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## Consolidated Financial Results for the Year Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

Company name: Seibu Giken Co., Ltd.

Stock exchange listing: Tokyo

Code number: 6223

URL: <https://seibu-giken.com/>

Representative: Fumio Kuma

Contact: Miwa Hirakawa

Phone: +81-92-942-3511

President and Representative Director

Director and General Manager, Business Administration Division

Scheduled date of Annual General Meeting of Shareholders: March 28, 2024

Scheduled date of commencing dividend payments: March 12, 2024

Scheduled date of filing annual securities report: March 29, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2023	28,725	15.4	4,298	(6.7)	4,361	(8.8)	3,431	(12.2)
December 31, 2022	24,890	43.0	4,604	149.2	4,783	131.8	3,908	130.5

(Note) Comprehensive income: Fiscal year ended December 31, 2023: ¥ 4,338 million [ 2.6%]  
Fiscal year ended December 31, 2022: ¥ 4,230 million [ 78.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	180.14	-	15.4	12.4	15.0
December 31, 2022	195.56	-	24.5	16.9	18.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2023: ¥ - million  
Fiscal year ended December 31, 2022: ¥ - million

(Note)1. The Company conducted a share split at a ratio of 100 shares for a common share effective May 29, 2023.

"Basic earnings per share" is calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2022.

2. "Diluted earnings per share" is not stated as there are no dilutive shares.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	39,334	26,795	68.1	1,307.08
December 31, 2022	31,105	17,748	57.1	955.79

(Reference) Equity: As of December 31, 2023: ¥ 26,795 million  
As of December 31, 2022: ¥ 17,748 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	2,000	(2,340)	1,801	11,417
December 31, 2022	3,349	(595)	(818)	9,517

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2022	-	0.00	-	50.00	50.00	9	0.3	0.1
December 31, 2023	-	0.00	-	60.00	60.00	1,230	33.3	5.3
Fiscal year ending December 31, 2024 (Forecast)	-	0.00	-	70.00	70.00		39.2	

(Note) 1. Breakdown of the year-end dividend for the fiscal year ended December 31, 2023 :

Commemorative dividend	50.22 yen
Special dividend	9.78 yen

2. The Company conducted a share split at a ratio of 100 shares for a common share effective May 29, 2023.

3. The dividend for the end of the fiscal year ended December 31, 2022 presents the amount prior to the share split.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	33,417	16.3	4,434	3.2	4,577	5.0	3,660	6.7	178.58

(Note) Since the Company manages earnings on an annual basis, the consolidated financial results forecast for the second quarter (cumulative) is omitted.

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 20,500,000 shares

December 31, 2022: 20,000,000 shares

2) Number of treasury shares at the end of the period:

December 31, 2023: - shares

December 31, 2022: 1,430,000 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2023: 19,051,178 shares

Fiscal Year ended December 31, 2022: 19,984,329 shares

(Note) The Company conducted a share split at a ratio of 100 shares for a common share effective May 29, 2023. "Total number of issued shares at the end of the period," "number of treasury shares at the end of the period," and "average number of shares outstanding during the period" are calculated assuming that the share split was conducted at the beginning of the fiscal year ended December 31, 2022.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	13,920	27.6	1,043	79.5	1,489	63.0	1,178	68.0
December 31, 2022	10,912	18.8	581	107.1	913	30.4	701	17.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	61.84	-
December 31, 2022	35.09	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	21,514	13,766	64.0	671.55
December 31, 2022	17,030	7,880	46.3	424.39

(Reference) Equity: As of December 31, 2023: ¥ 13,766 million  
As of December 31, 2022: ¥ 7,880 million

\*1. Financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

\*2. Explanation of the proper use of financial results forecast and other notes

The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	9,803	11,638
Notes and accounts receivable - trade, and contract assets	5,970	8,309
Electronically recorded monetary claims - operating	1,204	1,268
Merchandise and finished goods	1,619	1,007
Work in process	841	1,929
Raw materials and supplies	2,208	3,086
Other	786	1,550
Allowance for doubtful accounts	(256)	(412)
<b>Total current assets</b>	<b>22,178</b>	<b>28,377</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,685	5,845
Accumulated depreciation	(2,101)	(2,325)
Buildings and structures, net	3,584	3,520
Machinery, equipment and vehicles	3,495	3,837
Accumulated depreciation	(2,319)	(2,711)
Machinery, equipment and vehicles, net	1,175	1,126
Land	2,456	2,885
Leased assets	612	646
Accumulated depreciation	(99)	(176)
Leased assets, net	513	469
Construction in progress	191	1,980
Other	1,059	1,104
Accumulated depreciation	(798)	(870)
Other, net	260	234
<b>Total property, plant and equipment</b>	<b>8,181</b>	<b>10,216</b>
<b>Intangible assets</b>	<b>299</b>	<b>231</b>
Investments and other assets		
Investment securities	17	17
Deferred tax assets	202	262
Other	226	230
<b>Total investments and other assets</b>	<b>445</b>	<b>510</b>
<b>Total non-current assets</b>	<b>8,926</b>	<b>10,957</b>
<b>Total assets</b>	<b>31,105</b>	<b>39,334</b>

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,839	2,962
Electronically recorded obligations - operating	1,961	2,154
Short-term borrowings	1,690	50
Current portion of long-term borrowings	1,158	902
Lease liabilities	64	74
Income taxes payable	505	349
Contract liabilities	1,628	1,985
Provision for product warranties	184	235
Provision for bonuses	184	242
Other	1,317	1,671
Total current liabilities	10,534	10,629
Non-current liabilities		
Long-term borrowings	2,045	1,142
Lease liabilities	456	430
Deferred tax liabilities	222	237
Retirement benefit liability	42	41
Other	54	59
Total non-current liabilities	2,822	1,910
<b>Total liabilities</b>	<b>13,356</b>	<b>12,539</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	100	711
Capital surplus	-	3,536
Retained earnings	17,031	20,454
Treasury shares	(569)	-
Total shareholders' equity	16,562	24,702
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,186	2,092
Total accumulated other comprehensive income	1,186	2,092
<b>Total net assets</b>	<b>17,748</b>	<b>26,795</b>
<b>Total liabilities and net assets</b>	<b>31,105</b>	<b>39,334</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	24,890	28,725
Cost of sales	14,841	17,556
Gross profit	10,049	11,168
Selling, general and administrative expenses	5,444	6,870
Operating profit	4,604	4,298
Non-operating income		
Interest and dividend income	53	83
Foreign exchange gains	101	-
Nursery school-related revenue	18	26
Subsidy income	14	25
Other	64	78
Total non-operating income	252	213
Non-operating expenses		
Interest expenses	40	40
Nursery school-related expenses	22	26
Listing expenses	-	40
Foreign exchange losses	-	16
Other	9	27
Total non-operating expenses	72	151
Ordinary profit	4,783	4,361
Extraordinary income		
Gain on sale of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on litigation	-	27
Loss on retirement of non-current assets	21	18
Total extraordinary losses	21	46
Profit before income taxes	4,762	4,314
Income taxes - current	915	937
Income taxes - deferred	(61)	(54)
Total income taxes	854	882
Profit	3,908	3,431
Profit attributable to owners of parent	3,908	3,431

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	3,908	3,431
Other comprehensive income		
Foreign currency translation adjustment	322	906
Total other comprehensive income	322	906
Comprehensive income	4,230	4,338
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,230	4,338

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	-	13,133	-	13,233
Changes during period					
Dividends of surplus			(10)		(10)
Profit attributable to owners of parent			3,908		3,908
Purchase of treasury shares				(569)	(569)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	3,898	(569)	3,329
Balance at end of period	100	-	17,031	(569)	16,562

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	864	864	14,097
Changes during period			
Dividends of surplus			(10)
Profit attributable to owners of parent			3,908
Purchase of treasury shares			(569)
Net changes in items other than shareholders' equity	322	322	322
Total changes during period	322	322	3,651
Balance at end of period	1,186	1,186	17,748



For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	-	17,031	(569)	16,562
Changes during period					
Issuance of new shares	611	611			1,222
Dividends of surplus			(9)		(9)
Profit attributable to owners of parent			3,431		3,431
Disposal of treasury shares		2,925		569	3,494
Net changes in items other than shareholders' equity					-
Total changes during period	611	3,536	3,422	569	8,139
Balance at end of period	711	3,536	20,454	-	24,702

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,186	1,186	17,748
Changes during period			
Issuance of new shares			1,222
Dividends of surplus			(9)
Profit attributable to owners of parent			3,431
Disposal of treasury shares			3,494
Net changes in items other than shareholders' equity	906	906	906
Total changes during period	906	906	9,046
Balance at end of period	2,092	2,092	26,795

## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,762	4,314
Depreciation	896	893
Increase (decrease) in allowance for doubtful accounts	21	133
Increase (decrease) in provision for product warranties	89	42
Increase (decrease) in provision for bonuses	22	55
Increase (decrease) in retirement benefit liability	(5)	(1)
Interest and dividend income	(53)	(83)
Interest expenses	40	40
Listing expenses	-	40
Loss (gain) on sale of non-current assets	(0)	-
Loss on retirement of non-current assets	21	18
Decrease (increase) in trade receivables	(1,903)	(2,082)
Decrease (increase) in inventories	(424)	(1,006)
Increase (decrease) in trade payables	823	1,313
Increase (decrease) in contract liabilities	(347)	271
Other, net	(79)	(883)
Subtotal	3,862	3,065
Interest and dividends received	53	83
Interest paid	(41)	(40)
Income taxes paid	(525)	(1,108)
Net cash provided by (used in) operating activities	3,349	2,000
<b>Cash flows from investing activities</b>		
Payments into time deposits	(0)	(215)
Proceeds from withdrawal of time deposits	-	286
Purchase of property, plant and equipment	(568)	(2,405)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(12)	(17)
Other, net	(14)	12
Net cash provided by (used in) investing activities	(595)	(2,340)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	940	(1,640)
Proceeds from long-term borrowings	300	-
Repayments of long-term borrowings	(1,426)	(1,158)
Repayments of lease liabilities	(53)	(67)
Proceeds from issuance of shares	-	1,222
Proceeds from disposal of treasury shares	-	3,494
Purchase of treasury shares	(569)	-
Dividends paid	(10)	(9)
Payments of listing expenses	-	(40)
Net cash provided by (used in) financing activities	(818)	1,801
Effect of exchange rate change on cash and cash equivalents	193	438
Net increase (decrease) in cash and cash equivalents	2,128	1,900
Cash and cash equivalents at beginning of period	7,388	9,517
Cash and cash equivalents at end of period	9,517	11,417