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August 10, 2022

Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2023 (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, 2022
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: No

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

1. Consolidated financial results for the first quarter of the fiscal year ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	152,529	2.7	7,264	4.4	8,727	10.1	5,448	9.4
June 30, 2021	148,504	7.5	6,956	162.7	7,923	90.7	4,981	105.1

Note: Comprehensive income For the three months ended June 30, 2022: ¥4,549 million (-33.4%)
 For the three months ended June 30, 2021: ¥6,825 million (76.2%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	30.09	28.23
June 30, 2021	27.29	25.62

(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, 2022	689,867	434,669	62.5	2,379.93
March 31, 2022	685,266	433,520	62.7	2,375.05

Reference: Equity
 As of June 30, 2022: ¥431,003 million
 As of March 31, 2022: ¥429,891 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, 2022	-	11.00	-	18.00	29.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		11.00	-	-	-

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

The dividend forecast for the fiscal year ended March 31, 2023 and for the total year are not yet determined.

3. Earnings Forecast of Consolidated Financial Results for Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

	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, 2022	303,800	3.0	14,890	17.7	16,440	16.1	10,200	17.6	56.28
Full year	620,300	2.1	31,430	14.1	34,430	13.7	21,700	25.8	119.73

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: Yes
 - (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, 2022	207,679,783 shares
As of March 31, 2022	207,679,783 shares

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

As of June 30, 2022	26,581,306 shares
As of March 31, 2022	26,677,070 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, 2022	181,050,110 shares
For the three months ended June 30, 2021	182,497,925 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.

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	94,488	107,719
Notes receivable - trade	5,704	5,360
Accounts receivable-trade, and contract assets	113,995	110,515
Securities	14,000	7,000
Inventories	11,236	10,133
Other	6,498	8,632
Allowance for doubtful accounts	(345)	(344)
Total current assets	245,578	249,016
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,365	116,716
Machinery, equipment and vehicles, net	22,046	22,386
Tools, furniture and fixtures, net	3,627	3,629
Land	185,077	185,057
Construction in progress	4,622	4,015
Other, net	10,939	10,635
Total property, plant and equipment	341,679	342,440
Intangible assets		
Goodwill	11,126	10,644
Other	5,432	5,410
Total intangible assets	16,558	16,054
Investments and other assets		
Investment securities	60,767	58,846
Long-term loans receivable	232	231
Deferred tax assets	14,783	17,315
Other	6,135	6,434
Allowance for doubtful accounts	(469)	(472)
Total investments and other assets	81,450	82,355
Total non-current assets	439,688	440,851
Total assets	685,266	689,867

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable - trade	1,798	1,501
Accounts payable-trade	47,116	43,703
Short-term borrowings	3,241	3,230
Current portion of long-term borrowings	1,220	1,175
Accounts payable - other	16,592	15,060
Accrued expenses	15,971	21,993
Income taxes payable	5,488	4,989
Accrued consumption taxes	6,625	8,237
Other	11,923	13,959
Total current liabilities	109,980	113,849
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,200	25,187
Long-term borrowings	9,820	9,618
Deferred tax liabilities	3,000	2,782
Provision for retirement benefits for directors (and other officers)	1,610	1,613
Provision for share awards	5,242	5,196
Provision for share awards for directors (and other officers)	198	165
Retirement benefit liability	82,328	82,701
Asset retirement obligations	3,706	3,717
Other	10,659	10,363
Total non-current liabilities	141,766	141,347
Total liabilities	251,746	255,197
Net assets		
Shareholders' equity		
Share capital	42,481	42,481
Capital surplus	80,940	80,905
Retained earnings	332,860	334,937
Treasury shares	(37,138)	(36,988)
Total shareholders' equity	419,144	421,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,620	12,831
Revaluation reserve for land	(122)	(122)
Foreign currency translation adjustment	(207)	321
Remeasurements of defined benefit plans	(3,542)	(3,363)
Total accumulated other comprehensive income	10,747	9,666
Non-controlling interests	3,628	3,666
Total net assets	433,520	434,669
Total liabilities and net assets	685,266	689,867

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Operating revenue	148,504	152,529
Operating costs and expenses	131,099	134,372
Gross profit	17,405	18,156
Selling, general and administrative expenses	10,448	10,891
Operating profit	6,956	7,264
Non-operating income		
Interest income	3	3
Dividend income	463	466
Share of profit of entities accounted for using equity method	415	853
Other	224	259
Total non-operating income	1,106	1,582
Non-operating expenses		
Interest expenses	110	105
Other	29	13
Total non-operating expenses	140	119
Ordinary profit	7,923	8,727
Extraordinary income		
Gain on sale of non-current assets	73	77
Other	11	3
Total extraordinary income	84	81
Extraordinary losses		
Loss on disposal of non-current assets	123	88
Loss on valuation of investment securities	0	165
Other	1	0
Total extraordinary losses	124	254
Profit before income taxes	7,883	8,554
Income taxes - current	4,829	4,952
Income taxes - deferred	(1,997)	(2,003)
Total income taxes	2,831	2,948
Profit	5,051	5,605
Profit attributable to non-controlling interests	70	157
Profit attributable to owners of parent	4,981	5,448

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	5,051	5,605
Other comprehensive income		
Valuation difference on available-for-sale securities	733	(1,777)
Foreign currency translation adjustment	85	95
Remeasurements of defined benefit plans, net of tax	599	177
Share of other comprehensive income of entities accounted for using equity method	354	448
Total other comprehensive income	1,773	(1,056)
Comprehensive income	6,825	4,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,741	4,367
Comprehensive income attributable to non-controlling interests	84	181

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	7,883	8,554
Depreciation	5,075	5,260
Amortization of goodwill	410	481
Increase (decrease) in allowance for doubtful accounts	(4)	(6)
Increase (decrease) in provision for retirement benefits for directors	(114)	3
Increase (decrease) in provision for share awards	(65)	(45)
Increase (decrease) in provision for share awards for directors	13	(32)
Increase (decrease) in retirement benefit liability	760	636
Interest and dividend income	(466)	(469)
Interest expenses	110	105
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	50	11
Loss (gain) on valuation of investment securities	0	165
Share of loss (profit) of entities accounted for using equity method	(415)	(853)
Decrease (increase) in trade receivables	4,405	3,894
Decrease (increase) in inventories	85	1,312
Increase (decrease) in trade payables	(1,048)	(3,775)
Increase (decrease) in accrued expenses	4,962	5,128
Increase (decrease) in accrued consumption taxes	302	1,680
Other, net	1,489	2,630
Subtotal	23,433	24,681
Interest and dividends received	671	800
Interest paid	(119)	(110)
Income taxes paid	(5,627)	(7,224)
Net cash provided by (used in) operating activities	18,357	18,147
Cash flows from investing activities		
Payments into time deposits	(2,247)	(1,921)
Proceeds from withdrawal of time deposits	1,938	1,994
Purchase of property, plant and equipment and intangible assets	(6,020)	(7,872)
Proceeds from sale of property, plant and equipment and intangible assets	53	131
Purchase of investment securities	(9)	(12)
Proceeds from sale and redemption of investment securities	18	6
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(19)	—
Decrease (increase) in investments and other assets	(50)	(232)
Loan advances	(18)	(6)
Proceeds from collection of loans receivable	8	5
Other, net	(72)	(29)
Net cash provided by (used in) investing activities	(6,419)	(7,937)

(Millions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(128)	(11)
Proceeds from long-term borrowings	9,050	150
Repayments of long-term borrowings	(8,768)	(397)
Purchase of treasury shares	(0)	(80)
Proceeds from disposal of treasury shares	—	152
Dividends paid	(2,919)	(3,258)
Dividends paid to non-controlling interests	(77)	(143)
Other, net	(313)	(351)
Net cash provided by (used in) financing activities	(3,157)	(3,940)
Effect of exchange rate change on cash and cash equivalents	23	33
Net increase (decrease) in cash and cash equivalents	8,803	6,302
Cash and cash equivalents at beginning of period	93,683	99,524
Cash and cash equivalents at end of period	102,487	105,827