

Translation

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

October 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
 Director and Executive Officer, in charge of Finance and Investor Relations Tomoyuki Kikuchi TEL 06-6365-3204
 Inquiries: TEL 06-6365-3204
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	27,886	(4.6)	2,529	(30.1)	2,837	(27.1)	1,944	(21.9)
Six months ended September 30, 2022	29,219	(0.6)	3,617	(15.7)	3,892	(15.0)	2,490	(17.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	51.08		-	
Six months ended September 30, 2022	60.84		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	120,804	96,325	78.4
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	-	33.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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
Full year	68,000	3.2	9,100	1.0	9,600	1.0	6,700	0.7	204.69

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2023	33,313,598 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 September 30, 2023	581,847 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)

Six months ended September 30, 2023	38,078,952 shares	Six months ended September 30, 2022	40,933,083 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	44,905	31,114
Notes and accounts receivable - trade	16,901	12,206
Electronically recorded monetary claims - operating	8,220	7,725
Securities	699	–
Merchandise and finished goods	3,210	3,449
Work in process	1,382	1,599
Raw materials and supplies	4,313	4,391
Other	1,453	1,216
Allowance for doubtful accounts	(25)	(19)
Total current assets	81,062	61,684
Non-current assets		
Property, plant and equipment	14,271	14,643
Intangible assets	254	242
Investments and other assets		
Investment securities	16,375	16,890
Retirement benefit asset	902	957
Long-term time deposits	25,500	25,500
Other	1,602	1,527
Allowance for doubtful accounts	(601)	(641)
Total investments and other assets	43,778	44,234
Total non-current assets	58,303	59,120
Total assets	139,366	120,804
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,592	6,772
Electronically recorded obligations - operating	6,532	5,901
Short-term borrowings	900	900
Provisions	903	832
Other	7,110	6,208
Total current liabilities	24,038	20,615
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	88	90
Retirement benefit liability	2,013	2,035
Deferred tax liabilities	1,471	1,555
Other	165	181
Total non-current liabilities	3,738	3,863
Total liabilities	27,776	24,478

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,152	13,152
Retained earnings	85,738	64,835
Treasury shares	(6,011)	(1,154)
Total shareholders' equity	105,213	89,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,135	4,354
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	717	1,287
Remeasurements of defined benefit plans	(57)	(53)
Total accumulated other comprehensive income	4,795	5,586
Non-controlling interests	1,580	1,571
Total net assets	111,589	96,325
Total liabilities and net assets	139,366	120,804

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	29,219	27,886
Cost of sales	20,356	19,456
Gross profit	8,862	8,430
Selling, general and administrative expenses	5,245	5,901
Operating profit	3,617	2,529
Non-operating income		
Dividend income	217	186
Other	154	206
Total non-operating income	371	392
Non-operating expenses		
Provision of allowance for doubtful accounts	41	39
Other	55	44
Total non-operating expenses	97	83
Ordinary profit	3,892	2,837
Extraordinary income		
Gain on sale of investment securities	–	216
Total extraordinary income	–	216
Extraordinary losses		
Loss on sale and retirement of non-current assets	46	34
Total extraordinary losses	46	34
Profit before income taxes	3,845	3,019
Income taxes	1,301	1,035
Profit	2,543	1,984
Profit attributable to non-controlling interests	53	39
Profit attributable to owners of parent	2,490	1,944

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,543	1,984
Other comprehensive income		
Valuation difference on available-for-sale securities	(316)	207
Deferred gains or losses on hedges	(12)	(0)
Foreign currency translation adjustment	644	584
Remeasurements of defined benefit plans, net of tax	2	4
Share of other comprehensive income of entities accounted for using equity method	1	10
Total other comprehensive income	319	806
Comprehensive income	2,863	2,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,790	2,736
Comprehensive income attributable to non-controlling interests	73	55

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,845	3,019
Depreciation	547	584
Increase (decrease) in provision for bonuses	(114)	(13)
Decrease (increase) in trade receivables	4,505	5,248
Decrease (increase) in inventories	(1,623)	(461)
Increase (decrease) in trade payables	(1,508)	(2,442)
Other, net	(1,380)	(1,011)
Subtotal	4,270	4,924
Interest and dividends received	265	260
Interest paid	(21)	(4)
Income taxes paid	(1,435)	(1,177)
Net cash provided by (used in) operating activities	3,079	4,002
Cash flows from investing activities		
Proceeds from redemption of securities	–	700
Purchase of property, plant and equipment	(310)	(800)
Purchase of investment securities	–	(341)
Proceeds from sale of investment securities	–	359
Payments into increase in long-term deposits	(3,000)	–
Other, net	(12)	1
Net cash provided by (used in) investing activities	(3,323)	(81)
Cash flows from financing activities		
Purchase of treasury shares	(1,057)	(16,740)
Dividends paid	(1,393)	(1,287)
Other, net	(87)	(71)
Net cash provided by (used in) financing activities	(2,538)	(18,098)
Effect of exchange rate change on cash and cash equivalents	399	386
Net increase (decrease) in cash and cash equivalents	(2,382)	(13,791)
Cash and cash equivalents at beginning of period	47,031	44,905
Cash and cash equivalents at end of period	44,648	31,114