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February 9, 2024

Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (Under Japanese GAAP)

Company name: SEINO HOLDINGS CO., LTD.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 9076
 URL: <https://www.seino.co.jp/seino/shd/>
 Representative: Yoshitaka Taguchi, President and Chief Executive Officer
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 Scheduled date to file quarterly securities report: February 9, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the third quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	486,767	3.0	20,559	-16.1	21,916	-22.6	13,161	-23.0
December 31, 2022	472,814	4.2	24,508	9.3	28,325	14.2	17,083	11.6

Note: Comprehensive income For the nine months ended December 31, 2023: ¥22,173 million (23.1%)
 For the nine months ended December 31, 2022: ¥18,010 million (5.0%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	74.91	70.01
December 31, 2022	94.27	88.47

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets Per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	674,046	427,702	62.7	2,513.10
March 31, 2023	703,893	449,727	63.2	2,449.98

Reference: Equity
 As of December 31, 2023: ¥422,527 million
 As of March 31, 2023: ¥444,844 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	11.00	-	45.00	56.00
Fiscal year ending March 31, 2024	-	43.00	-		
Fiscal year ending March 31, 2024 (Forecast)				57.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	638,110	1.0	24,918	-12.6	26,845	-17.9	16,100	-15.3	92.55

Note: Revisions to the forecast most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	187,679,783 shares
As of March 31, 2023	207,679,783 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2023	19,550,251 shares
As of March 31, 2023	26,109,781 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

For the nine months ended December 31, 2023	175,679,557 shares
For the nine months ended December 31, 2022	181,217,174 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

4. Quarterly Consolidated Financial Statement

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	106,752	64,163
Notes receivable - trade	5,821	6,170
Accounts receivable-trade and contract assets	114,709	115,942
Securities	3,000	3,138
Inventories	16,388	17,946
Other	9,205	12,774
Allowance for doubtful accounts	(445)	(463)
Total current assets	255,432	219,673
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,269	117,184
Machinery, equipment and vehicles, net	19,119	20,835
Tools, furniture and fixtures, net	3,369	4,185
Land	187,959	189,500
Construction in progress	2,672	2,660
Other, net	9,836	9,671
Total property, plant and equipment	343,226	344,036
Intangible assets		
Goodwill	11,602	9,956
Other	5,904	5,758
Total intangible assets	17,507	15,715
Investments and other assets		
Investment securities	65,291	76,860
Long-term loans receivable	243	258
Deferred tax assets	15,649	10,375
Other	7,016	7,591
Allowance for doubtful accounts	(474)	(465)
Total investments and other assets	87,727	94,620
Total non-current assets	448,461	454,372
Total assets	703,893	674,046

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable - trade	1,922	2,498
Accounts payable-trade	47,952	51,480
Short-term borrowings	4,760	3,789
Current portion of long-term borrowings	1,174	1,588
Accounts payable - other	15,970	15,082
Accrued expenses	16,108	10,934
Income taxes payable	6,691	1,370
Accrued consumption taxes	6,508	6,263
Other	11,878	14,064
Total current liabilities	112,966	107,073
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,150	25,112
Long-term borrowings	9,388	7,539
Deferred tax liabilities	2,960	3,361
Provision for retirement benefits for directors	1,832	1,511
Provision for share awards	5,054	4,877
Provision for share awards for directors	179	209
Retirement benefit liability	83,138	81,316
Asset retirement obligations	3,838	3,973
Other	9,657	11,367
Total non-current liabilities	141,199	139,270
Total liabilities	254,166	246,343
Net assets		
Shareholders' equity		
Share capital	42,481	42,481
Capital surplus	80,874	77,045
Retained earnings	346,416	319,918
Treasury shares	(36,422)	(37,456)
Total shareholders' equity	433,350	401,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,763	19,693
Revaluation reserve for land	(96)	(96)
Foreign currency translation adjustment	676	2,005
Remeasurements of defined benefit plans	(2,849)	(1,065)
Total accumulated other comprehensive income	11,494	20,537
Share acquisition rights	2	2
Non-controlling interests	4,880	5,173
Total net assets	449,727	427,702
Total liabilities and net assets	703,893	674,046

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Operating revenue	472,814	486,767
Operating costs and expenses	413,839	429,440
Gross profit	58,974	57,326
Selling, general and administrative expenses	34,466	36,767
Operating profit	24,508	20,559
Non-operating income		
Interest income	12	10
Dividend income	905	898
Share of profit of entities accounted for using equity method	2,240	251
Other	1,065	838
Total non-operating income	4,224	1,999
Non-operating expenses		
Interest expenses	318	313
Loss on investments in investment partnerships	59	157
Commission for purchase of treasury shares	—	124
Other	28	45
Total non-operating expenses	407	642
Ordinary profit	28,325	21,916
Extraordinary income		
Gain on sale of non-current assets	157	197
Gain on sale of investment securities	54	172
Other	0	28
Total extraordinary income	213	398
Extraordinary losses		
Loss on disposal of non-current assets	587	657
Impairment losses	589	401
Other	141	194
Total extraordinary losses	1,318	1,253
Profit before income taxes	27,220	21,062
Income taxes - current	7,296	5,740
Income taxes - deferred	2,429	2,241
Total income taxes	9,725	7,981
Profit	17,494	13,080
Profit (loss) attributable to non-controlling interests	411	(80)
Profit attributable to owners of parent	17,083	13,161

(3) Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	17,494	13,080
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,639)	5,935
Foreign currency translation adjustment	182	156
Remeasurements of defined benefit plans, net of tax	530	1,789
Share of other comprehensive income of entities accounted for using equity method	1,441	1,211
Total other comprehensive income	515	9,092
Comprehensive income	18,010	22,173
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,554	22,204
Comprehensive income attributable to non-controlling interests	455	(30)

(4) Quarterly Consolidated Statements of Cash Flows

(Millions of 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	27,220	21,062
Depreciation	16,036	15,949
Impairment losses	589	401
Amortization of goodwill	1,604	1,645
Increase (decrease) in allowance for doubtful accounts	81	5
Increase (decrease) in provision for retirement benefits for directors	79	(321)
Increase (decrease) in provision for share awards	(139)	(176)
Increase (decrease) in provision for share awards for directors	(28)	29
Increase (decrease) in retirement benefit liability	1,606	891
Interest and dividend income	(917)	(909)
Interest expenses	318	313
Loss (gain) on sale of investment securities	(54)	(172)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	429	459
Share of loss (profit) of entities accounted for using equity method	(2,240)	(251)
Loss (gain) on investments in investment partnerships	59	157
Decrease (increase) in trade receivables	(1,907)	(1,455)
Decrease (increase) in inventories	(1,460)	(1,436)
Increase (decrease) in trade payables	(682)	4,023
Increase (decrease) in accrued expenses	(4,994)	(5,173)
Increase (decrease) in accrued consumption taxes	1,611	152
Increase (decrease) in other liabilities	3,293	954
Other, net	(1,361)	1,063
Subtotal	39,143	37,213
Interest and dividends received	1,363	1,379
Interest paid	(332)	(327)
Income taxes paid	(13,340)	(13,102)
Net cash provided by (used in) operating activities	26,833	25,162
Cash flows from investing activities		
Payments into time deposits	(6,604)	(7,591)
Proceeds from withdrawal of time deposits	6,549	7,879
Purchase of securities	(3,000)	—
Purchase of property, plant and equipment and intangible assets	(19,889)	(16,730)
Proceeds from sale of property, plant and equipment and intangible assets	313	298
Purchase of investment securities	(4,009)	(2,722)
Proceeds from sale and redemption of investment securities	74	256
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(685)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	476	—
Decrease (increase) in investments and other assets	(618)	(537)
Loan advances	(15)	(42)
Proceeds from collection of loans receivable	20	23
Other, net	(153)	(611)
Net cash provided by (used in) investing activities	(27,540)	(19,777)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(62)	(970)
Proceeds from long-term borrowings	150	—
Repayments of long-term borrowings	(1,248)	(1,434)
Proceeds from share issuance to non-controlling shareholders	—	1,000
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(15)	—
Purchase of treasury shares	(80)	(29,999)
Proceeds from disposal of treasury shares	528	539
Dividends paid	(5,252)	(15,486)
Dividends paid to non-controlling interests	(143)	(282)
Other, net	(1,080)	(1,082)
Net cash provided by (used in) financing activities	(7,204)	(47,715)
Effect of exchange rate change on cash and cash equivalents	41	46
Net increase (decrease) in cash and cash equivalents	(7,870)	(42,283)
Cash and cash equivalents at beginning of period	99,524	101,065
Cash and cash equivalents at end of period	91,654	58,781