

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 26, 2022

Company name: Sekisui Jushi Corporation
 Stock exchange listing: Tokyo
 Stock code: 4212 URL <https://www.sekisuijushi.co.jp>
 Representative: President and Representative Director, CEO Hiroshi Baba
 Executive Officer, Management, Corporate Administration Banjo Fujii TEL 06-6365-3204
 Inquiries: Banjo Fujii
 Scheduled date to file Quarterly Securities Report: August 5, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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 June 30, 2022	13,804	(1.5)	1,647	(22.7)	1,864	(21.5)	1,095	(24.9)
Three months ended June 30, 2021	14,010	7.7	2,130	24.8	2,374	16.9	1,459	15.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	26.71	–
Three months ended June 30, 2021	34.23	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	132,640	108,187	80.4
As of March 31, 2022	135,606	108,387	78.8

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, 2022	–	28.00	–	34.00	62.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	31.00	–	31.00	62.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	29,700	1.1	3,800	(11.5)	4,100	(10.4)	2,830	(5.8)	68.98
Full year	67,400	2.3	10,000	(8.1)	10,500	(7.9)	7,430	(3.0)	181.11

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: 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 June 30, 2022	43,313,598 shares	As of March 31, 2022	43,313,598 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	2,297,507 shares	As of March 31, 2022	2,296,842 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	41,016,291 shares	Three months ended June 30, 2021	42,622,813 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	47,031	46,903
Notes and accounts receivable - trade	17,000	13,271
Electronically recorded monetary claims - operating	7,012	6,918
Merchandise and finished goods	2,513	2,828
Work in process	1,096	1,462
Raw materials and supplies	3,657	4,027
Other	1,251	1,448
Allowance for doubtful accounts	(24)	(19)
Total current assets	79,540	76,840
Non-current assets		
Property, plant and equipment	14,094	14,063
Intangible assets	249	239
Investments and other assets		
Investment securities	17,276	17,019
Retirement benefit asset	824	860
Other	24,190	24,221
Allowance for doubtful accounts	(568)	(604)
Total investments and other assets	41,722	41,496
Total non-current assets	56,066	55,800
Total assets	135,606	132,640
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,234	7,376
Electronically recorded obligations - operating	5,532	5,138
Short-term borrowings	1,000	1,000
Provisions	907	356
Other	7,465	6,689
Total current liabilities	23,139	20,561
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	86	81
Retirement benefit liability	2,024	2,027
Deferred tax liabilities	1,489	1,403
Other	477	378
Total non-current liabilities	4,079	3,891
Total liabilities	27,218	24,452

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,154	13,154
Retained earnings	81,741	81,439
Treasury shares	(4,619)	(4,620)
Total shareholders' equity	102,610	102,308
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,014	3,841
Deferred gains or losses on hedges	13	22
Foreign currency translation adjustment	194	502
Remeasurements of defined benefit plans	(14)	(13)
Total accumulated other comprehensive income	4,207	4,353
Non-controlling interests	1,569	1,526
Total net assets	108,387	108,187
Total liabilities and net assets	135,606	132,640

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	14,010	13,804
Cost of sales	9,265	9,632
Gross profit	4,744	4,172
Selling, general and administrative expenses	2,614	2,524
Operating profit	2,130	1,647
Non-operating income		
Dividend income	191	186
Other	77	103
Total non-operating income	268	290
Non-operating expenses		
Provision of allowance for doubtful accounts	–	36
Other	23	36
Total non-operating expenses	23	73
Ordinary profit	2,374	1,864
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	6
Total extraordinary losses	4	6
Profit before income taxes	2,369	1,857
Income taxes	884	738
Profit	1,485	1,119
Profit attributable to non-controlling interests	25	23
Profit attributable to owners of parent	1,459	1,095

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,485	1,119
Other comprehensive income		
Valuation difference on available-for-sale securities	(420)	(175)
Deferred gains or losses on hedges	(1)	9
Foreign currency translation adjustment	169	320
Remeasurements of defined benefit plans, net of tax	(0)	1
Share of other comprehensive income of entities accounted for using equity method	(4)	1
Total other comprehensive income	(257)	157
Comprehensive income	1,227	1,277
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,196	1,241
Comprehensive income attributable to non-controlling interests	30	35

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,369	1,857
Depreciation	264	263
Increase (decrease) in provision for bonuses	(472)	(449)
Decrease (increase) in trade receivables	4,937	3,862
Decrease (increase) in inventories	(932)	(1,025)
Increase (decrease) in trade payables	(1,338)	(1,311)
Other, net	(774)	(644)
Subtotal	4,054	2,552
Interest and dividends received	212	210
Interest paid	(10)	(11)
Income taxes paid	(1,849)	(1,430)
Net cash provided by (used in) operating activities	2,407	1,320
Cash flows from investing activities		
Purchase of property, plant and equipment	(416)	(164)
Purchase of investment securities	(100)	-
Other, net	956	0
Net cash provided by (used in) investing activities	439	(164)
Cash flows from financing activities		
Purchase of treasury shares	(3,105)	(0)
Dividends paid	(1,335)	(1,397)
Other, net	(73)	(82)
Net cash provided by (used in) financing activities	(4,514)	(1,480)
Effect of exchange rate change on cash and cash equivalents	103	196
Net increase (decrease) in cash and cash equivalents	(1,563)	(127)
Cash and cash equivalents at beginning of period	47,286	47,031
Cash and cash equivalents at end of period	45,722	46,903