

Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]



August 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: Hirohisa Masuda, Director, Managing Executive Officer in charge of administration
Phone: +81-3-5221-7101
Scheduled date of commencing dividend payments: –
Availability of supplementary briefing materials on financial results: No
Schedule of financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 - June 30, 2024)

(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	%
Three months ended June 30, 2024	20,487	7.5	1,318	39.7	2,374	137.7	3,754	505.0
June 30, 2023	19,053	(7.5)	944	10.5	998	23.9	620	41.1

(Note) Comprehensive income: Three months ended June 30, 2024: ¥2,591 million [53.3%]

Three months ended June 30, 2023: ¥1,690 million [102.1%]

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

Three months ended	Gross sales	Year-on-year change
June 30, 2024	¥44,382 million	(11.2)%
June 30, 2023	¥49,963 million	61.1%

	Profit per share	Diluted profit per share
Three months ended	Yen	Yen
June 30, 2024	311.49	308.72
June 30, 2023	51.45	51.25

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	113,123	44,658	38.7
As of March 31, 2024	118,543	43,180	35.7

(Reference) Equity: As of June 30, 2024: ¥43,726 million

As of March 31, 2024: ¥42,264 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, 2024	–	60.00	–	90.00	150.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		90.00	–	90.00	180.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates year-on-year change.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	44,000	9.9	2,300	12.1	2,400	7.0	3,400	132.0	282.01
Full year	90,000	3.7	5,000	(10.4)	5,400	(13.7)	5,400	20.3	447.82

(Note) Revision to the financial results forecast announced most recently: Yes

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
First half	¥121,000 million	24.9%
Full year	¥233,000 million	13.4%

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: Yes
(Changes in specified subsidiaries resulting in changes in the scope of consolidation):
Newly added: One company (Company name: FORMOSA SEIKA CORPORATION)
Excluded: — (Company name:)
- (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: Yes
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 June 30, 2024: | 12,320,650 shares |
| As of March 31, 2024: | 12,320,650 shares |
- 2) Number of treasury shares at the end of the period:
- | | |
|-----------------------|----------------|
| As of June 30, 2024: | 284,221 shares |
| As of March 31, 2024: | 270,720 shares |
- 3) Average number of shares during the period:
- | | |
|-----------------------------------|-------------------|
| Three months ended June 30, 2024: | 12,052,017 shares |
| Three months ended June 30, 2023: | 12,061,609 shares |
- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)
- * 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,428	11,779
Notes and accounts receivable - trade, and contract assets	53,475	39,227
Investments in leases	34	28
Securities	100	100
Merchandise and finished goods	7,805	7,958
Work in process	442	480
Raw materials and supplies	1,708	1,833
Advance payments to suppliers	21,021	28,206
Other	736	789
Allowance for doubtful accounts	(153)	(154)
Total current assets	95,599	90,248
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,084	1,101
Machinery, equipment and vehicles	252	270
Tools, furniture and fixtures	441	463
Fixed assets for rent, net	674	688
Leased assets	163	153
Land	2,039	2,039
Construction in progress	2	20
Total property, plant and equipment	4,658	4,737
Intangible assets		
Goodwill	156	131
Right to use facilities	118	115
Software	348	342
Other	18	5
Total intangible assets	642	595
Investments and other assets		
Investment securities	16,413	16,230
Long-term loans receivable	34	34
Deferred tax assets	586	646
Other	637	659
Allowance for doubtful accounts	(30)	(29)
Total investments and other assets	17,642	17,541
Total non-current assets	22,943	22,874
Total assets	118,543	113,123

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,588	30,852
Short-term borrowings	7	7
Lease liabilities	41	41
Accounts payable - other	1,861	1,497
Income taxes payable	788	1,236
Advances received	20,791	28,234
Provision for bonuses	940	689
Provision for bonuses for directors	123	36
Other	1,003	1,164
Total current liabilities	70,146	63,759
Non-current liabilities		
Long-term borrowings	18	17
Lease liabilities	133	123
Retirement benefit liability	2,558	2,573
Provision for retirement benefits for directors	22	23
Deferred tax liabilities	2,012	1,492
Other	470	474
Total non-current liabilities	5,216	4,705
Total liabilities	75,362	68,464
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,040	2,040
Retained earnings	25,992	28,656
Treasury shares	(415)	(411)
Total shareholders' equity	34,345	37,013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,509	4,981
Foreign currency translation adjustment	1,370	1,709
Remeasurements of defined benefit plans	38	22
Total accumulated other comprehensive income	7,918	6,713
Share acquisition rights	250	225
Non-controlling interests	666	706
Total net assets	43,180	44,658
Total liabilities and net assets	118,543	113,123

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	19,053	20,487
Cost of sales	14,003	14,680
Gross profit	5,049	5,807
Selling, general and administrative expenses	4,105	4,488
Operating profit	944	1,318
Non-operating income		
Interest income	4	3
Dividend income	24	28
Gain on sale of securities	2	0
Share of profit of entities accounted for using equity method	–	965
Foreign exchange gains	46	40
Other	25	26
Total non-operating income	102	1,064
Non-operating expenses		
Interest expenses	4	1
Share of loss of entities accounted for using equity method	13	–
Other	30	7
Total non-operating expenses	48	9
Ordinary profit	998	2,374
Extraordinary income		
Gain on sale of investment securities	48	2,761
Compensation income	52	–
Total extraordinary income	100	2,761
Extraordinary losses		
Loss on valuation of investment securities	0	–
Total extraordinary losses	0	–
Profit before income taxes	1,098	5,135
Income taxes - current	377	1,248
Income taxes - deferred	78	102
Total income taxes	455	1,350
Net Profit	643	3,784
Profit attributable to		
Profit attributable to owners of parent	620	3,754
Profit attributable to non-controlling interests	23	30
Other comprehensive income		
Valuation difference on available-for-sale securities	806	(1,526)
Foreign currency translation adjustment	242	355
Remeasurements of defined benefit plans, net of tax	(3)	(17)
Share of other comprehensive income of entities accounted for using equity method	1	(4)
Total other comprehensive income	1,047	(1,192)
Comprehensive income	1,690	2,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,654	2,548
Comprehensive income attributable to non-controlling interests	36	43