

Translation

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



February 8, 2024

Company name: Seika Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 8061
URL: <https://seika.com/ir/en/>
Representative: Akihiko Sakurai, President and Chief Executive Officer
Contact: Tomoaki Hasegawa, Director, Senior Executive Officer, General Administration
Phone: +81-3-5221-7101
Scheduled date of filing quarterly securities report: February 8, 2024
Scheduled date of commencing dividend payments: –
Availability of supplementary briefing materials on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

(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 year-on-year change.)

	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	60,630	(4.6)	3,451	32.0	3,765	56.2	2,501	39.3
December 31, 2022	63,521	3.7	2,614	10.9	2,410	0.6	1,795	51.5

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥5,343million [113.2%]

Nine months ended December 31, 2022: ¥2,506 million [123.6%]

Sales from agent transactions are shown net of the corresponding purchases. Sales under the old accounting standards are shown below as “Gross sales”:

Nine months ended	Gross sales	Year-on-year change
December 31, 2023	¥143,265 million	15.6%
December 31, 2022	¥123,949 million	26.7%

	Profit per share	Diluted profit per share
Nine months ended	Yen	Yen
December 31, 2023	207.54	206.54
December 31, 2022	149.35	149.03

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	101,189	39,820	38.5
As of March 31, 2023	79,990	35,736	43.7

(Reference) Equity: As of December 31, 2023: ¥38,944 million

As of March 31, 2023: ¥34,994 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	–	35.00	–	55.00	90.00
Fiscal year ending March 31, 2024	–	60.00	–		
Fiscal year ending March 31, 2024 (Forecast)				60.00	120.00

(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 year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	85,000	(8.9)	4,500	(3.0)	5,000	(20.5)	3,400	(32.0)	282.09

(Note) Revision to the financial results forecast announced most recently: None

Sales from agent transactions are shown net of the corresponding purchases. Sales under the old accounting standards are shown below as “Gross sales”:

	Gross sales	Year-on-year change
Full year	¥200,000 million	13.8%

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries resulting in changes in the scope of consolidation):
Newly added: — (Name of subsidiary)
Excluded: — (Name of subsidiary)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and 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) Restatement: No
- (4) Number of outstanding shares (common shares)
- 1) Number of outstanding shares at the end of the period (including treasury shares):
- | | |
|--------------------------|-------------------|
| As of December 31, 2023: | 12,320,650 shares |
| As of March 31, 2023: | 12,320,650 shares |
- 2) Number of treasury shares at the end of the period:
- | | |
|--------------------------|----------------|
| As of December 31, 2023: | 270,513 shares |
| As of March 31, 2023: | 283,532 shares |
- 3) Average number of shares during the period:
- | | |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2023: | 12,054,059 shares |
| Nine months ended December 31, 2022: | 12,022,454 shares |

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

* Explanation of the proper use of financial results forecast and other notes
The financial results forecasts in this document are based on information available to the Company as of the date of disclosure of this document. Actual results may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,653	9,343
Notes and accounts receivable – trade, and contract assets	35,809	44,324
Investments in leases	64	40
Securities	100	100
Merchandise and finished goods	8,216	9,426
Work in process	406	551
Raw materials and supplies	1,620	1,782
Advance payments to suppliers	3,718	14,074
Other	972	704
Allowance for doubtful accounts	(133)	(150)
Total current assets	61,429	80,196
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,073	1,073
Machinery, equipment and vehicles	232	267
Tools, furniture and fixtures	383	402
Fixed assets for rent	683	681
Leased assets	103	173
Land	2,101	2,038
Construction in progress	15	4
Total property, plant and equipment	4,591	4,640
Intangible assets		
Goodwill	253	182
Right to use facilities	118	118
Software	314	341
Other	12	12
Total intangible assets	698	655
Investments and other assets		
Investment securities	12,052	14,500
Long-term loans receivable	29	34
Deferred tax assets	602	537
Other	604	642
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	13,271	15,697
Total non-current assets	18,561	20,993
Total assets	79,990	101,189

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	31,417	36,013
Short-term borrowings	2,006	3,007
Lease liabilities	35	42
Accounts payable – other	1,219	1,455
Income taxes payable	1,160	219
Advances received from customers	3,150	14,204
Provision for bonuses	714	490
Provision for bonuses for directors	119	75
Other	648	1,056
Total current liabilities	40,473	56,566
Non-current liabilities		
Long-term borrowings	23	20
Lease liabilities	76	143
Retirement benefit liability	2,617	2,617
Provision for retirement benefits for directors	22	20
Deferred tax liabilities	619	1,516
Other	421	482
Total non-current liabilities	3,781	4,802
Total liabilities	44,254	61,368
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,040	2,040
Retained earnings	22,813	24,004
Treasury shares	(435)	(414)
Total shareholders' equity	31,146	32,358
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,140	5,116
Foreign currency translation adjustment	692	1,482
Remeasurements of defined benefit plans	15	(12)
Total accumulated other comprehensive income	3,847	6,586
Share acquisition rights	218	250
Non-controlling interests	524	626
Total net assets	35,736	39,820
Total liabilities and net assets	79,990	101,189

(2) Quarterly Consolidated Statements of Income and Comprehensive 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	63,521	60,630
Cost of sales	49,952	44,707
Gross profit	13,569	15,923
Selling, general and administrative expenses	10,954	12,471
Operating profit	2,614	3,451
Non-operating income		
Interest income	11	12
Dividend income	105	119
Gain on sale of securities	15	3
Share of profit of entities accounted for using equity method	-	157
Foreign exchange gains	90	22
Other	108	69
Total non-operating income	331	385
Non-operating expenses		
Interest expenses	24	10
Share of loss of entities accounted for using equity method	487	-
Other	23	61
Total non-operating expenses	534	71
Ordinary profit	2,410	3,765
Extraordinary income		
Gain on sale of investment securities	655	77
Gain on sale of shares of subsidiaries and associates	-	16
Compensation income	-	56
Total extraordinary income	655	150
Extraordinary losses		
Loss on valuation of investment securities	-	85
Total extraordinary losses	-	85
Profit before income taxes	3,065	3,830
Income taxes - current	904	1,127
Income taxes - deferred	321	141
Total income taxes	1,225	1,269
Net profit	1,839	2,560
Profit attributable to owners of parent	1,795	2,501
Profit attributable to non-controlling interests	44	58
Other comprehensive income		
Valuation difference on available-for-sale securities	61	1,894
Foreign currency translation adjustment	607	829
Remeasurements of defined benefit plans, net of tax	(0)	(11)
Share of other comprehensive income of entities accounted for using equity method	(1)	71
Total other comprehensive income	667	2,782
Comprehensive income	2,506	5,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,426	5,240
Comprehensive income attributable to non-controlling interests	80	103