

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 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: February 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 Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 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	%
Nine months ended December 31, 2022	63,521	3.7	2,614	10.9	2,410	0.6	1,795	51.5
December 31, 2021	61,255	19.9	2,357	31.6	2,396	22.1	1,185	(45.9)

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥2,506 million [123.6%]

Nine months ended December 31, 2021: ¥1,121 million [(63.1)%]

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

Nine months ended	Gross sales	Year-on-year change
December 31, 2022	¥123,949 million	26.7%
December 31, 2021	¥97,867 million	(3.2)%

	Profit per share	Diluted profit per share
Nine months ended	Yen	Yen
December 31, 2022	149.35	149.03
December 31, 2021	98.45	98.10

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	84,884	32,413	37.3
As of March 31, 2022	104,865	31,101	28.7

(Reference) Equity: As of December 31, 2022: ¥31,692 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 December 31, 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 December 31, 2022: | 271,780 shares |
| As of March 31, 2022: | 357,800 shares |
- 3) Average number of shares during the period:
- | | |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2022: | 12,022,454 shares |
| Nine months ended December 31, 2021: | 12,039,945 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	17,334	14,596
Notes and accounts receivable - trade, and contract assets	36,029	34,485
Investments in leases	109	73
Securities	157	156
Merchandise and finished goods	5,362	7,829
Work in process	457	857
Raw materials and supplies	1,188	1,634
Advance payments to suppliers	28,551	10,214
Other	687	1,086
Allowance for doubtful accounts	(132)	(120)
Total current assets	89,746	70,814
Non-current assets		
Property, plant and equipment		
Buildings and structures	839	838
Machinery, equipment and vehicles	225	220
Tools, furniture and fixtures	289	347
Fixed assets for rent, net	669	677
Leased assets	110	97
Land	609	609
Construction in progress	—	160
Total property, plant and equipment	2,743	2,951
Intangible assets		
Goodwill	346	278
Right to use facilities	117	118
Software	321	303
Other	7	15
Total intangible assets	793	715
Investments and other assets		
Investment securities	10,439	9,292
Long-term loans receivable	36	33
Deferred tax assets	582	540
Other	544	556
Allowance for doubtful accounts	(20)	(18)
Total investments and other assets	11,582	10,403
Total non-current assets	15,119	14,070
Total assets	104,865	84,884

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,602	33,399
Short-term borrowings	5,506	3,131
Lease liabilities	39	35
Accounts payable	1,645	915
Income taxes payable	660	451
Advances received	29,354	9,773
Provision for bonuses	650	315
Provision for bonuses for directors	79	26
Other	871	713
Total current liabilities	70,409	48,761
Non-current liabilities		
Long-term borrowings	27	25
Lease liabilities	79	69
Retirement benefit liability	2,572	2,649
Provision for retirement benefits for directors	22	20
Deferred tax liabilities	249	552
Other	403	392
Total non-current liabilities	3,354	3,709
Total liabilities	73,764	52,471
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,097	2,040
Retained earnings	18,734	19,608
Treasury shares	(564)	(425)
Total shareholders' equity	26,994	27,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,813	2,874
Foreign currency translation adjustment	296	867
Remeasurements of defined benefit plans	1	0
Total accumulated other comprehensive income	3,111	3,742
Share acquisition rights	282	218
Non-controlling interests	713	502
Total net assets	31,101	32,413
Total liabilities and net assets	104,865	84,884

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	61,255	63,521
Cost of sales	48,491	49,952
Gross profit	12,764	13,569
Selling, general and administrative expenses	10,406	10,954
Operating profit	2,357	2,614
Non-operating income		
Interest income	13	11
Dividend income	103	105
Gain on sale of securities	15	15
Foreign exchange gains	41	90
Other	92	108
Total non-operating income	266	331
Non-operating expenses		
Interest expenses	46	24
Share of loss of entities accounted for using equity method	134	487
Other	45	23
Total non-operating expenses	227	534
Ordinary profit	2,396	2,410
Extraordinary income		
Gain on sale of non-current assets	22	-
Gain on sale of investment securities	3	655
Total extraordinary income	25	655
Profit before income taxes	2,422	3,065
Income taxes - current	835	904
Income taxes - deferred	324	321
Total income taxes	1,160	1,225
Net profit	1,262	1,839
Profit attributable to owners of parent	1,185	1,795
Profit attributable to non-controlling interests	76	44
Other comprehensive income		
Valuation difference on available-for-sale securities	(393)	61
Foreign currency translation adjustment	245	607
Remeasurements of defined benefit plans, net of tax	5	(0)
Share of other comprehensive income of entities accounted for using equity method	1	(1)
Total other comprehensive income	(140)	667
Comprehensive income	1,121	2,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,047	2,426
Comprehensive income attributable to non-controlling interests	73	80