

Translation

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 10, 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 annual general meeting of shareholders: June 26, 2024
 Scheduled date of commencing dividend payments: June 27, 2024
 Scheduled date of filing annual securities report: June 27, 2024
 Availability of supplementary briefing materials for financial results: No
 Schedule of financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 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	%
Fiscal year ended March 31, 2024	86,785	(7.0)	5,580	20.3	6,255	(0.5)	4,489	(10.2)
March 31, 2023	93,311	9.4	4,636	21.2	6,286	62.0	5,001	122.6

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥8,704 million [49.0%]
 Fiscal year ended March 31, 2023: ¥5,840 million [150.8%]

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

Fiscal year ended	Gross sales	Year-on-year change
March 31, 2024	¥205,383 million	16.9 %
March 31, 2023	¥175,741 million	30.9 %

	Profit per share	Diluted profit per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	372.46	370.32	11.6	6.3	6.4
March 31, 2023	415.79	414.84	15.4	6.8	5.0

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2024: ¥310 million

Fiscal year ended March 31, 2023: ¥1,213 million

Share of profit (loss) of entities accounted for using equity method for the fiscal year ended March 31, 2023 includes an amount equivalent to negative goodwill of ¥1,714 million generated as a result of the additional acquisition of shares in TVE Co., Ltd., making it an equity method affiliate of the Company.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	118,543	43,180	35.7	3,507.42
March 31, 2023	79,990	35,736	43.7	2,907.20

(Reference) Equity: As of March 31, 2024: ¥42,264 million

As of March 31, 2023: ¥34,994 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	2,541	(88)	(3,462)	10,428
March 31, 2023	(731)	(1,068)	(4,816)	10,653

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of 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	Million yen	%	%
March 31, 2023	—	35.00	—	55.00	90.00	1,085	21.6	3.3
March 31, 2024	—	60.00	—	90.00	150.00	1,811	40.3	4.7
Fiscal year ending March 31, 2025 (Forecast)	—	90.00	—	90.00	180.00		40.2	

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

(% indicates year-on-year change.)

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

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:

- Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in the scope of consolidation): No
Newly added: — (Name of subsidiary)
Excluded: — (Name of subsidiary)
- Changes in accounting policies, changes in accounting estimates and restatement
 - Changes in accounting policies due to the revision of accounting standards: No
 - Changes in accounting policies other than 1) above: No
 - Changes in accounting estimates: No
 - Restatement: No

(3) Number of outstanding shares (common shares)

1) Number of outstanding shares at the end of the period (including treasury shares):

As of March 31, 2024:	12,320,650 shares
As of March 31, 2023:	12,320,650 shares

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

As of March 31, 2024:	270,720 shares
As of March 31, 2023:	283,532 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024:	12,053,072 shares
Fiscal year ended March 31, 2023:	12,028,000 shares

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(% indicates year-on-year change.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	57,050	(14.3)	1,902	(8.2)	3,026	25.9	2,273	46.8
March 31, 2023	66,587	15.2	2,072	66.7	2,404	(32.0)	1,549	(38.0)

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

Fiscal year ended	Gross sales	Year-on-year change
March 31, 2024	¥175,649 million	17.9 %
March 31, 2023	¥149,017 million	39.6 %

Fiscal year ended	Profit per share	Diluted profit per share
March 31, 2024	188.29 Yen	187.21 Yen
March 31, 2023	128.66 Yen	128.37 Yen

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
March 31, 2024	95,561 Million yen	27,386 Million yen	28.4 %	2,247.14 Yen
March 31, 2023	59,738 Million yen	23,165 Million yen	38.4 %	1,902.31 Yen

(Reference) Equity: As of March 31, 2024: ¥27,136 million

As of March 31, 2023: ¥22,947 million

* These financial results are outside the scope of audits by certified public accountants or audit firms.

* 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.

The disclosure of non-consolidated financial results forecasts is omitted in view of its materiality.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,653	10,428
Notes and accounts receivable – trade, and contract assets	35,809	53,475
Investments in leases	64	34
Securities	100	100
Merchandise and finished goods	8,216	7,805
Work in process	406	442
Raw materials and supplies	1,620	1,708
Advance payments to suppliers	3,718	21,021
Other	972	736
Allowance for doubtful accounts	(133)	(153)
Total current assets	61,429	95,599
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,073	1,084
Machinery, equipment and vehicles	232	252
Tools, furniture and fixtures	383	441
Fixed assets for rent, net	683	674
Leased assets	103	163
Land	2,101	2,039
Construction in progress	15	2
Total property, plant and equipment	4,591	4,658
Intangible assets		
Goodwill	253	156
Right to use facilities	118	118
Software	314	348
Other	12	18
Total intangible assets	698	642
Investments and other assets		
Investment securities	12,052	16,413
Long-term loans receivable	29	34
Deferred tax assets	602	586
Other	604	637
Allowance for doubtful accounts	(18)	(30)
Total investments and other assets	13,271	17,642
Total non-current assets	18,561	22,943
Total assets	79,990	118,543

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	31,417	44,588
Short-term borrowings	2,006	7
Lease liabilities	35	41
Accounts payable – other	1,219	1,861
Income taxes payable	1,160	788
Advances received	3,150	20,791
Provision for bonuses	714	940
Provision for bonuses for directors	119	123
Other	648	1,003
Total current liabilities	40,473	70,146
Non-current liabilities		
Long-term borrowings	23	18
Lease liabilities	76	133
Retirement benefit liability	2,617	2,558
Provision for retirement benefits for directors	22	22
Deferred tax liabilities	619	2,012
Other	421	470
Total non-current liabilities	3,781	5,216
Total liabilities	44,254	75,362
Net assets		
Shareholders' equity		
Share capital	6,728	6,728
Capital surplus	2,040	2,040
Retained earnings	22,813	25,992
Treasury shares	(435)	(415)
Total shareholders' equity	31,146	34,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,140	6,509
Foreign currency translation adjustment	692	1,370
Remeasurements of defined benefit plans	15	38
Total accumulated other comprehensive income	3,847	7,918
Share acquisition rights	218	250
Non-controlling interests	524	666
Total net assets	35,736	43,180
Total liabilities and net assets	79,990	118,543

(2) Consolidated Statements of Income and Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	93,311	86,785
Cost of sales	73,370	64,126
Gross profit	19,941	22,658
Selling, general and administrative expenses	15,304	17,078
Operating profit	4,636	5,580
Non-operating income		
Interest income	17	18
Dividend income	240	270
Gain on sale of securities	15	4
Share of profit of entities accounted for using equity method	1,213	310
Foreign exchange gains	75	54
Other	135	90
Total non-operating income	1,697	749
Non-operating expenses		
Interest expenses	30	13
Loss on sale of notes receivable – trade	4	5
Other	13	55
Total non-operating expenses	47	74
Ordinary profit	6,286	6,255
Extraordinary income		
Gain on sale of non-current assets	55	-
Gain on sale of investment securities	655	204
Gain on sale of shares of subsidiaries and associates	-	16
Compensation income	-	56
Total extraordinary income	711	278
Extraordinary losses		
Loss on valuation of investment securities	-	87
Total extraordinary losses	-	87
Profit before income taxes	6,998	6,445
Income taxes - current	1,727	1,914
Income taxes - deferred	201	(55)
Total income taxes	1,928	1,858
Net profit	5,069	4,587
Profit attributable to owners of parent	5,001	4,489
Profit attributable to non-controlling interests	68	97
Other comprehensive income		
Valuation difference on available-for-sale securities	323	3,291
Foreign currency translation adjustment	430	716
Remeasurements of defined benefit plans, net of tax	13	53
Share of other comprehensive income of entities accounted for using equity method	3	56
Total other comprehensive income	770	4,117
Comprehensive income	5,840	8,704
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,737	8,560
Comprehensive income attributable to non-controlling interests	102	143

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,728	2,097	18,734	(564)	26,994
Changes during period					
Dividends of surplus			(901)		(901)
Purchase of shares of consolidated subsidiaries		(56)			(56)
Change in scope of consolidation					-
Profit attributable to owners of parent			5,001		5,001
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares			(0)	0	0
Exercise of share acquisition rights			(20)	139	119
Net changes in items other than shareholders' equity					
Total changes during period	-	(56)	4,079	129	4,152
Balance at end of period	6,728	2,040	22,813	(435)	31,146

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,813	296	1	3,111	282	713	31,101
Changes during period							
Dividends of surplus							(901)
Purchase of shares of consolidated subsidiaries							(56)
Change in scope of consolidation							-
Profit attributable to owners of parent							5,001
Purchase of treasury shares							(10)
Disposal of treasury shares							0
Exercise of share acquisition rights							119
Net changes in items other than shareholders' equity	326	395	13	736	(64)	(188)	482
Total changes during period	326	395	13	736	(64)	(188)	4,635
Balance at end of period	3,140	692	15	3,847	218	524	35,736

For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,728	2,040	22,813	(435)	31,146
Changes during period					
Dividends of surplus			(1,388)		(1,388)
Purchase of shares of consolidated subsidiaries					-
Change in scope of consolidation			80		80
Profit attributable to owners of parent			4,489		4,489
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares			0	0	0
Exercise of share acquisition rights			(3)	22	18
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,178	19	3,198
Balance at end of period	6,728	2,040	25,992	(415)	34,345

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,140	692	15	3,847	218	524	35,736
Changes during period							
Dividends of surplus							(1,388)
Purchase of shares of consolidated subsidiaries							-
Change in scope of consolidation							80
Profit attributable to owners of parent							4,489
Purchase of treasury shares							(2)
Disposal of treasury shares							0
Exercise of share acquisition rights							18
Net changes in items other than shareholders' equity	3,369	678	23	4,071	32	141	4,245
Total changes during period	3,369	678	23	4,071	32	141	7,443
Balance at end of period	6,509	1,370	38	7,918	250	666	43,180

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,998	6,445
Depreciation	491	580
Share-based payment expenses	54	50
Amortization of goodwill	98	101
Share of loss (profit) of entities accounted for using equity method	(1,213)	(310)
Increase (decrease) in allowance for doubtful accounts	(6)	23
Increase (decrease) in provision for bonuses	64	239
Increase (decrease) in provision for bonuses for directors	39	3
Increase (decrease) in retirement benefit liability	65	29
Increase (decrease) in provision for retirement benefits for directors	0	(0)
Loss (gain) on sale of securities	(15)	(4)
Loss (gain) on sale of non-current assets	(55)	-
Loss (gain) on valuation of investment securities	-	87
Loss (gain) on sale of investment securities	(655)	(204)
Loss (gain) on sale of shares of subsidiaries and associates	-	(16)
Interest and dividend income	(257)	(289)
Interest expenses	30	13
Decrease (increase) in trade receivables	389	(17,611)
Decrease (increase) in investments in leases	45	30
Decrease (increase) in inventories	(2,958)	700
Decrease (increase) in advance payments to suppliers	24,839	(17,267)
Increase (decrease) in trade payables	(234)	13,347
Increase (decrease) in advances received	(26,232)	17,595
Decrease (increase) in consumption taxes refund receivable	(347)	317
Increase (decrease) in accrued consumption taxes	(488)	575
Increase/decrease in other assets/liabilities	(254)	210
Subtotal	398	4,647
Interest and dividends received	271	273
Interest paid	(31)	(13)
Income taxes refund (paid)	(1,396)	(2,407)
Other, net	26	42
Net cash provided by (used in) operating activities	(731)	2,541

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	358	-
Purchase of securities	(352)	(46)
Proceeds from sale of securities	422	52
Purchase of investment securities	(169)	(96)
Proceeds from sale of investment securities	1,460	465
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	29
Purchase of shares of associates	(598)	-
Proceeds from liquidation of subsidiaries and associates	-	121
Purchase of property, plant and equipment	(2,356)	(519)
Proceeds from sale of property, plant and equipment	249	49
Purchase of intangible assets	(85)	(127)
Proceeds from sale of intangible assets	3	-
Loan advances	(11)	(14)
Proceeds from collection of loans receivable	19	7
Payments of guarantee deposits	(35)	(53)
Proceeds from refund of guarantee deposits	27	49
Other, net	(0)	(6)
Net cash provided by (used in) investing activities	(1,068)	(88)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,506)	(2,007)
Dividends paid	(898)	(1,384)
Purchase of treasury shares	(0)	(2)
Proceeds from sale of treasury shares	0	0
Dividends paid to non-controlling interests	(70)	(21)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(295)	-
Other, net	(44)	(46)
Net cash provided by (used in) financing activities	(4,816)	(3,462)
Effect of exchange rate change on cash and cash equivalents	269	335
Net increase (decrease) in cash and cash equivalents	(6,346)	(672)
Cash and cash equivalents at beginning of period	17,000	10,653
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	447
Cash and cash equivalents at end of period	10,653	10,428