

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 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 Banjo Fujii TEL 06-6365-3204
 Inquiries: Administration Headquarters
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	13,716	(0.6)	1,214	(26.3)	1,413	(24.2)	843	(23.0)
Three months ended June 30, 2022	13,804	(1.5)	1,647	(22.7)	1,864	(21.5)	1,095	(24.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	20.98		–	
Three months ended June 30, 2022	26.71		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	135,522	111,636	81.2
As of March 31, 2023	139,366	111,589	78.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	31.00	–	32.00	63.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		33.00	–	32.00	65.00

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)	54.68
Full year	68,000	3.2	9,100	1.0	9,600	1.0	6,700	0.7	166.53

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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 June 30, 2023	41,313,598 shares	As of March 31, 2023	43,313,598 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,099,545 shares	As of March 31, 2023	3,098,738 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	40,214,328 shares	Three months ended June 30, 2022	41,016,291 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	44,905	44,596
Notes and accounts receivable - trade	16,901	12,277
Electronically recorded monetary claims - operating	8,220	8,092
Securities	699	699
Merchandise and finished goods	3,210	3,430
Work in process	1,382	1,466
Raw materials and supplies	4,313	4,340
Other	1,453	1,454
Allowance for doubtful accounts	(25)	(18)
Total current assets	81,062	76,340
Non-current assets		
Property, plant and equipment	14,271	14,383
Intangible assets	254	241
Investments and other assets		
Investment securities	16,375	17,226
Retirement benefit asset	902	929
LongTermTimeDeposits	25,500	25,500
Other	1,602	1,534
Allowance for doubtful accounts	(601)	(633)
Total investments and other assets	43,778	44,556
Total non-current assets	58,303	59,182
Total assets	139,366	135,522
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,592	7,235
Electronically recorded obligations - operating	6,532	5,599
Short-term borrowings	900	900
Provisions	903	422
Other	7,110	5,811
Total current liabilities	24,038	19,969
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	88	87
Retirement benefit liability	2,013	2,016
Deferred tax liabilities	1,471	1,625
Other	165	187
Total non-current liabilities	3,738	3,916
Total liabilities	27,776	23,886

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,152	13,152
Retained earnings	85,738	81,342
Treasury shares	(6,011)	(2,063)
Total shareholders' equity	105,213	104,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,135	4,509
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	717	865
Remeasurements of defined benefit plans	(57)	(55)
Total accumulated other comprehensive income	4,795	5,320
Non-controlling interests	1,580	1,549
Total net assets	111,589	111,636
Total liabilities and net assets	139,366	135,522

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	13,804	13,716
Cost of sales	9,632	9,586
Gross profit	4,172	4,130
Selling, general and administrative expenses	2,524	2,915
Operating profit	1,647	1,214
Non-operating income		
Dividend income	186	144
Other	103	102
Total non-operating income	290	246
Non-operating expenses		
Provision of allowance for doubtful accounts	36	31
Other	36	16
Total non-operating expenses	73	48
Ordinary profit	1,864	1,413
Extraordinary losses		
Loss on sale and retirement of non-current assets	6	20
Total extraordinary losses	6	20
Profit before income taxes	1,857	1,392
Income taxes	738	527
Profit	1,119	864
Profit attributable to non-controlling interests	23	21
Profit attributable to owners of parent	1,095	843

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,119	864
Other comprehensive income		
Valuation difference on available-for-sale securities	(175)	371
Deferred gains or losses on hedges	9	(0)
Foreign currency translation adjustment	320	159
Remeasurements of defined benefit plans, net of tax	1	2
Share of other comprehensive income of entities accounted for using equity method	1	2
Total other comprehensive income	157	536
Comprehensive income	1,277	1,401
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,241	1,368
Comprehensive income attributable to non-controlling interests	35	32

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,857	1,392
Depreciation	263	277
Increase (decrease) in provision for bonuses	(449)	(396)
Decrease (increase) in trade receivables	3,862	4,769
Decrease (increase) in inventories	(1,025)	(310)
Increase (decrease) in trade payables	(1,311)	(2,278)
Other, net	(644)	(828)
Subtotal	2,552	2,623
Interest and dividends received	210	174
Interest paid	(11)	(3)
Income taxes paid	(1,430)	(1,167)
Net cash provided by (used in) operating activities	1,320	1,627
Cash flows from investing activities		
Purchase of property, plant and equipment	(164)	(346)
Purchase of investment securities	–	(322)
Other, net	0	(12)
Net cash provided by (used in) investing activities	(164)	(681)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,397)	(1,291)
Other, net	(82)	(66)
Net cash provided by (used in) financing activities	(1,480)	(1,358)
Effect of exchange rate change on cash and cash equivalents	196	104
Net increase (decrease) in cash and cash equivalents	(127)	(308)
Cash and cash equivalents at beginning of period	47,031	44,905
Cash and cash equivalents at end of period	46,903	44,596