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August 10, 2023

Summary of Consolidated Financial Results for the First 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: August 10, 2023
 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 first quarter of the fiscal year ending June 30, 2023 (from April 1, 2023 to June 30, 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	%
Three months ended								
June 30, 2023	159,242	4.4	6,160	-15.2	7,051	-19.2	4,429	-18.7
June 30, 2022	152,529	2.7	7,264	4.4	8,727	10.1	5,448	9.4

Note: Comprehensive income For the three months ended June 30, 2023: ¥ 11,532million (153.5%)
 For the three months ended June 30, 2022: ¥ 4,549 million (-33.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	24.39	22.85
June 30, 2022	30.09	28.23

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets Per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2023	709,815	452,653	63.1	2,466.54
March 31, 2023	703,893	449,727	63.2	2,449.98

Reference: Equity
 As of June 30, 2023: ¥ 448,062 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	-				
Fiscal year ending March 31, 2024 (Forecast)		43.00	-	52.00	95.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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
Six months ending September 30, 2023	316,160	3.2	11,950	-17.5	13,500	-19.4	7,800	-21.3	43.72
Full year	641,440	1.6	27,320	-4.1	31,000	-5.2	17,800	-6.4	102.29

Note: Revisions to the forecast most recently announced: Yes

* **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 June 30, 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 June 30, 2023	6,023,951 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 three months ended June 30, 2023	181,617,484 shares
For the three months ended June 30, 2022	181,050,110 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	106,752	104,198
Notes receivable - trade	5,821	5,600
Accounts receivable-trade, and contract assets	114,709	111,469
Securities	3,000	2,999
Inventories	16,388	17,095
Other	9,205	12,332
Allowance for doubtful accounts	(445)	(461)
Total current assets	255,432	253,234
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,269	119,286
Machinery, equipment and vehicles, net	19,119	19,737
Tools, furniture and fixtures, net	3,369	3,298
Land	187,959	188,988
Construction in progress	2,672	1,981
Other, net	9,836	9,766
Total property, plant and equipment	343,226	343,058
Intangible assets		
Goodwill	11,602	11,014
Other	5,904	5,903
Total intangible assets	17,507	16,918
Investments and other assets		
Investment securities	65,291	73,696
Long-term loans receivable	243	246
Deferred tax assets	15,649	15,829
Other	7,016	7,302
Allowance for doubtful accounts	(474)	(470)
Total investments and other assets	87,727	96,604
Total non-current assets	448,461	456,581
Total assets	703,893	709,815

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable - trade	1,922	2,044
Accounts payable-trade	47,952	46,822
Short-term borrowings	4,760	4,760
Current portion of long-term borrowings	1,174	1,166
Accounts payable - other	15,970	15,102
Accrued expenses	16,108	21,952
Income taxes payable	6,691	4,467
Accrued consumption taxes	6,508	7,956
Other	11,878	13,130
Total current liabilities	112,966	117,401
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,150	25,137
Long-term borrowings	9,388	9,099
Deferred tax liabilities	2,960	3,083
Provision for retirement benefits for directors	1,832	1,479
Provision for share awards	5,054	4,993
Provision for share awards for directors	179	189
Retirement benefit liability	83,138	81,066
Asset retirement obligations	3,838	3,898
Other	9,657	10,810
Total non-current liabilities	141,199	139,759
Total liabilities	254,166	257,161
Net assets		
Shareholders' equity		
Share capital	42,481	42,481
Capital surplus	80,874	76,649
Retained earnings	346,416	318,678
Treasury shares	(36,422)	(8,354)
Total shareholders' equity	433,350	429,455
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,763	18,246
Revaluation reserve for land	(96)	(96)
Foreign currency translation adjustment	676	914
Remeasurements of defined benefit plans	(2,849)	(458)
Total accumulated other comprehensive income	11,494	18,606
Share acquisition rights	2	2
Non-controlling interests	4,880	4,588
Total net assets	449,727	452,653
Total liabilities and net assets	703,893	709,815

(2) Quarterly Consolidated Statement of Income

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Operating revenue	152,529	159,242
Operating costs and expenses	134,372	141,242
Gross profit	18,156	17,999
Selling, general and administrative expenses	10,891	11,839
Operating profit	7,264	6,160
Non-operating income		
Interest income	3	2
Dividend income	466	465
Share of profit of entities accounted for using equity method	853	286
Other	259	275
Total non-operating income	1,582	1,030
Non-operating expenses		
Interest expenses	105	106
Other	13	32
Total non-operating expenses	119	139
Ordinary profit	8,727	7,051
Extraordinary income		
Gain on sale of non-current assets	77	55
Gain on sale of investment securities	3	37
Other	0	0
Total extraordinary income	81	92
Extraordinary losses		
Loss on disposal of non-current assets	88	45
Impairment losses	0	124
Loss on valuation of investment securities	165	3
Loss on sale of shares of subsidiaries and associates	—	83
Other	—	7
Total extraordinary losses	254	264
Profit before income taxes	8,554	6,879
Income taxes - current	4,952	4,495
Income taxes - deferred	(2,003)	(2,017)
Total income taxes	2,948	2,478
Profit	5,605	4,400
Profit (loss) attributable to non-controlling interests	157	(29)
Profit attributable to owners of parent	5,448	4,429

(3) Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	5,605	4,400
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,777)	4,479
Foreign currency translation adjustment	95	45
Remeasurements of defined benefit plans, net of tax	177	2,393
Share of other comprehensive income of entities accounted for using equity method	448	214
Total other comprehensive income	(1,056)	7,132
Comprehensive income	4,549	11,532
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,367	11,542
Comprehensive income attributable to non-controlling interests	181	(9)

(4) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	8,554	6,879
Depreciation	5,260	5,103
Impairment losses	0	124
Amortization of goodwill	481	588
Increase (decrease) in allowance for doubtful accounts	(6)	9
Increase (decrease) in provision for retirement benefits for directors	3	(352)
Increase (decrease) in provision for share awards	(45)	(60)
Increase (decrease) in provision for share awards for directors	(32)	9
Increase (decrease) in retirement benefit liability	636	382
Interest and dividend income	(469)	(468)
Interest expenses	105	106
Loss (gain) on sale of investment securities	(3)	(37)
Loss (gain) on sale of shares of subsidiaries and associates	—	83
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	11	(10)
Loss (gain) on valuation of investment securities	165	3
Share of loss (profit) of entities accounted for using equity method	(853)	(286)
Decrease (increase) in trade receivables	3,894	3,500
Decrease (increase) in inventories	1,312	(677)
Increase (decrease) in trade payables	(3,775)	(1,030)
Increase (decrease) in accrued expenses	5,128	4,999
Increase (decrease) in accrued consumption taxes	1,680	1,617
Other, net	2,633	1,654
Subtotal	24,681	22,139
Interest and dividends received	800	938
Interest paid	(110)	(111)
Income taxes paid	(7,224)	(8,843)
Net cash provided by (used in) operating activities	18,147	14,123
Cash flows from investing activities		
Payments into time deposits	(1,921)	(5,557)
Proceeds from withdrawal of time deposits	1,994	5,587
Purchase of property, plant and equipment and intangible assets	(7,872)	(5,324)
Proceeds from sale of property, plant and equipment and intangible assets	131	50
Purchase of investment securities	(12)	(2,154)
Proceeds from sale and redemption of investment securities	6	80
Decrease (increase) in investments and other assets	(232)	(255)
Loan advances	(6)	(11)
Proceeds from collection of loans receivable	5	4
Other, net	(29)	(162)
Net cash provided by (used in) investing activities	(7,937)	(7,742)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11)	—
Proceeds from long-term borrowings	150	—
Repayments of long-term borrowings	(397)	(297)
Purchase of treasury shares	(80)	(0)
Proceeds from disposal of treasury shares	152	79
Dividends paid	(3,258)	(8,069)
Dividends paid to non-controlling interests	(143)	(282)
Other, net	(351)	(355)
Net cash provided by (used in) financing activities	(3,940)	(8,925)
Effect of exchange rate change on cash and cash equivalents	33	20
Net increase (decrease) in cash and cash equivalents	6,302	(2,524)
Cash and cash equivalents at beginning of period	99,524	101,065
Cash and cash equivalents at end of period	105,827	98,540