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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 3, 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: August 10, 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 Three Months Ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(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	%
Three months ended June 30, 2023	32,508	5.2	2,908	(0.5)	3,973	6.9	3,121	15.3
June 30, 2022	30,899	12.6	2,924	(10.4)	3,715	9.9	2,707	10.1

Note: Comprehensive income: Three months ended June 30, 2023: ¥ 5,069 million [(27.9)%]

Three months ended June 30, 2022: ¥ 7,034 million [40.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	58.27	50.07
June 30, 2022	50.41	43.21

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	170,940	109,617	63.4	2,021.49
As of March 31, 2023	167,795	105,785	62.3	1,951.14

Reference: Equity: As of June 30, 2023: ¥108,376 million

As of March 31, 2023: ¥104,508 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, 2023	—	23.00	—	23.00	46.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		23.00	—	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, 2024 (April 1, 2023 - March 31, 2024)

(% 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
First half	—	—	—	—	—	—	—	—	—
Full year	135,000	2.0	13,000	1.3	13,800	(10.1)	10,200	(7.5)	190.30

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
- (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):

June 30, 2023:	64,633,646 shares
March 31, 2023:	64,633,646 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2023:	11,021,427 shares
March 31, 2023:	11,070,927 shares
 - 3) Average number of shares during the period:

Three months ended June 30, 2023:	53,575,094 shares
Three months ended June 30, 2022:	53,720,737 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	38,782	40,344
Notes and accounts receivable - trade, and contract assets	33,075	32,716
Securities	1,091	1,410
Merchandise and finished goods	13,618	13,275
Work in process	4,313	3,896
Raw materials and supplies	7,291	7,613
Other	2,912	4,075
Allowance for doubtful accounts	(16)	(17)
Total current assets	101,068	103,314
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,780	22,272
Machinery, equipment and vehicles, net	11,718	11,703
Tools, furniture and fixtures, net	489	493
Land	12,778	12,864
Leased assets	36	25
Construction in progress	6,363	7,078
Total property, plant and equipment	54,167	54,436
Intangible assets		
Goodwill	638	597
Other	2,464	3,042
Total intangible assets	3,102	3,640
Investments and other assets		
Other	9,562	9,655
Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	9,456	9,548
Total non-current assets	66,726	67,625
Total assets	167,795	170,940

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,450	17,287
Short-term borrowings	2,061	3,041
Income taxes payable	1,702	1,084
Provision for bonuses	1,375	569
Other	7,717	8,835
Total current liabilities	30,307	30,820
Non-current liabilities		
Bonds with share acquisition rights	15,240	15,217
Long-term borrowings	8,563	7,306
Provision for retirement benefits for directors (and other officers)	119	119
Retirement benefit liability	6,632	6,681
Other	1,146	1,177
Total non-current liabilities	31,701	30,502
Total liabilities	62,009	61,322
Net assets		
Shareholders' equity		
Share capital	17,520	17,520
Capital surplus	16,807	16,801
Retained earnings	75,669	77,559
Treasury shares	(14,830)	(14,762)
Total shareholders' equity	95,167	97,117
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,953	3,363
Foreign currency translation adjustment	6,303	7,816
Remeasurements of defined benefit plans	84	78
Total accumulated other comprehensive income	9,341	11,258
Share acquisition rights	567	506
Non-controlling interests	709	734
Total net assets	105,785	109,617
Total liabilities and net assets	167,795	170,940

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
Three months ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	30,899	32,508
Cost of sales	22,322	23,817
Gross profit	8,576	8,691
Selling, general and administrative expenses	5,652	5,782
Operating profit	2,924	2,908
Non-operating income		
Interest income	70	165
Dividend income	75	86
Foreign exchange gains	504	381
Subsidies for employment adjustment	8	–
Subsidy income	109	369
Other	52	73
Total non-operating income	820	1,076
Non-operating expenses		
Interest expenses	8	4
Other	20	7
Total non-operating expenses	28	12
Ordinary profit	3,715	3,973
Extraordinary income		
Gain on sale of non-current assets	0	15
Total extraordinary income	0	15
Extraordinary losses		
Loss on disposal of non-current assets	0	1
Total extraordinary losses	0	1
Profit before income taxes	3,715	3,987
Income taxes	992	847
Profit	2,722	3,139
Profit attributable to non-controlling interests	14	17
Profit attributable to owners of parent	2,707	3,121

Quarterly Consolidated Statement of Income
 Three months ended June 30

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	2,722	3,139
Other comprehensive income		
Valuation difference on available-for-sale securities	50	409
Foreign currency translation adjustment	4,265	1,525
Remeasurements of defined benefit plans, net of tax	(4)	(5)
Total other comprehensive income	4,311	1,929
Comprehensive income	7,034	5,069
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,987	5,039
Comprehensive income attributable to non-controlling interests	46	29

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,715	3,987
Depreciation	1,225	1,243
Loss (gain) on disposal of non-current assets	0	(13)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(740)	(805)
Increase (decrease) in retirement benefit liability	18	41
Interest and dividend income	(146)	(251)
Interest expenses	8	4
Foreign exchange losses (gains)	(474)	(586)
Decrease (increase) in trade receivables	(1,802)	990
Decrease (increase) in inventories	47	978
Increase (decrease) in trade payables	487	(554)
Increase (decrease) in accrued consumption taxes	87	(103)
Other, net	390	(238)
Subtotal	2,816	4,691
Interest and dividends received	117	229
Interest paid	(10)	(5)
Income taxes refund (paid)	(1,212)	(1,338)
Net cash provided by (used in) operating activities	1,710	3,577
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,994)	(1,105)
Proceeds from sale of property, plant and equipment	0	15
Purchase of short-term and long-term investment securities	(14)	(14)
Net decrease (increase) in time deposits	443	(898)
Other, net	(10)	(8)
Net cash provided by (used in) investing activities	(2,575)	(2,011)
Cash flows from financing activities		
Repayments of long-term borrowings	(463)	(276)
Dividends paid	(1,073)	(1,231)
Dividends paid to non-controlling interests	(2)	(5)
Other, net	(22)	(12)
Net cash provided by (used in) financing activities	(1,562)	(1,526)
Effect of exchange rate change on cash and cash equivalents	1,290	624
Net increase (decrease) in cash and cash equivalents	(1,137)	663
Cash and cash equivalents at beginning of period	35,451	34,141
Cash and cash equivalents at end of period	34,314	34,805