating	14,420	15,149
Short-term borrowings	801	5,634
Current portion of long-term borrowings	7,801	—
Lease liabilities	439	529
Income taxes payable	5,734	1,052
Provision for bonuses	3,175	2,426
Provision for bonuses for directors (and other officers)	267	143
Provision for product warranties	532	410
Other	6,956	6,425
Total current liabilities	56,565	50,350
Non-current liabilities		
Lease liabilities	1,413	1,394
Deferred tax liabilities	269	279
Provision for retirement benefits for directors (and other officers)	26	—
Retirement benefit liability	8,525	8,549
Asset retirement obligations	1,153	1,159
Long-term accounts payable - other	13	8
Other	661	842
Total non-current liabilities	12,063	12,232
Total liabilities	68,629	62,583
Net assets		
Shareholders' equity		
Share capital	13,616	13,616
Capital surplus	17,150	17,174
Retained earnings	64,138	67,395
Treasury shares	(849)	(791)
Total shareholders' equity	94,056	97,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,269	2,438
Deferred gains or losses on hedges	(39)	(55)
Foreign currency translation adjustment	1,157	1,827
Remeasurements of defined benefit plans	(702)	(521)
Total accumulated other comprehensive income	1,685	3,688
Share acquisition rights	69	55
Non-controlling interests	13	15
Total net assets	95,825	101,153
Total liabilities and net assets	164,454	163,736

## 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, 2022	Nine months ended December 31, 2023
Net sales	127,029	140,006
Cost of sales	86,137	96,158
Gross profit	40,891	43,848
Selling, general and administrative expenses	26,268	28,878
Operating profit	14,622	14,970
Non-operating income		
Interest income	8	74
Dividend income	180	188
Rental income from real estate	342	322
Share of profit of entities accounted for using equity method	0	—
Other	183	210
Total non-operating income	715	795
Non-operating expenses		
Interest expenses	125	200
Rental expenses on real estate	115	87
Foreign exchange losses	74	50
Other	15	29
Total non-operating expenses	331	368
Ordinary profit	15,006	15,398
Extraordinary income		
Gain on sale of non-current assets	1	11
Gain on sale of investment securities	34	41
Gain on sale of shares of subsidiaries and associates	68	—
Gain on reversal of share acquisition rights	1	—
Subsidy income	9	385
Gain on liquidation of subsidiaries and associates	—	59
Gain on cancellation of leases	17	—
Total extraordinary income	132	497
Extraordinary losses		
Loss on retirement of non-current assets	6	15
Loss on sale of investment securities	20	48
Other	—	0
Total extraordinary losses	27	64
Profit before income taxes	15,112	15,831
Income taxes - current	5,095	4,618
Income taxes - deferred	(356)	325
Total income taxes	4,739	4,944
Profit	10,373	10,887
Profit attributable to owners of parent	10,373	10,887

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	10,373	10,887
Other comprehensive income		
Valuation difference on available-for-sale securities	127	1,168
Deferred gains or losses on hedges	(7)	(16)
Foreign currency translation adjustment	1,170	670
Remeasurements of defined benefit plans, net of tax	88	180
Total other comprehensive income	1,379	2,002
Comprehensive income	11,752	12,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,752	12,890