

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 26, 2023

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: February 10, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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 | % |
| Nine months ended December 31, 2022 | 45,215 | (0.9) | 5,718 | (18.7) | 6,133 | (17.4) | 4,065 | (18.9) |
| Nine months ended December 31, 2021 | 45,618 | 5.3 | 7,037 | 7.1 | 7,429 | 4.4 | 5,012 | 4.9 |

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2022 | 99.75 | – |
| Nine months ended December 31, 2021 | 120.02 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 135,465 | 108,609 | 79.1 |
| 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) | 184.76 |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2022 | 43,313,598 shares | As of March 31, 2022 | 43,313,598 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------------|----------------------|------------------|
| As of December 31, 2022 | 3,098,878 shares | As of March 31, 2022 | 2,296,842 shares |
|-------------------------|------------------|----------------------|------------------|

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

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2022 | 40,757,585 shares | Nine months ended December 31, 2021 | 41,764,134 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 47,031 | 41,821 |
| Notes and accounts receivable - trade | 17,000 | 13,978 |
| Electronically recorded monetary claims - operating | 7,012 | 8,136 |
| Securities | – | 699 |
| Merchandise and finished goods | 2,513 | 3,748 |
| Work in process | 1,096 | 2,123 |
| Raw materials and supplies | 3,657 | 4,783 |
| Other | 1,251 | 1,968 |
| Allowance for doubtful accounts | (24) | (21) |
| Total current assets | 79,540 | 77,238 |
| Non-current assets | | |
| Property, plant and equipment | 14,094 | 14,421 |
| Intangible assets | 249 | 232 |
| Investments and other assets | | |
| Investment securities | 17,276 | 16,046 |
| Retirement benefit asset | 824 | 917 |
| Long-term time deposits | 22,500 | 25,500 |
| Other | 1,690 | 1,703 |
| Allowance for doubtful accounts | (568) | (593) |
| Total investments and other assets | 41,722 | 43,573 |
| Total non-current assets | 56,066 | 58,227 |
| Total assets | 135,606 | 135,465 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 8,234 | 8,251 |
| Electronically recorded obligations - operating | 5,532 | 6,970 |
| Short-term borrowings | 1,000 | 900 |
| Provisions | 907 | 483 |
| Other | 7,465 | 6,610 |
| Total current liabilities | 23,139 | 23,215 |
| Non-current liabilities | | |
| Provision for retirement benefits for directors (and other officers) | 86 | 85 |
| Retirement benefit liability | 2,024 | 2,010 |
| Deferred tax liabilities | 1,489 | 1,312 |
| Other | 477 | 231 |
| Total non-current liabilities | 4,079 | 3,640 |
| Total liabilities | 27,218 | 26,856 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 12,334 | 12,334 |
| Capital surplus | 13,154 | 13,152 |
| Retained earnings | 81,741 | 83,150 |
| Treasury shares | (4,619) | (6,011) |
| Total shareholders' equity | 102,610 | 102,625 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 4,014 | 3,640 |
| Deferred gains or losses on hedges | 13 | (0) |
| Foreign currency translation adjustment | 194 | 849 |
| Remeasurements of defined benefit plans | (14) | (12) |
| Total accumulated other comprehensive income | 4,207 | 4,477 |
| Non-controlling interests | 1,569 | 1,507 |
| Total net assets | 108,387 | 108,609 |
| Total liabilities and net assets | 135,606 | 135,465 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--|--|--|
| Net sales | 45,618 | 45,215 |
| Cost of sales | 30,702 | 31,469 |
| Gross profit | 14,916 | 13,745 |
| Selling, general and administrative expenses | 7,879 | 8,027 |
| Operating profit | 7,037 | 5,718 |
| Non-operating income | | |
| Dividend income | 285 | 286 |
| Other | 197 | 236 |
| Total non-operating income | 482 | 522 |
| Non-operating expenses | | |
| Interest expenses | 27 | 31 |
| Provision of allowance for doubtful accounts | 17 | 25 |
| Other | 45 | 49 |
| Total non-operating expenses | 90 | 107 |
| Ordinary profit | 7,429 | 6,133 |
| Extraordinary income | | |
| Gain on sale of investment securities | 123 | – |
| Total extraordinary income | 123 | – |
| Extraordinary losses | | |
| Loss on sale and retirement of non-current assets | 15 | 60 |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 123 | – |
| Total extraordinary losses | 139 | 60 |
| Profit before income taxes | 7,414 | 6,072 |
| Income taxes | 2,298 | 1,917 |
| Profit | 5,115 | 4,155 |
| Profit attributable to non-controlling interests | 102 | 90 |
| Profit attributable to owners of parent | 5,012 | 4,065 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--|--|--|
| Profit | 5,115 | 4,155 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (946) | (378) |
| Deferred gains or losses on hedges | (1) | (13) |
| Foreign currency translation adjustment | 70 | 672 |
| Remeasurements of defined benefit plans, net of tax | (7) | 3 |
| Share of other comprehensive income of entities accounted for using equity method | (4) | 2 |
| Total other comprehensive income | (889) | 287 |
| Comprehensive income | 4,225 | 4,443 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,129 | 4,335 |
| Comprehensive income attributable to non-controlling interests | 95 | 108 |

Consolidated statements of cash flows

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 7,414 | 6,072 |
| Depreciation | 816 | 856 |
| Increase (decrease) in provision for bonuses | (379) | (355) |
| Decrease (increase) in trade receivables | 4,307 | 1,966 |
| Decrease (increase) in inventories | (1,625) | (3,308) |
| Increase (decrease) in trade payables | (152) | 1,291 |
| Other, net | (1,451) | (1,689) |
| Subtotal | 8,929 | 4,834 |
| Interest and dividends received | 337 | 345 |
| Interest paid | (28) | (32) |
| Income taxes paid | (3,583) | (2,987) |
| Net cash provided by (used in) operating activities | 5,654 | 2,160 |
| Cash flows from investing activities | | |
| Proceeds from redemption of securities | 400 | – |
| Purchase of property, plant and equipment | (818) | (485) |
| Purchase of investment securities | (100) | – |
| Proceeds from sale of investment securities | 182 | 56 |
| Payments into increase in long-term deposits | (4,000) | (3,000) |
| Proceeds for long-term deposits | 5,000 | – |
| Other, net | (44) | (26) |
| Net cash provided by (used in) investing activities | 618 | (3,455) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | – | (100) |
| Purchase of treasury shares | (4,290) | (1,409) |
| Dividends paid | (2,483) | (2,649) |
| Other, net | (79) | (183) |
| Net cash provided by (used in) financing activities | (6,854) | (4,342) |
| Effect of exchange rate change on cash and cash equivalents | 76 | 428 |
| Net increase (decrease) in cash and cash equivalents | (503) | (5,209) |
| Cash and cash equivalents at beginning of period | 47,286 | 47,031 |
| Cash and cash equivalents at end of period | 46,782 | 41,821 |