

Translation

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

October 27, 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: November 11, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	29,219	(0.6)	3,617	(15.7)	3,892	(15.0)	2,490	(17.1)
Six months ended September 30, 2021	29,381	7.6	4,291	16.1	4,578	12.2	3,003	12.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	60.84	—
Six months ended September 30, 2021	71.38	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	133,565	108,731	80.2
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	—	31.00	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	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
Full year	67,400	2.3	10,000	(8.1)	10,500	(7.9)	7,430	(3.0)	183.84

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2022	2,898,181 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)

Six months ended September 30, 2022	40,933,083 shares	Six months ended September 30, 2021	42,081,030 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	47,031	44,648
Notes and accounts receivable - trade	17,000	13,670
Electronically recorded monetary claims - operating	7,012	5,909
Securities	–	700
Merchandise and finished goods	2,513	3,063
Work in process	1,096	1,704
Raw materials and supplies	3,657	4,206
Other	1,251	1,373
Allowance for doubtful accounts	(24)	(19)
Total current assets	79,540	75,256
Non-current assets		
Property, plant and equipment	14,094	14,450
Intangible assets	249	230
Investments and other assets		
Investment securities	17,276	16,126
Retirement benefit asset	824	888
Longtermtime deposits	22,500	25,500
Other	1,690	1,721
Allowance for doubtful accounts	(568)	(609)
Total investments and other assets	41,722	43,627
Total non-current assets	56,066	58,308
Total assets	135,606	133,565
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,234	7,219
Electronically recorded obligations - operating	5,532	5,093
Short-term borrowings	1,000	1,000
Income taxes payable	1,582	1,242
Provisions	907	707
Other	5,882	5,768
Total current liabilities	23,139	21,030
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	86	80
Retirement benefit liability	2,024	2,013
Deferred tax liabilities	1,489	1,338
Other	477	370
Total non-current liabilities	4,079	3,802
Total liabilities	27,218	24,833

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,154	13,154
Retained earnings	81,741	82,830
Treasury shares	(4,619)	(5,658)
Total shareholders' equity	102,610	102,661
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,014	3,701
Deferred gains or losses on hedges	13	0
Foreign currency translation adjustment	194	819
Remeasurements of defined benefit plans	(14)	(13)
Total accumulated other comprehensive income	4,207	4,507
Non-controlling interests	1,569	1,562
Total net assets	108,387	108,731
Total liabilities and net assets	135,606	133,565

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	29,381	29,219
Cost of sales	19,854	20,356
Gross profit	9,526	8,862
Selling, general and administrative expenses	5,234	5,245
Operating profit	4,291	3,617
Non-operating income		
Dividend income	218	217
Other	129	154
Total non-operating income	348	371
Non-operating expenses		
Interest expenses	18	20
Provision of allowance for doubtful accounts	–	41
Other	43	35
Total non-operating expenses	61	97
Ordinary profit	4,578	3,892
Extraordinary income		
Gain on sale of investment securities	120	–
Total extraordinary income	120	–
Extraordinary losses		
Loss on sale and retirement of non-current assets	10	46
Provision of allowance for doubtful accounts for subsidiaries and associates	123	–
Total extraordinary losses	134	46
Profit before income taxes	4,564	3,845
Income taxes	1,508	1,301
Profit	3,055	2,543
Profit attributable to non-controlling interests	52	53
Profit attributable to owners of parent	3,003	2,490

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,055	2,543
Other comprehensive income		
Valuation difference on available-for-sale securities	(744)	(316)
Deferred gains or losses on hedges	(1)	(12)
Foreign currency translation adjustment	159	644
Remeasurements of defined benefit plans, net of tax	(1)	2
Share of other comprehensive income of entities accounted for using equity method	(2)	1
Total other comprehensive income	(590)	319
Comprehensive income	2,465	2,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,412	2,790
Comprehensive income attributable to non-controlling interests	52	73

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,564	3,845
Depreciation	536	547
Increase (decrease) in provision for bonuses	(121)	(114)
Decrease (increase) in trade receivables	6,778	4,505
Decrease (increase) in inventories	(877)	(1,623)
Increase (decrease) in trade payables	(2,277)	(1,508)
Other, net	(1,271)	(1,380)
Subtotal	7,331	4,270
Interest and dividends received	262	265
Interest paid	(18)	(21)
Income taxes paid	(1,877)	(1,435)
Net cash provided by (used in) operating activities	5,697	3,079
Cash flows from investing activities		
Proceeds from redemption of securities	400	–
Purchase of property, plant and equipment	(708)	(310)
Purchase of investment securities	(100)	–
Proceeds from sale of investment securities	176	–
Payments into increase in long-term deposits	(4,000)	(3,000)
Proceeds for long-term deposits	5,000	–
Other, net	(43)	(12)
Net cash provided by (used in) investing activities	723	(3,323)
Cash flows from financing activities		
Purchase of treasury shares	(4,290)	(1,057)
Dividends paid	(1,332)	(1,393)
Other, net	(76)	(87)
Net cash provided by (used in) financing activities	(5,699)	(2,538)
Effect of exchange rate change on cash and cash equivalents	113	399
Net increase (decrease) in cash and cash equivalents	834	(2,382)
Cash and cash equivalents at beginning of period	47,286	47,031
Cash and cash equivalents at end of period	48,120	44,648