

Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 8, 2022

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: November 8, 2022
Scheduled date of commencing dividend payments: December 2, 2022
Availability of supplementary briefing materials on quarterly financial results: No
Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 30, 2022)

(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	%
Six months ended September 30, 2022	40,452	(0.0)	1,444	10.7	1,217	(7.4)	844	20.9
Six months ended September 30, 2021	40,452	19.9	1,304	36.8	1,315	19.8	698	31.6

(Note) Comprehensive income: Six months ended September 30, 2022: ¥1,555million [85.0%]

Six months ended September 30, 2021: ¥840 million [(20.0)%]

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

Six months ended	Gross sales	Year-on-year change
September 30, 2022	¥68,866 million	(0.2)%
September 30, 2021	¥69,027 million	(2.7)%

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2022	70.31	70.15
Six months ended September 30, 2021	57.87	57.66

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	102,295	31,884	30.5
As of March 31, 2022	104,865	31,101	28.7

(Reference) Equity: As of September 30, 2022: ¥31,173 million

As of March 31, 2022: ¥30,105 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, 2022	–	25.00	–	40.00	65.00
Fiscal year ending March 31, 2023	–	35.00			
Fiscal year ending March 31, 2023 (Forecast)			–	35.00	70.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	95,000	11.4	3,700	(3.3)	3,700	(4.6)	2,500	11.3	208.30

(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
Full year	¥170,000 million	26.6%

*** 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: Yes
 - 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 September 30, 2022:	12,320,650 shares
As of March 31, 2022:	12,320,650 shares
 - 2) Number of treasury shares at the end of the period:

As of September 30, 2022:	271,555 shares
As of March 31, 2022:	357,800 shares
 - 3) Average number of shares during the period:

Six months ended September 30, 2022:	12,013,112 shares
Six months ended September 30, 2021:	12,072,339 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, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	17,334	12,710
Notes and accounts receivable - trade, and contract assets	36,029	31,825
Investments in leases	109	85
Securities	157	156
Merchandise and finished goods	5,362	7,307
Work in process	457	565
Raw materials and supplies	1,188	1,435
Advance payments to suppliers	28,551	33,003
Other	687	1,022
Allowance for doubtful accounts	(132)	(127)
Total current assets	89,746	87,985
Non-current assets		
Property, plant and equipment		
Buildings and structures	839	844
Machinery, equipment and vehicles	225	213
Tools, furniture and fixtures	289	325
Fixed assets for rent, net	669	679
Leased assets	110	102
Land	609	609
Construction in progress	—	117
Total property, plant and equipment	2,743	2,892
Intangible assets		
Goodwill	346	303
Right to use facilities	117	118
Software	321	322
Other	7	5
Total intangible assets	793	750
Investments and other assets		
Investment securities	10,439	9,539
Long-term loans receivable	36	27
Deferred tax assets	582	584
Other	544	533
Allowance for doubtful accounts	(20)	(19)
Total investments and other assets	11,582	10,666
Total non-current assets	15,119	14,309
Total assets	104,865	102,295

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,602	27,870
Short-term borrowings	5,506	4,256
Lease liabilities	39	38
Accounts payable	1,645	881
Income taxes payable	660	574
Advances received	29,354	32,015
Provision for bonuses	650	595
Provision for bonuses for directors	79	2
Other	871	657
Total current liabilities	70,409	66,891
Non-current liabilities		
Long-term borrowings	27	27
Lease liabilities	79	72
Retirement benefit liability	2,572	2,608
Provision for retirement benefits for directors	22	19
Deferred tax liabilities	249	402
Other	403	390
Total non-current liabilities	3,354	3,519
Total liabilities	73,764	70,411
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,097	2,040
Retained earnings	18,734	19,079
Treasury shares	(564)	(425)
Total shareholders' equity	26,994	27,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,813	2,889
Foreign currency translation adjustment	296	860
Remeasurements of defined benefit plans	1	0
Total accumulated other comprehensive income	3,111	3,751
Share acquisition rights	282	218
Non-controlling interests	713	492
Total net assets	31,101	31,884
Total liabilities and net assets	104,865	102,295

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	40,452	40,452
Cost of sales	32,266	31,841
Gross profit	8,186	8,610
Selling, general and administrative expenses	6,881	7,166
Operating profit	1,304	1,444
Non-operating income		
Interest income	8	8
Dividend income	78	82
Gain on sale of securities	14	11
Foreign exchange gains	13	59
Other	74	65
Total non-operating income	187	227
Non-operating expenses		
Interest expenses	30	17
Share of loss of entities accounted for using equity method	119	421
Other	25	14
Total non-operating expenses	176	453
Ordinary profit	1,315	1,217
Extraordinary income		
Gain on sale of non-current assets	16	—
Gain on sale of investment securities	2	369
Total extraordinary income	18	369
Profit before income taxes	1,334	1,587
Income taxes - current	593	589
Income taxes - deferred	(19)	121
Total income taxes	574	711
Net profit	760	876
Profit attributable to owners of parent	698	844
Profit attributable to non-controlling interests	62	31
Other comprehensive income		
Valuation difference on available-for-sale securities	(228)	77
Foreign currency translation adjustment	302	603
Remeasurements of defined benefit plans, net of tax	3	(0)
Share of other comprehensive income of entities accounted for using equity method	2	(0)
Total other comprehensive income	79	679
Comprehensive income	840	1,555
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	771	1,484
Comprehensive income attributable to non-controlling interests	68	70