

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 8, 2022

Company name: SEIKITOKYU KOGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1898

URL: <https://www.seikitokyu.co.jp>

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Scheduled date of filing quarterly securities report: August 9, 2022

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing materials on quarterly financial results: Unavailable

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (Cumulative)

(% indicates year-on-year changes)

	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, 2022	20,025	7.6	(166)	–	(153)	–	(178)	–
June 30, 2021	18,619	23.6	528	56.2	512	49.3	360	12.0

(Note) Comprehensive income: Three months ended June 30, 2022: ¥(142) million [–%]

Three months ended June 30, 2021: ¥394 million [23.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(4.79)	–
June 30, 2021	8.99	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2022	74,972	38,750	51.7	1,053.26
As of March 31, 2022	78,295	40,497	51.7	1,082.33

(Reference) Equity: As of June 30, 2022: ¥38,750 million

As of March 31, 2022: ¥40,497 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	–	0.00	–	30.00	30.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		0.00	–	30.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	43,000	11.2	300	(82.9)	300	(82.7)	100	(91.6)	2.72
Full year	92,600	8.8	5,000	13.2	5,000	14.7	3,300	(0.1)	89.70

(Notes) Revision to the financial results forecast announced most recently: Yes

The Company revised only the consolidated financial results forecast for the six months ending September 30, 2022, which was announced on May 11, 2022.

* Notes:

(1) Changes in significant subsidiaries during the period under review

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective 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) Retrospective restatement: No

(4) Number of shares issued (common shares)

1) Total number of shares issued at the end of the period (including treasury shares):

June 30, 2022: 38,414,407 shares

March 31, 2022: 40,414,407 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 1,623,419 shares

March 31, 2022: 2,996,909 shares

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

Three months ended June 30, 2022: 37,201,743 shares

Three months ended June 30, 2021: 40,107,508 shares

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

* Explanation of the proper use of financial results forecasts and other notes

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

(Reference) Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates year-on-year changes)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	40,900	10.4	200	(87.8)	100	(91.4)	2.72
Full year	88,000	8.4	4,600	14.3	3,100	0.6	84.26

(Note) Revision to the financial results forecast announced most recently: Yes

The Company revised only the non-consolidated financial results forecast for the six months ending September 30, 2022, which was announced on May 11, 2022.

*** Explanation of the proper use of financial results forecast and other notes**

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

2. Quarterly Consolidated Financial Statements and Primary Notes
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,814	17,541
Notes receivable, accounts receivable from completed construction contracts and other	34,942	26,071
Costs on construction contracts in progress	459	118
Raw materials and supplies	401	428
Other	2,871	2,890
Allowance for doubtful accounts	–	(5)
Total current assets	51,489	47,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,824	11,493
Machinery, vehicles, tools, furniture and fixtures	21,511	21,627
Land	14,217	14,522
Construction in progress	763	107
Accumulated depreciation	(21,464)	(21,790)
Total property, plant and equipment	24,852	25,960
Intangible assets	250	247
Investments and other assets		
Other	1,703	1,719
Total investments and other assets	1,703	1,719
Total non-current assets	26,806	27,927
Total assets	78,295	74,972

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	20,722	19,690
Short-term borrowings	107	203
Income taxes payable	494	33
Advances received on construction contracts in progress	1,921	2,442
Provision for warranties for completed construction	32	33
Provision for loss on construction contracts	5	7
Provision for bonuses	1,861	849
Other	4,163	4,609
Total current liabilities	29,307	27,869
Non-current liabilities		
Long-term borrowings	6,900	6,875
Retirement benefit liability	1,505	1,395
Other	84	81
Total non-current liabilities	8,490	8,352
Total liabilities	37,797	36,222
Net assets		
Shareholders' equity		
Share capital	2,000	2,000
Capital surplus	521	500
Retained earnings	40,248	37,320
Treasury shares	(2,502)	(1,337)
Total shareholders' equity	40,266	38,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	19
Foreign currency translation adjustment	4	19
Remeasurements of defined benefit plans	203	227
Total accumulated other comprehensive income	231	267
Total net assets	40,497	38,750
Total liabilities and net assets	78,295	74,972

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	18,619	20,025
Cost of sales	16,705	18,698
Gross profit	1,913	1,326
Selling, general and administrative expenses	1,384	1,493
Operating profit (loss)	528	(166)
Non-operating income		
Rental income	5	4
Foreign exchange gains	–	27
Miscellaneous income	5	7
Total non-operating income	10	40
Non-operating expenses		
Interest expenses	9	13
Guarantee commission	11	7
Miscellaneous expenses	6	5
Total non-operating expenses	27	26
Ordinary profit (loss)	512	(153)
Extraordinary income		
Gain on sale of non-current assets	12	1
Reversal of provision for retirement benefits	0	–
Total extraordinary income	12	1
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	0	3
Expenses on dismantlement of non-current assets	30	–
Total extraordinary losses	30	3
Profit (loss) before income taxes	494	(155)
Income taxes	134	23
Profit (loss)	360	(178)
Profit (loss) attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	360	(178)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit (loss)	360	(178)
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(3)
Foreign currency translation adjustment	(0)	15
Remeasurements of defined benefit plans, net of tax	40	23
Total other comprehensive income	33	36
Comprehensive income	394	(142)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	394	(142)
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

The Company retired 2,000,000 shares of its treasury shares on June 30, 2022, based on the resolution at the Board of Directors meeting held on April 27, 2022. As a result, in the three months ended June 30, 2022, capital surplus decreased by ¥21 million, retained earnings decreased by ¥1,627 million, and treasury shares decreased by ¥1,648 million.

(Additional information)

(Accounting estimates as to the impact of COVID-19)

There are no significant changes in the assumptions including those about the future impact and period of convergence of the COVID-19 pandemic stated in “(Additional information)” in the Annual Securities Report (*Yukashoken Houkokusho*) for the fiscal year ended March 31, 2022.