

# Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 6, 2023

Company name: SEIKITOKYU KOGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1898

URL: <https://www.seikitokyu.co.jp>

Representative: Yoshikazu Taira, Representative Director, President

Contact: Takanori Kawano, General Manager, Finance Department

Phone: +81-3-6770-4020

Scheduled date of filing quarterly securities report: November 7, 2023

Scheduled date of commencing dividend payments: December 4, 2023

Availability of supplementary briefing materials on quarterly financial results: Unavailable

Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (Cumulative) (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	39,634	(5.4)	993	303.4	1,007	308.9	861	847.1
Six months ended September 30, 2022	41,892	8.4	246	(86.0)	246	(85.8)	90	(92.4)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 916 million [482.3%]

Six months ended September 30, 2022: ¥157 million [(87.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	23.62	—
Six months ended September 30, 2022	2.47	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	74,085	39,512	53.3	1,083.46
As of March 31, 2023	78,762	39,660	50.4	1,088.13

(Reference) Equity: As of September 30, 2023: ¥39,512 million

As of March 31, 2023: ¥39,660 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	—	0.00	—	30.00	30.00
Fiscal year ending March 31, 2024	—	45.00			
Fiscal year ending March 31, 2024 (Forecast)			—	45.00	90.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates year-on-year changes)

	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	93,300	1.0	4,920	84.3	4,820	82.1	3,250	188.4	89.12

(Note) Revision to the financial results forecast announced most recently: No

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Number of shares issued (common shares)
  - 1) Total number of shares issued at the end of the period (including treasury shares):
 

September 30, 2023:	37,424,507 shares
March 31, 2023:	37,424,507 shares
  - 2) Total number of treasury shares at the end of the period:
 

September 30, 2023:	955,571 shares
March 31, 2023:	976,478 shares
  - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):
 

Six months ended September 30, 2023:	36,456,984 shares
Six months ended September 30, 2022:	36,885,280 shares

\* These consolidated financial results are outside the scope of quarterly review by certified public accountants or audit corporations.

#### \* Explanation of the proper use of financial results forecasts and other notes

1. Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.
2. The Company is planning to hold a briefing session for institutional investors and analysts on Thursday, November 30, 2023. The briefing materials to be distributed at the session are scheduled to be promptly posted on the Company's website after the session is held.

**(Reference) Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)**

(% indicates year-on-year changes)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	88,000	0.4	4,400	83.3	3,030	194.8	83.08

(Note) Revision to the financial results forecast announced most recently: No

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

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

Quarterly Consolidated Financial Statements and Primary Notes  
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,173	15,929
Notes receivable, accounts receivable from completed construction contracts and other	38,829	26,010
Costs on construction contracts in progress	228	211
Raw materials and supplies	331	345
Other	2,430	2,249
Allowance for doubtful accounts	–	(4)
Total current assets	49,992	44,741
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,857	11,761
Machinery, vehicles, tools, furniture and fixtures	22,117	22,568
Land	14,897	14,897
Construction in progress	878	1,875
Accumulated depreciation	(23,000)	(23,620)
Total property, plant and equipment	26,750	27,482
Intangible assets	239	270
Investments and other assets		
Other	1,779	1,591
Total investments and other assets	1,779	1,591
Total non-current assets	28,769	29,343
Total assets	78,762	74,085

(Million yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	23,262	20,203
Short-term borrowings	106	203
Income taxes payable	214	312
Advances received on construction contracts in progress	1,570	1,108
Provision for warranties for completed construction	40	44
Provision for loss on construction contracts	4	26
Provision for bonuses	1,655	1,672
Other	4,311	3,342
Total current liabilities	31,164	26,912
Non-current liabilities		
Long-term borrowings	6,800	6,750
Retirement benefit liability	1,049	822
Other	87	87
Total non-current liabilities	7,936	7,660
Total liabilities	39,101	34,572
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,000	2,000
Capital surplus	500	512
Retained earnings	37,810	37,577
Treasury shares	(803)	(786)
Total shareholders' equity	39,506	39,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34	71
Foreign currency translation adjustment	(20)	(36)
Remeasurements of defined benefit plans	139	173
Total accumulated other comprehensive income	153	208
Total net assets	39,660	39,512
<b>Total liabilities and net assets</b>	<b>78,762</b>	<b>74,085</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	41,892	39,634
Cost of sales	38,559	35,650
Gross profit	3,332	3,984
Selling, general and administrative expenses	3,086	2,991
Operating profit	246	993
Non-operating income		
Dividend income	2	2
Rental income	10	10
Foreign exchange gains	46	34
Miscellaneous income	12	18
Total non-operating income	71	65
Non-operating expenses		
Interest expenses	27	27
Guarantee commission	13	13
Commission for purchase of treasury shares	22	–
Miscellaneous expenses	6	10
Total non-operating expenses	71	51
Ordinary profit	246	1,007
Extraordinary income		
Gain on sale of non-current assets	2	11
Gain on reversal of liabilities	–	155
Settlement income	–	120
Total extraordinary income	2	286
Extraordinary losses		
Loss on sale of non-current assets	11	–
Loss on retirement of non-current assets	9	25
Legal reward	–	29
Total extraordinary losses	20	55
Profit before income taxes	228	1,238
Income taxes	137	377
Profit	90	861
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	90	861

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	90	861
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	37
Foreign currency translation adjustment	25	(15)
Remeasurements of defined benefit plans, net of tax	47	33
Total other comprehensive income	66	55
Comprehensive income	157	916
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	157	916
Comprehensive income attributable to non-controlling interests	—	—

## (3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	228	1,238
Depreciation	999	996
Increase (decrease) in allowance for doubtful accounts	5	4
Increase (decrease) in provision for bonuses	(184)	17
Increase (decrease) in retirement benefit liability	(221)	(226)
Interest and dividend income	(2)	(2)
Interest expenses	27	27
Loss (gain) on sale of property, plant and equipment	8	(11)
Loss on retirement of property, plant and equipment	9	25
Settlement income	–	(120)
Gain on reversal of liabilities	–	(155)
Legal fee	–	29
Decrease (increase) in trade receivables	3,824	12,819
Decrease (increase) in costs on construction contracts in progress	286	16
Increase (decrease) in trade payables	8	(3,059)
Increase (decrease) in advances received on construction contracts in progress	42	(462)
Decrease (increase) in deposits paid	(10)	–
Other, net	937	(100)
Subtotal	5,959	11,038
Interest and dividends received	2	2
Interest paid	(27)	(26)
Income taxes paid	(459)	(146)
Net cash provided by (used in) operating activities	5,475	10,868
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,902)	(2,137)
Proceeds from sale of property, plant and equipment	63	12
Other, net	(71)	43
Net cash provided by (used in) investing activities	(2,909)	(2,082)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	95	97
Repayments of long-term borrowings	(50)	(50)
Purchase of treasury shares	(799)	(0)
Dividends paid	(1,120)	(1,090)
Net cash provided by (used in) financing activities	(1,874)	(1,043)
Effect of exchange rate change on cash and cash equivalents	57	13
Net increase (decrease) in cash and cash equivalents	748	7,756
Cash and cash equivalents at beginning of period	12,814	8,173
Cash and cash equivalents at end of period	13,562	15,929



(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.