

Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 10, 2023

Company name: Seika Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 8061
URL: <https://seika.com/ir/en/>
Representative: Akihiko Sakurai, President and Chief Executive Officer
Contact: Tomoaki Hasegawa, Director, Senior Executive Officer, General Administration
Phone: +81-3-5221-7101
Scheduled date of filing quarterly securities report: August 10, 2023
Scheduled date of commencing dividend payments: –
Availability of supplementary briefing materials on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(1) Consolidated Operating Results (% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	19,053	△7.5	944	10.5	998	23.9	620	41.1
June 30, 2022	20,597	4.4	854	20.6	806	20.8	439	19.9

(Note) Comprehensive income: Three months ended June 30, 2023: ¥1,690 million [102.1%]

Three months ended June 30, 2022: ¥836 million [133.4%]

Sales from agent transactions are shown net of the corresponding purchases. Sales under the old accounting standards are shown below as “Gross sales”:

Three months ended	Gross sales	Year-on-year change
June 30, 2023	¥49,963 million	61.1%
June 30, 2022	¥31,013 million	(3.4)%

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2023	51.45	51.25
June 30, 2022	36.64	36.55

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	97,301	36,817	37.0
As of March 31, 2023	79,990	35,736	43.7

(Reference) Equity: As of June 30, 2023: ¥36,047 million

As of March 31, 2023: ¥34,994 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	35.00	–	55.00	90.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		40.00	–	40.00	80.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	42,500	5.1	1,400	(3.1)	1,600	31.4	1,000	18.4	83.09
Full year	95,000	1.8	3,700	(20.2)	4,300	(31.6)	2,900	(42.0)	241.24

(Note) Revision to the financial results forecast announced most recently: None

Sales from agent transactions are shown net of the corresponding purchases. Sales under the old accounting standards are shown below as “Gross sales”:

	Gross sales	Year-on-year change
First half	¥100,000 million	45.2%
Full year	¥200,000 million	13.8%

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries resulting in changes in the scope of consolidation):
Newly added: — (Name of subsidiary)
Excluded: — (Name of subsidiary)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Restatement: No
- (4) Number of outstanding shares (common shares)
- 1) Number of outstanding shares at the end of the period (including treasury shares):

As of June 30, 2023:	12,320,650 shares
As of March 31, 2023:	12,320,650 shares
 - 2) Number of treasury shares at the end of the period:

As of June 30, 2023:	270,114 shares
As of March 31, 2023:	283,532 shares
 - 3) Average number of shares during the period:

Three months ended June 30, 2023:	12,061,609 shares
Three months ended June 30, 2022:	12,001,091 shares

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes
The financial results forecasts in this document are based on information available to the Company as of the date of disclosure of this document. Actual results may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,653	10,077
Notes and accounts receivable – trade, and contract assets	35,809	49,892
Investments in leases	64	56
Securities	100	100
Merchandise and finished goods	8,216	7,968
Work in process	406	547
Raw materials and supplies	1,620	1,846
Advance payments to suppliers	3,718	6,750
Other	972	934
Allowance for doubtful accounts	(133)	(135)
Total current assets	61,429	78,039
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,073	1,105
Machinery, equipment and vehicles	232	274
Tools, furniture and fixtures	383	391
Fixed assets for rent	683	686
Leased assets	103	97
Land	2,101	2,101
Construction in progress	15	-
Total property, plant and equipment	4,591	4,656
Intangible assets		
Goodwill	253	229
Right to use facilities	118	118
Software	314	306
Other	12	12
Total intangible assets	698	666
Investments and other assets		
Investment securities	12,052	12,693
Long-term loans receivable	29	27
Deferred tax assets	602	629
Other	604	605
Allowance for doubtful accounts	(18)	(17)
Total investments and other assets	13,271	13,938
Total non-current assets	18,561	19,262
Total assets	79,990	97,301

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	31,417	45,676
Short-term borrowings	2,006	1,006
Lease liabilities	35	32
Accounts payable – other	1,219	1,351
Income taxes payable	1,160	295
Advances received from customers	3,150	6,259
Provision for bonuses	714	566
Provision for bonuses for directors	119	20
Other	648	1,075
Total current liabilities	40,473	56,284
Non-current liabilities		
Long-term borrowings	23	22
Lease liabilities	76	73
Retirement benefit liability	2,617	2,575
Provision for retirement benefits for directors	22	24
Deferred tax liabilities	619	1,073
Other	421	430
Total non-current liabilities	3,781	4,199
Total liabilities	44,254	60,483
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,040	2,040
Retained earnings	22,813	22,812
Treasury shares	(435)	(413)
Total shareholders' equity	31,146	31,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,140	3,948
Foreign currency translation adjustment	692	921
Remeasurements of defined benefit plans	15	11
Total accumulated other comprehensive income	3,847	4,881
Share acquisition rights	218	199
Non-controlling interests	524	570
Total net assets	35,736	36,817
Total liabilities and net assets	79,990	97,301

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	20,597	19,053
Cost of sales	16,183	14,003
Gross profit	4,414	5,049
Selling, general and administrative expenses	3,559	4,105
Operating profit	854	944
Non-operating income		
Interest income	4	4
Dividend income	21	24
Gain on sale of securities	0	2
Foreign exchange gains	57	46
Other	45	25
Total non-operating income	129	102
Non-operating expenses		
Interest expenses	9	4
Share of loss of entities accounted for using equity method	157	13
Other	11	30
Total non-operating expenses	178	48
Ordinary profit	806	998
Extraordinary income		
Gain on sale of investment securities	2	48
Compensation income	-	52
Total extraordinary income	2	100
Extraordinary losses		
Loss on valuation of investment securities	-	0
Total extraordinary losses	-	0
Profit before income taxes	808	1,098
Income taxes - current	336	377
Income taxes - deferred	19	78
Total income taxes	355	455
Net profit	452	643
Profit attributable to owners of parent	439	620
Profit attributable to non-controlling interests	13	23
Other comprehensive income		
Valuation difference on available-for-sale securities	82	806
Foreign currency translation adjustment	304	243
Remeasurements of defined benefit plans, net of tax	(0)	(3)
Share of other comprehensive income of entities accounted for using equity method	(2)	1
Total other comprehensive income	383	1,047
Comprehensive income	836	1,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	802	1,654
Comprehensive income attributable to non-controlling interests	34	36