

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

April 27, 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 Headquarters  
 Inquiries: Banjo Fujii TEL 06-6365-3204  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 6, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2023	65,897	(0.0)	9,007	(17.2)	9,501	(16.6)	6,653	(13.2)
Year ended March 31, 2022	65,903	1.8	10,883	2.0	11,397	1.2	7,662	1.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	163.75	–	6.1	6.9	13.7
Year ended March 31, 2022	184.23	–	7.2	8.3	16.5

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	139,366	111,589	78.9	2,735.54
As of March 31, 2022	135,606	108,387	78.8	2,604.27

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	4,946	(3,170)	(4,233)	44,905
Year ended March 31, 2022	8,792	(2,322)	(6,870)	47,031

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	28.00	–	34.00	62.00	2,548	33.7	2.4
Year ended March 31, 2023	–	31.00	–	32.00	63.00	2,544	38.5	2.4
Year ending March 31, 2024 (Forecast)	–	32.00	–	31.00	63.00		37.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	30,000	2.7	3,100	(14.3)	3,300	(15.2)	2,200	(11.7)	54.71
Full year	68,000	3.2	9,100	1.0	9,600	1.0	6,700	0.7	166.61

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

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

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	3,098,738 shares	As of March 31, 2022	2,296,842 shares
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Average number of shares during the period

Year ended March 31, 2023	40,632,307 shares	Year ended March 31, 2022	41,592,238 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	47,031	44,905
Notes receivable - trade	4,355	3,751
Accounts receivable - trade	12,645	13,150
Electronically recorded monetary claims - operating	7,012	8,220
Securities	–	699
Merchandise and finished goods	2,513	3,210
Work in process	1,096	1,382
Raw materials and supplies	3,657	4,313
Other	1,251	1,453
Allowance for doubtful accounts	(24)	(25)
Total current assets	79,540	81,062
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,802	3,737
Machinery, equipment and vehicles, net	2,654	2,920
Land	7,273	7,262
Other, net	364	351
Total property, plant and equipment	14,094	14,271
Intangible assets	249	254
Investments and other assets		
Investment securities	17,276	16,375
LongTermTimeDeposits	22,500	25,500
Deferred tax assets	480	407
Retirement benefit asset	824	902
Other	1,209	1,194
Allowance for doubtful accounts	(568)	(601)
Total investments and other assets	41,722	43,778
Total non-current assets	56,066	58,303
Total assets	135,606	139,366

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,234	8,592
Electronically recorded obligations - operating	5,532	6,532
Short-term borrowings	1,000	900
Accounts payable - other	1,602	1,347
Income taxes payable	1,582	1,334
Provision for bonuses	788	797
Provision for bonuses for directors (and other officers)	119	105
Other	4,280	4,428
Total current liabilities	23,139	24,038
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	86	88
Retirement benefit liability	2,024	2,013
Deferred tax liabilities	1,489	1,471
Other	477	165
Total non-current liabilities	4,079	3,738
Total liabilities	27,218	27,776
<b>Net assets</b>		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,154	13,152
Retained earnings	81,741	85,738
Treasury shares	(4,619)	(6,011)
Total shareholders' equity	102,610	105,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,014	4,135
Deferred gains or losses on hedges	13	0
Foreign currency translation adjustment	194	717
Remeasurements of defined benefit plans	(14)	(57)
Total accumulated other comprehensive income	4,207	4,795
Non-controlling interests	1,569	1,580
Total net assets	108,387	111,589
Total liabilities and net assets	135,606	139,366

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	65,903	65,897
Cost of sales	44,364	45,844
Gross profit	21,539	20,053
Selling, general and administrative expenses	10,656	11,045
Operating profit	10,883	9,007
Non-operating income		
Interest income	55	82
Dividend income	296	308
Share of profit of entities accounted for using equity method	140	128
Other	154	128
Total non-operating income	647	647
Non-operating expenses		
Provision of allowance for doubtful accounts	13	39
Office relocation expenses	–	36
Other	119	77
Total non-operating expenses	133	153
Ordinary profit	11,397	9,501
Extraordinary income		
Gain on sale of investment securities	303	824
Gain on sale of shares of subsidiaries and associates	–	74
Total extraordinary income	303	899
Extraordinary losses		
Loss on valuation of investment securities	–	390
Impairment losses	161	75
Loss on sales and retirement of noncurrent assets	26	72
Provision of allowance for doubtful accounts for subsidiaries and associates	164	–
Total extraordinary losses	353	538
Profit before income taxes	11,347	9,862
Income taxes - current	3,366	3,038
Income taxes - deferred	142	(1)
Total income taxes	3,509	3,037
Profit	7,838	6,825
Profit attributable to non-controlling interests	176	172
Profit attributable to owners of parent	7,662	6,653

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	7,838	6,825
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,444)	116
Deferred gains or losses on hedges	11	(13)
Foreign currency translation adjustment	186	531
Remeasurements of defined benefit plans, net of tax	(74)	(33)
Share of other comprehensive income of entities accounted for using equity method	(3)	(3)
Total other comprehensive income	(1,324)	596
Comprehensive income	6,514	7,422
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,338	7,241
Comprehensive income attributable to non-controlling interests	175	181

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,334	13,269	81,263	(5,152)	101,715
Changes during period					
Dividends of surplus			(2,485)		(2,485)
Profit attributable to owners of parent			7,662		7,662
Purchase of treasury shares				(4,309)	(4,309)
Disposal of treasury shares		1		26	28
Cancellation of treasury shares		(117)	(4,698)	4,816	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(115)	477	533	895
Balance at end of period	12,334	13,154	81,741	(4,619)	102,610

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,459	1	6	62	5,531	1,463	108,711
Changes during period							
Dividends of surplus							(2,485)
Profit attributable to owners of parent							7,662
Purchase of treasury shares							(4,309)
Disposal of treasury shares							28
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	(1,445)	11	187	(77)	(1,323)	105	(1,218)
Total changes during period	(1,445)	11	187	(77)	(1,323)	105	(323)
Balance at end of period	4,014	13	194	(14)	4,207	1,569	108,387

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,334	13,154	81,741	(4,619)	102,610
Changes during period					
Dividends of surplus			(2,652)		(2,652)
Profit attributable to owners of parent			6,653		6,653
Purchase of treasury shares				(1,412)	(1,412)
Disposal of treasury shares			(3)	20	16
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	–	(2)	3,997	(1,392)	2,602
Balance at end of period	12,334	13,152	85,738	(6,011)	105,213

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,014	13	194	(14)	4,207	1,569	108,387
Changes during period							
Dividends of surplus							(2,652)
Profit attributable to owners of parent							6,653
Purchase of treasury shares							(1,412)
Disposal of treasury shares							16
Change in ownership interest of parent due to transactions with non-controlling interests							(2)
Net changes in items other than shareholders' equity	121	(13)	523	(42)	588	10	598
Total changes during period	121	(13)	523	(42)	588	10	3,201
Balance at end of period	4,135	0	717	(57)	4,795	1,580	111,589



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	11,347	9,862
Depreciation	1,121	1,197
Impairment losses	161	75
Increase (decrease) in provision for bonuses	(61)	13
Increase (decrease) in provision for bonuses for directors (and other officers)	(10)	(13)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	26	1
Increase (decrease) in allowance for doubtful accounts	171	39
Increase (decrease) in retirement benefit liability	(575)	(18)
Decrease (increase) in retirement benefit asset	(223)	(126)
Interest and dividend income	(352)	(390)
Share of loss (profit) of entities accounted for using equity method	(140)	(128)
Foreign exchange losses (gains)	(29)	(39)
Loss (gain) on sale of investment securities	(303)	(824)
Loss (gain) on sale of shares of subsidiaries and associates	–	(74)
Loss (gain) on valuation of investment securities	–	390
Gain on sale of non-current assets	(4)	(1)
Loss on sales and retirement of non-current assets	26	72
Decrease (increase) in trade receivables	2,502	(1,192)
Decrease (increase) in inventories	(619)	(1,657)
Increase (decrease) in trade payables	(695)	1,213
Other, net	(219)	(787)
Subtotal	12,122	7,612
Interest and dividends received	374	408
Interest paid	(39)	(6)
Income taxes paid	(3,664)	(3,067)
Net cash provided by (used in) operating activities	8,792	4,946
Cash flows from investing activities		
Proceeds from redemption of securities	400	–
Purchase of property, plant and equipment	(1,008)	(1,140)
Proceeds from sale of property, plant and equipment	4	7
Purchase of intangible assets	(70)	(82)
Purchase of investment securities	(100)	(200)
Proceeds from sale of investment securities	432	1,102
Decrease (increase) in short-term loans receivable	0	1
Proceeds from collection of long-term loans receivable	32	12
Long-term loan advances	(12)	(10)
Payments into increase in long-term deposits	(7,000)	(3,000)
Proceeds for long-term deposits	5,000	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	134
Other, net	0	4
Net cash provided by (used in) investing activities	(2,322)	(3,170)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Purchase of treasury shares	(4,307)	(1,409)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(92)
Dividends paid	(2,481)	(2,646)
Other, net	(82)	(84)
Net cash provided by (used in) financing activities	(6,870)	(4,233)
Effect of exchange rate change on cash and cash equivalents	145	330
Net increase (decrease) in cash and cash equivalents	(254)	(2,126)
Cash and cash equivalents at beginning of period	47,286	47,031
Cash and cash equivalents at end of period	47,031	44,905