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



February 8, 2023

Company name: SEIREN CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 3569

URL: <https://www.seiren.com/english/>

Representative: Tatsuo Kawada, Representative Director, Chairman and C.E.O.

Contact: Tomofumi Katsuki, Director and Managing Executive Officer and Chief Administrative Officer (CAO)

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Scheduled date of filing quarterly securities report: February 13, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Available

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 Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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	97,340	21.5	10,025	23.2	12,665	44.2	9,359	42.6
December 31, 2021	80,103	13.0	8,137	38.8	8,785	45.1	6,562	86.1

Note: Comprehensive income: Nine months ended December 31, 2022: ¥18,587 million [105.4%]

Nine months ended December 31, 2021: ¥9,047 million [368.6%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	174.32	149.76
December 31, 2021	122.33	104.68

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2022	171,241	107,479	62.0	1,982.80
As of March 31, 2022	155,493	91,845	58.2	1,685.37

Reference: Equity: As of December 31, 2022: ¥106,204 million

As of March 31, 2022: ¥90,446 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	—	18.00	—	20.00	38.00
Fiscal year ending March 31, 2023	—	23.00	—		
Fiscal year ending March 31, 2023 (Forecast)				23.00	46.00

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 changes from the previous corresponding period.)

	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
Full year	127,000	15.7	12,300	12.8	14,900	24.9	10,500	22.8	195.66

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

* Notes:

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes, (4) Notes to Quarterly Consolidated Financial Statements (Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 9 of the attachments to the Japanese version of this document.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of shares outstanding (common shares)

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

December 31, 2022: 64,633,646 shares

March 31, 2022: 64,633,646 shares

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

December 31, 2022: 11,070,927 shares

March 31, 2022: 10,967,984 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 53,694,224 shares

Nine months ended December 31, 2021: 53,649,576 shares

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

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

The financial results forecasts and other forward-looking statements herein are based on information available to the Company as of the date of publication of this document and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. For notes on financial results forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation on Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attachments to the Japanese version of this document.

Quarterly Consolidated Financial Statements and Principal Notes
(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	38,808	35,961
Notes and accounts receivable - trade, and contract assets	28,921	37,347
Securities	785	1,151
Merchandise and finished goods	12,963	13,685
Work in process	3,594	4,823
Raw materials and supplies	5,963	7,955
Other	2,483	3,342
Allowance for doubtful accounts	(8)	(120)
Total current assets	93,513	104,145
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,277	22,836
Machinery, equipment and vehicles, net	11,038	12,012
Tools, furniture and fixtures, net	435	536
Land	12,544	12,822
Leased assets	103	47
Construction in progress	4,155	6,040
Total property, plant and equipment	49,553	54,296
Intangible assets		
Goodwill	801	679
Other	3,140	3,244
Total intangible assets	3,941	3,923
Investments and other assets		
Other	8,594	8,984
Allowance for doubtful accounts	(109)	(108)
Total investments and other assets	8,485	8,876
Total non-current assets	61,980	67,096
Total assets	155,493	171,241

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,648	19,760
Short-term borrowings	3,813	1,709
Income taxes payable	1,478	1,385
Provision for bonuses	1,233	569
Other	7,433	7,716
Total current liabilities	29,607	31,140
Non-current liabilities		
Bonds with share acquisition rights	15,330	15,262
Long-term borrowings	10,609	9,319
Provision for retirement benefits for directors (and other officers)	131	119
Retirement benefit liability	6,485	6,639
Other	1,485	1,281
Total non-current liabilities	34,041	32,622
Total liabilities	63,648	63,762
Net assets		
Shareholders' equity		
Share capital	17,520	17,520
Capital surplus	16,786	16,807
Retained earnings	66,952	74,005
Treasury shares	(14,385)	(14,830)
Total shareholders' equity	86,873	93,503
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,005	2,308
Foreign currency translation adjustment	1,487	10,325
Remeasurements of defined benefit plans	79	66
Total accumulated other comprehensive income	3,572	12,700
Share acquisition rights	787	567
Non-controlling interests	610	707
Total net assets	91,845	107,479
Total liabilities and net assets	155,493	171,241

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of 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	80,103	97,340
Cost of sales	56,340	69,953
Gross profit	23,762	27,387
Selling, general and administrative expenses	15,625	17,361
Operating profit	8,137	10,025
Non-operating income		
Interest income	196	231
Dividend income	135	142
Subsidies for employment adjustment	90	17
Foreign exchange gains	45	2,050
Subsidy income	108	148
Other	121	168
Total non-operating income	697	2,759
Non-operating expenses		
Interest expenses	25	24
Other	23	94
Total non-operating expenses	49	119
Ordinary profit	8,785	12,665
Extraordinary income		
Gain on sale of non-current assets	35	4
Total extraordinary income	35	4
Extraordinary losses		
Loss on disposal of non-current assets	21	16
Other	0	–
Total extraordinary losses	21	16
Profit before income taxes	8,799	12,653
Income taxes	2,209	3,240
Profit	6,589	9,413
Profit attributable to non-controlling interests	26	53
Profit attributable to owners of parent	6,562	9,359

Quarterly Consolidated Statement of Income
 Nine months ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	6,589	9,413
Other comprehensive income		
Valuation difference on available-for-sale securities	(375)	302
Foreign currency translation adjustment	2,842	8,884
Remeasurements of defined benefit plans, net of tax	(9)	(13)
Total other comprehensive income	2,457	9,174
Comprehensive income	9,047	18,587
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,031	18,488
Comprehensive income attributable to non-controlling interests	15	99

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,799	12,653
Depreciation	3,526	3,884
Loss (gain) on disposal of non-current assets	(14)	12
Increase (decrease) in allowance for doubtful accounts	0	96
Increase (decrease) in provision for bonuses	(782)	(664)
Increase (decrease) in retirement benefit liability	54	123
Interest and dividend income	(332)	(374)
Interest expenses	25	24
Foreign exchange losses (gains)	(63)	(1,738)
Decrease (increase) in trade receivables	1,154	(5,560)
Decrease (increase) in inventories	(3,120)	(1,718)
Increase (decrease) in trade payables	(482)	2,401
Increase (decrease) in accrued consumption taxes	(19)	158
Other, net	49	894
Subtotal	8,795	10,193
Interest and dividends received	263	293
Interest paid	(25)	(26)
Income taxes refund (paid)	(2,141)	(3,277)
Net cash provided by (used in) operating activities	6,892	7,183
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,943)	(6,204)
Proceeds from sale of property, plant and equipment	42	13
Purchase of short-term and long-term investment securities	(336)	(859)
Proceeds from sale and redemption of short-term and long-term investment securities	518	150
Net decrease (increase) in time deposits	564	1,531
Other, net	(470)	(32)
Net cash provided by (used in) investing activities	(4,625)	(5,402)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6	–
Repayments of long-term borrowings	(1,022)	(3,393)
Purchase of treasury shares	–	(832)
Dividends paid	(1,931)	(2,306)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2)	–
Other, net	(82)	(61)
Net cash provided by (used in) financing activities	(3,032)	(6,594)
Effect of exchange rate change on cash and cash equivalents	944	3,496
Net increase (decrease) in cash and cash equivalents	178	(1,316)
Cash and cash equivalents at beginning of period	39,498	35,451
Cash and cash equivalents at end of period	39,676	34,134