

Disclaimer: This document is an English translation of the original in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 8, 2024

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)

Phone: +81-776-35-2111

Scheduled date of filing quarterly securities report: February 13, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 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	%
Nine months ended December 31, 2023	103,864	6.7	9,971	(0.5)	11,965	(5.5)	8,719	(6.8)
December 31, 2022	97,340	21.5	10,025	23.2	12,665	44.2	9,359	42.6

Note: Comprehensive income: Nine months ended December 31, 2023: ¥ 16,290 million [(12.4)%]

Nine months ended December 31, 2022: ¥ 18,587 million [105.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	162.66	139.79
December 31, 2022	174.32	149.76

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	183,488	119,128	64.2	2,206.26
As of March 31, 2023	167,795	105,785	62.3	1,951.14

Reference: Equity: As of December 31, 2023: ¥117,842 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	—	23.00	—		
Fiscal year ending March 31, 2024 (Forecast)				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
Full year	142,000	7.3	13,600	6.0	16,100	4.9	11,400	3.4	212.84

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
 Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes, (4) Notes to Quarterly Consolidated Financial Statements (Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 10 of the attachments to the Japanese version of this document.

(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):

December 31, 2023: 64,633,646 shares

March 31, 2023: 64,633,646 shares

2) Total number of treasury shares at the end of the period:

December 31, 2023: 11,220,902 shares

March 31, 2023: 11,070,927 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023: 53,607,199 shares

Nine months ended December 31, 2022: 53,694,224 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	38,782	43,109
Notes and accounts receivable - trade, and contract assets	33,075	37,481
Securities	1,091	2,256
Merchandise and finished goods	13,618	13,481
Work in process	4,313	4,251
Raw materials and supplies	7,291	7,772
Other	2,912	5,033
Allowance for doubtful accounts	(16)	(18)
Total current assets	101,068	113,368
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,780	26,435
Machinery, equipment and vehicles, net	11,718	13,334
Tools, furniture and fixtures, net	489	492
Land	12,778	13,062
Leased assets	36	–
Construction in progress	6,363	2,563
Total property, plant and equipment	54,167	55,888
Intangible assets		
Goodwill	638	517
Other	2,464	3,111
Total intangible assets	3,102	3,629
Investments and other assets		
Other	9,562	10,708
Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	9,456	10,602
Total non-current assets	66,726	70,120
Total assets	167,795	183,488

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,450	21,468
Short-term borrowings	2,061	2,541
Income taxes payable	1,702	1,137
Provision for bonuses	1,375	700
Other	7,717	8,484
Total current liabilities	30,307	34,333
Non-current liabilities		
Bonds with share acquisition rights	15,240	15,172
Long-term borrowings	8,563	6,794
Provision for retirement benefits for directors (and other officers)	119	119
Retirement benefit liability	6,632	6,725
Other	1,146	1,216
Total non-current liabilities	31,701	30,027
Total liabilities	62,009	64,360
Net assets		
Shareholders' equity		
Share capital	17,520	17,520
Capital surplus	16,807	16,876
Retained earnings	75,669	81,922
Treasury shares	(14,830)	(15,311)
Total shareholders' equity	95,167	101,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,953	3,526
Foreign currency translation adjustment	6,303	13,239
Remeasurements of defined benefit plans	84	68
Total accumulated other comprehensive income	9,341	16,834
Share acquisition rights	567	506
Non-controlling interests	709	779
Total net assets	105,785	119,128
Total liabilities and net assets	167,795	183,488

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
Nine months ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	97,340	103,864
Cost of sales	69,953	75,002
Gross profit	27,387	28,862
Selling, general and administrative expenses	17,361	18,890
Operating profit	10,025	9,971
Non-operating income		
Interest income	231	537
Dividend income	142	164
Subsidies for employment adjustment	17	—
Foreign exchange gains	2,050	872
Subsidy income	148	419
Other	168	102
Total non-operating income	2,759	2,095
Non-operating expenses		
Interest expenses	24	19
Other	94	82
Total non-operating expenses	119	101
Ordinary profit	12,665	11,965
Extraordinary income		
Gain on sale of non-current assets	4	26
Total extraordinary income	4	26
Extraordinary losses		
Loss on disposal of non-current assets	16	22
Total extraordinary losses	16	22
Profit before income taxes	12,653	11,969
Income taxes	3,240	3,209
Profit	9,413	8,759
Profit attributable to non-controlling interests	53	39
Profit attributable to owners of parent	9,359	8,719

Quarterly Consolidated Statement of Income
 Nine months ended December 31

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	9,413	8,759
Other comprehensive income		
Valuation difference on available-for-sale securities	302	573
Foreign currency translation adjustment	8,884	6,972
Remeasurements of defined benefit plans, net of tax	(13)	(15)
Total other comprehensive income	9,174	7,530
Comprehensive income	18,587	16,290
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,488	16,213
Comprehensive income attributable to non-controlling interests	99	77

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	12,653	11,969
Depreciation	3,884	3,851
Loss (gain) on disposal of non-current assets	12	(3)
Increase (decrease) in allowance for doubtful accounts	96	0
Increase (decrease) in provision for bonuses	(664)	(675)
Increase (decrease) in retirement benefit liability	123	70
Interest and dividend income	(374)	(701)
Interest expenses	24	19
Foreign exchange losses (gains)	(1,738)	(1,985)
Decrease (increase) in trade receivables	(5,560)	(2,122)
Decrease (increase) in inventories	(1,718)	1,417
Increase (decrease) in trade payables	2,401	2,599
Increase (decrease) in accrued consumption taxes	158	(69)
Other, net	894	(560)
Subtotal	10,193	13,808
Interest and dividends received	293	629
Interest paid	(26)	9
Income taxes refund (paid)	(3,277)	(3,726)
Net cash provided by (used in) operating activities	7,183	10,721
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,204)	(2,948)
Proceeds from sale of property, plant and equipment	13	31
Purchase of short-term and long-term investment securities	(859)	(2,681)
Proceeds from sale and redemption of short-term and long-term investment securities	150	800
Net decrease (increase) in time deposits	1,531	193
Other, net	(32)	(40)
Net cash provided by (used in) investing activities	(5,402)	(4,644)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,393)	(1,289)
Purchase of treasury shares	(832)	(648)
Dividends paid	(2,306)	(2,466)
Other, net	(61)	(44)
Net cash provided by (used in) financing activities	(6,594)	(4,449)
Effect of exchange rate change on cash and cash equivalents	3,496	2,892
Net increase (decrease) in cash and cash equivalents	(1,316)	4,520
Cash and cash equivalents at beginning of period	35,451	34,141
Cash and cash equivalents at end of period	34,134	38,662