

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2024 (Based on Japanese GAAP)

October 9, 2024

Company name: Sanko Gosei Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 7888 URL <https://www.sankogosei.co.jp>  
 Representative: Representative Director/President Amen Kusumi  
 Inquiries: Director/Executive Officer Akira Serikawa TEL 0763-52-7105  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 31, 2024 (from June 1, 2024 to August 31, 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 August 31, 2024	21,357	1.2	1,019	165.6	827	206.4	673	429.8
Three months ended August 31, 2023	21,111	15.8	383	(43.4)	269	(70.7)	127	(80.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2024	22.08	–
Three months ended August 31, 2023	4.16	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2024	73,900	29,826	39.6	960.39
As of May 31, 2024	74,930	30,479	39.9	981.22

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 May 31, 2024	–	10.00	–	10.00	20.00
Year ending May 31, 2025	–				
Year ending May 31, 2025 (Forecast)		10.00	–	10.00	20.00

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 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
Full year	95,000	1.3	4,800	16.2	4,400	12.0	2,900	11.0	95.13

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended August 31, 2024: 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 August 31, 2024	30,688,569 shares	As of May 31, 2024	30,688,569 shares
-----------------------	-------------------	--------------------	-------------------

Number of treasury shares at the end of the period

As of August 31, 2024	204,786 shares	As of May 31, 2024	204,786 shares
-----------------------	----------------	--------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2024	30,483,783 shares	Three months ended August 31, 2023	30,483,783 shares
------------------------------------	-------------------	------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2024	As of August 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,958	10,983
Notes receivable - trade	19	3
Electronically recorded monetary claims - operating	1,126	1,106
Accounts receivable - trade	18,561	16,973
Merchandise and finished goods	2,061	2,106
Work in process	4,340	4,330
Raw materials and supplies	1,956	2,096
Other	2,963	2,795
Total current assets	40,987	40,396
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,457	10,808
Machinery, equipment and vehicles, net	11,444	11,502
Tools, furniture and fixtures, net	2,048	1,936
Land	6,599	6,473
Construction in progress	557	926
Total property, plant and equipment	32,108	31,647
Intangible assets		
Goodwill	47	32
Other	460	420
Total intangible assets	507	453
Investments and other assets		
Investment securities	24	22
Deferred tax assets	326	318
Retirement benefit asset	630	657
Other	345	405
Total investments and other assets	1,327	1,404
Total non-current assets	33,942	33,504
Total assets	74,930	73,900

(Millions of yen)

	As of May 31, 2024	As of August 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,851	8,524
Electronically recorded obligations - operating	3,283	3,545
Short-term borrowings	6,325	7,707
Current portion of long-term borrowings	4,846	4,677
Lease liabilities	1,789	1,728
Income taxes payable	640	229
Provision for bonuses	161	129
Provision for bonuses for directors (and other officers)	59	–
Other	7,075	5,876
Total current liabilities	33,032	32,419
Non-current liabilities		
Long-term borrowings	6,719	6,688
Lease liabilities	3,491	3,934
Deferred tax liabilities	272	240
Provision for retirement benefits for directors (and other officers)	16	16
Retirement benefit liability	437	421
Other	480	353
Total non-current liabilities	11,418	11,654
Total liabilities	44,450	44,074
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,008	4,008
Capital surplus	4,071	4,071
Retained earnings	18,433	18,801
Treasury shares	(43)	(43)
Total shareholders' equity	26,470	26,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	1
Remeasurements of defined benefit plans	447	445
Foreign currency translation adjustment	2,991	1,990
Total accumulated other comprehensive income	3,441	2,437
Non-controlling interests	567	549
Total net assets	30,479	29,826
<b>Total liabilities and net assets</b>	<b>74,930</b>	<b>73,900</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended August 31, 2023	Three months ended August 31, 2024
Net sales	21,111	21,357
Cost of sales	18,549	18,076
Gross profit	2,562	3,280
Selling, general and administrative expenses	2,178	2,261
Operating profit	383	1,019
Non-operating income		
Interest income	16	17
Dividend income	0	1
Foreign exchange gains	2	–
Rental income	12	20
Gain on sale of scraps	16	12
Compensation income	–	21
Other	10	5
Total non-operating income	60	80
Non-operating expenses		
Interest expenses	107	133
Foreign exchange losses	–	98
Loss on Derivative	32	11
Other	33	29
Total non-operating expenses	173	272
Ordinary profit	269	827
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	–	2
Loss on retirement of non-current assets	13	12
Extra retirement payments	24	23
Total extraordinary losses	37	38
Profit before income taxes	232	788
Income taxes	86	106
Profit	146	682
Profit attributable to non-controlling interests	19	9
Profit attributable to owners of parent	127	673

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

(Millions of yen)

	Three months ended August 31, 2023	Three months ended August 31, 2024
Profit	146	682
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(1)
Foreign currency translation adjustment	786	(1,028)
Remeasurements of defined benefit plans, net of tax	12	(1)
Total other comprehensive income	800	(1,031)
Comprehensive income	947	(349)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	907	(330)
Comprehensive income attributable to non-controlling interests	39	(19)