

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 10, 2023

Summary of Consolidated Financial Results for the Second 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
 Inquiries: Nobuyuki Nozu, Chief Financial Officer
 Telephone: +81-584-82-5023
 Scheduled date to file quarterly securities report: November 10, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 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 second quarter of the fiscal year ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	315,510	3.0	11,318	-21.9	12,215	-27.1	7,441	-24.9
September 30, 2022	306,366	3.9	14,483	14.5	16,751	18.3	9,915	14.4

Note: Comprehensive income For the six months ended September 30, 2023: ¥ 16,408 million (72.1%)
 For the six months ended September 30, 2022: ¥ 9,536 million (-21.5%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	41.72	39.04
September 30, 2022	54.73	51.36

(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
September 30, 2023	688,669	437,691	62.9	2,512.03
March 31, 2023	703,893	449,727	63.2	2,449.98

Reference: Equity
 As of September 30, 2023: ¥ 433,095 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)			-	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
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: 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 September 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 September 30, 2023	15,271,327 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 six months ended September 30, 2023	178,335,476 shares
For the six months ended September 30, 2022	181,141,688 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 September 30, 2023
Assets		
Current assets		
Cash and deposits	106,752	82,194
Notes receivable - trade	5,821	5,974
Accounts receivable-trade, and contract assets	114,709	114,150
Securities	3,000	3,000
Inventories	16,388	18,359
Other	9,205	10,438
Allowance for doubtful accounts	(445)	(460)
Total current assets	255,432	233,657
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,269	117,646
Machinery, equipment and vehicles, net	19,119	20,847
Tools, furniture and fixtures, net	3,369	3,332
Land	187,959	188,920
Construction in progress	2,672	2,627
Other, net	9,836	9,679
Total property, plant and equipment	343,226	343,053
Intangible assets		
Goodwill	11,602	10,485
Other	5,904	5,921
Total intangible assets	17,507	16,407
Investments and other assets		
Investment securities	65,291	76,597
Long-term loans receivable	243	258
Deferred tax assets	15,649	11,759
Other	7,016	7,411
Allowance for doubtful accounts	(474)	(474)
Total investments and other assets	87,727	95,551
Total non-current assets	448,461	455,012
Total assets	703,893	688,669

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable - trade	1,922	2,443
Accounts payable-trade	47,952	53,022
Short-term borrowings	4,760	4,710
Current portion of long-term borrowings	1,174	1,166
Accounts payable - other	15,970	15,497
Accrued expenses	16,108	13,309
Income taxes payable	6,691	3,672
Accrued consumption taxes	6,508	5,976
Other	11,878	11,492
Total current liabilities	112,966	111,290
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,150	25,125
Long-term borrowings	9,388	8,453
Deferred tax liabilities	2,960	3,338
Provision for retirement benefits for directors	1,832	1,453
Provision for share awards	5,054	4,930
Provision for share awards for directors	179	199
Retirement benefit liability	83,138	81,148
Asset retirement obligations	3,838	3,948
Other	9,657	11,090
Total non-current liabilities	141,199	139,687
Total liabilities	254,166	250,977
Net assets		
Shareholders' equity		
Share capital	42,481	42,481
Capital surplus	80,874	76,649
Retained earnings	346,416	321,832
Treasury shares	(36,422)	(28,334)
Total shareholders' equity	433,350	412,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,763	19,903
Revaluation reserve for land	(96)	(96)
Foreign currency translation adjustment	676	1,810
Remeasurements of defined benefit plans	(2,849)	(1,150)
Total accumulated other comprehensive income	11,494	20,465
Share acquisition rights	2	2
Non-controlling interests	4,880	4,593
Total net assets	449,727	437,691
Total liabilities and net assets	703,893	688,669

(2) Quarterly Consolidate Statements of Income

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Operating revenue	306,366	315,510
Operating costs and expenses	269,687	280,156
Gross profit	36,679	35,354
Selling, general and administrative expenses	22,195	24,035
Operating profit	14,483	11,318
Non-operating income		
Interest income	6	7
Dividend income	558	525
Share of profit of entities accounted for using equity method	1,290	293
Other	696	565
Total non-operating income	2,552	1,392
Non-operating expenses		
Interest expenses	208	211
Loss on investments in investment partnerships	59	149
Commission for purchase of treasury shares	—	108
Other	16	25
Total non-operating expenses	284	495
Ordinary profit	16,751	12,215
Extraordinary income		
Gain on sale of non-current assets	129	128
Gain on sale of investment securities	8	172
Other	0	0
Total extraordinary income	138	301
Extraordinary losses		
Loss on disposal of non-current assets	380	121
Impairment losses	283	360
Loss on valuation of investment securities	166	102
Other	1	83
Total extraordinary losses	832	668
Profit before income taxes	16,057	11,848
Income taxes - current	5,165	3,671
Income taxes - deferred	675	789
Total income taxes	5,841	4,461
Profit	10,215	7,386
Profit (loss) attributable to non-controlling interests	300	(54)
Profit attributable to owners of parent	9,915	7,441

(3) Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	10,215	7,386
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,253)	6,146
Foreign currency translation adjustment	170	156
Remeasurements of defined benefit plans, net of tax	355	1,702
Share of other comprehensive income of entities accounted for using equity method	1,047	1,016
Total other comprehensive income	(679)	9,021
Comprehensive income	9,536	16,408
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,191	16,413
Comprehensive income attributable to non-controlling interests	344	(5)

(4) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	16,057	11,848
Depreciation	10,591	10,440
Impairment losses	283	360
Amortization of goodwill	1,016	1,116
Increase (decrease) in allowance for doubtful accounts	20	(2)
Increase (decrease) in provision for retirement benefits for directors	(4)	(379)
Increase (decrease) in provision for share awards	(89)	(124)
Increase (decrease) in provision for share awards for directors	(38)	19
Increase (decrease) in retirement benefit liability	987	591
Interest and dividend income	(565)	(533)
Interest expenses	208	211
Loss (gain) on sale of investment securities	(8)	(172)
Loss (gain) on valuation of investment securities	166	102
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	250	(6)
Share of loss (profit) of entities accounted for using equity method	(1,290)	(293)
Loss (gain) on investments in investment partnerships	59	149
Decrease (increase) in trade receivables	3,711	528
Decrease (increase) in inventories	1,182	(1,961)
Increase (decrease) in trade payables	(5,342)	5,515
Increase (decrease) in accrued consumption taxes	17	(131)
Other, net	(2,732)	(2,675)
Subtotal	24,483	24,605
Interest and dividends received	896	1,001
Interest paid	(219)	(229)
Income taxes paid	(7,249)	(6,854)
Net cash provided by (used in) operating activities	17,911	18,522
Cash flows from investing activities		
Payments into time deposits	(4,558)	(6,914)
Proceeds from withdrawal of time deposits	4,679	7,084
Purchase of property, plant and equipment and intangible assets	(14,643)	(10,565)
Proceeds from sale of property, plant and equipment and intangible assets	212	213
Purchase of investment securities	(1,403)	(2,164)
Proceeds from sale and redemption of investment securities	14	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	(217)	(332)
Loan advances	(11)	(30)
Proceeds from collection of loans receivable	15	10
Other, net	(52)	(204)
Net cash provided by (used in) investing activities	(16,174)	(12,646)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(62)	(50)
Proceeds from long-term borrowings	150	—
Repayments of long-term borrowings	(962)	(943)
Purchase of treasury shares	(80)	(20,471)
Proceeds from disposal of treasury shares	349	312
Dividends paid	(3,258)	(8,165)
Dividends paid to non-controlling interests	(143)	(282)
Other, net	(693)	(706)
Net cash provided by (used in) financing activities	(4,701)	(30,307)
Effect of exchange rate change on cash and cash equivalents	33	59
Net increase (decrease) in cash and cash equivalents	(2,930)	(24,371)
Cash and cash equivalents at beginning of period	99,524	101,065
Cash and cash equivalents at end of period	96,594	76,693