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



May 13, 2024

Company name: SEIREN CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 3569

URL: <https://www.seiren.com/english/>

Representative: Tatsuo Kawada, Representative Director, Chairman and C.E.O.

Contact: Tomofumi Katsuki, Director and Managing Executive Officer and Chief Administrative Officer (CAO)

Phone: +81-776-35-2111

Scheduled date of general shareholders' meeting: June 20, 2024

Scheduled date of commencing dividend payments: June 21, 2024

Scheduled date of filing securities report: June 21, 2024

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(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 - March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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	141,915	7.2	14,068	9.6	16,214	5.7	12,156	10.3
March 31, 2023	132,364	20.6	12,831	17.7	15,345	28.7	11,023	28.9

Note: Comprehensive income: Fiscal year ended March 31, 2024: ¥18,856 million [11.6%]

Fiscal year ended March 31, 2023: ¥16,894 million [32.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	226.53	201.55	10.7	9.1	9.9
March 31, 2023	205.43	176.39	11.3	9.5	9.7

Reference: Equity in earnings of affiliated companies:

Fiscal year ended March 31, 2024: ¥ – million

Fiscal year ended March 31, 2023: ¥ – million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	187,458	124,689	66.0	2,234.88
As of March 31, 2023	167,795	105,785	62.3	1,951.14

Reference: Equity: As of March 31, 2024: ¥123,642 million

As of March 31, 2023: ¥104,508 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	13,489	(5,279)	(7,048)	37,545
March 31, 2023	12,943	(9,614)	(7,009)	34,141

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 March 31, 2023	Yen –	Yen 23.00	Yen –	Yen 23.00	Yen 46.00	Million yen 2,464	% 22.4	% 2.5
Fiscal year ended March 31, 2024	–	23.00	–	30.00	53.00	2,894	23.4	2.5
Fiscal year ending March 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		27.2	

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	147,000	3.6	15,500	10.2	16,500	1.8	12,200	0.4	220.52

* Notes:

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Total number of shares outstanding (common shares)
 - 1) Total number of shares outstanding at the end of the year (including treasury shares):

March 31, 2024:	64,633,646 shares
March 31, 2023:	64,633,646 shares
 - 2) Total number of treasury shares at the end of the year:

March 31, 2024:	9,309,939 shares
March 31, 2023:	11,070,927 shares
 - 3) Average number of shares during the year:

Year ended March 31, 2024:	53,662,353 shares
Year ended March 31, 2023:	53,663,877 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecasts and other forward-looking statements herein are based on information available to the Company as of the date of publication of this document and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. For notes on financial results forecasts, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attachments to the Japanese version of this document.

Consolidated Financial Statements and Principal Notes
(1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	38,782	43,612
Notes and accounts receivable - trade, and contract assets	33,075	39,273
Securities	1,091	3,317
Merchandise and finished goods	13,618	14,835
Work in process	4,313	4,316
Raw materials and supplies	7,291	7,472
Other	2,912	4,268
Allowance for doubtful accounts	(16)	(13)
Total current assets	101,068	117,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,048	65,706
Accumulated depreciation	(37,267)	(39,680)
Buildings and structures, net	22,780	26,026
Machinery, equipment and vehicles	82,926	87,276
Accumulated depreciation	(71,207)	(73,418)
Machinery, equipment and vehicles, net	11,718	13,858
Tools, furniture and fixtures	4,960	5,271
Accumulated depreciation	(4,470)	(4,726)
Tools, furniture and fixtures, net	489	545
Land	12,778	13,048
Leased assets	324	33
Accumulated depreciation	(287)	(33)
Leased assets, net	36	-
Construction in progress	6,363	1,855
Total property, plant and equipment	54,167	55,334
Intangible assets		
Goodwill	638	477
Other	2,464	3,019
Total intangible assets	3,102	3,497
Investments and other assets		
Investment securities	7,117	9,619
Deferred tax assets	1,539	1,163
Other	905	868
Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	9,456	11,544
Total non-current assets	66,726	70,375
Total assets	167,795	187,458

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,450	20,676
Short-term borrowings	2,061	2,061
Accounts payable - other	1,942	3,986
Income taxes payable	1,702	2,807
Provision for bonuses for directors (and other officers)	110	135
Provision for bonuses	1,375	1,705
Other	5,664	5,303
Total current liabilities	30,307	36,676
Non-current liabilities		
Bonds with share acquisition rights	15,240	10,322
Long-term borrowings	8,563	6,517
Deferred tax liabilities	381	322
Provision for retirement benefits for directors (and other officers)	119	119
Retirement benefit liability	6,632	6,406
Other	765	2,403
Total non-current liabilities	31,701	26,092
Total liabilities	62,009	62,769
Net assets		
Shareholders' equity		
Share capital	17,520	17,520
Capital surplus	16,807	18,032
Retained earnings	75,669	85,359
Treasury shares	(14,830)	(13,223)
Total shareholders' equity	95,167	107,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,953	4,288
Foreign currency translation adjustment	6,303	11,405
Remeasurements of defined benefit plans	84	259
Total accumulated other comprehensive income	9,341	15,953
Share acquisition rights	567	502
Non-controlling interests	709	544
Total net assets	105,785	124,689
Total liabilities and net assets	167,795	187,458

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	132,364	141,915
Cost of sales	95,623	103,606
Gross profit	36,741	38,308
Selling, general and administrative expenses	23,910	24,240
Operating profit	12,831	14,068
Non-operating income		
Interest income	349	777
Dividend income	151	174
Subsidies for employment adjustment	17	-
Foreign exchange gains	1,729	736
Subsidy income	167	482
Other	185	163
Total non-operating income	2,600	2,333
Non-operating expenses		
Interest expenses	37	144
Other	49	43
Total non-operating expenses	86	187
Ordinary profit	15,345	16,214
Extraordinary income		
Gain on sale of non-current assets	15	19
Subsidy income	-	241
Total extraordinary income	15	260
Extraordinary losses		
Loss on disposal of non-current assets	50	36
Loss on valuation of investment securities	214	-
Loss on valuation of shares of subsidiaries and associates	-	20
Business structure improvement expenses of subsidiaries	137	-
Total extraordinary losses	402	57
Profit before income taxes	14,957	16,417
Income taxes - current	3,914	4,397
Income taxes - deferred	(40)	(185)
Total income taxes	3,874	4,211
Profit	11,083	12,205
Profit attributable to non-controlling interests	59	49
Profit attributable to owners of parent	11,023	12,156

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	11,083	12,205
Other comprehensive income		
Valuation difference on available-for-sale securities	947	1,335
Foreign currency translation adjustment	4,858	5,140
Remeasurements of defined benefit plans, net of tax	4	175
Total other comprehensive income	5,810	6,651
Comprehensive income	16,894	18,856
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,792	18,768
Comprehensive income attributable to non-controlling interests	101	88

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,520	16,786	66,952	(14,385)	86,873
Changes during period					
Dividends of surplus			(2,306)		(2,306)
Profit attributable to owners of parent			11,023		11,023
Disposal of treasury shares		20		387	408
Purchase of treasury shares				(832)	(832)
Changes in equity due to capital transfer					-
Conversion of convertible bonds					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	20	8,717	(444)	8,293
Balance at end of period	17,520	16,807	75,669	(14,830)	95,167

	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	2,005	1,487	79	3,572	787	610	91,845
Changes during period							
Dividends of surplus							(2,306)
Profit attributable to owners of parent							11,023
Disposal of treasury shares							408
Purchase of treasury shares							(832)
Changes in equity due to capital transfer							-
Conversion of convertible bonds							-
Net changes in items other than shareholders' equity	947	4,816	4	5,768	(220)	98	5,647
Total changes during period	947	4,816	4	5,768	(220)	98	13,940
Balance at end of period	2,953	6,303	84	9,341	567	709	105,785

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,520	16,807	75,669	(14,830)	95,167
Changes during period					
Dividends of surplus			(2,466)		(2,466)
Profit attributable to owners of parent			12,156		12,156
Disposal of treasury shares		70		168	239
Purchase of treasury shares				(2,245)	(2,245)
Changes in equity due to capital transfer		7			7
Conversion of convertible bonds		1,146		3,683	4,830
Net changes in items other than shareholders' equity					-
Total changes during period	-	1,224	9,689	1,606	12,521
Balance at end of period	17,520	18,032	85,359	(13,223)	107,688

	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	2,953	6,303	84	9,341	567	709	105,785
Changes during period							
Dividends of surplus							(2,466)
Profit attributable to owners of parent							12,156
Disposal of treasury shares							239
Purchase of treasury shares							(2,245)
Changes in equity due to capital transfer							7
Conversion of convertible bonds							4,830
Net changes in items other than shareholders' equity	1,335	5,101	175	6,612	(64)	(165)	6,382
Total changes during period	1,335	5,101	175	6,612	(64)	(165)	18,903
Balance at end of period	4,288	11,405	259	15,953	502	544	124,689

(4) Consolidated Statement 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	14,957	16,417
Depreciation	5,313	5,455
Loss (gain) on sale of non-current assets	(15)	(18)
Loss on retirement of non-current assets	50	36
Loss on valuation of investment securities	214	-
Business structure improvement expenses of subsidiaries	137	-
Increase (decrease) in allowance for doubtful accounts	3	(3)
Increase (decrease) in provision for bonuses	144	330
Increase (decrease) in retirement benefit liability	141	27
Interest and dividend income	(500)	(951)
Interest expenses	37	144
Foreign exchange losses (gains)	(1,588)	(1,940)
Decrease (increase) in trade receivables	(2,823)	(4,561)
Decrease (increase) in inventories	(1,224)	91
Increase (decrease) in trade payables	879	2,238
Other, net	776	(964)
Subtotal	16,505	16,300
Interest and dividends received	401	853
Interest paid	(38)	(91)
Income taxes paid	(3,925)	(3,572)
Net cash provided by (used in) operating activities	12,943	13,489
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,319)	(4,244)
Proceeds from sale of property, plant and equipment	38	75
Purchase of short-term and long-term investment securities	(1,469)	(2,691)
Proceeds from sale and redemption of short-term and long-term investment securities	850	2,000
Net decrease (increase) in time deposits	(1,282)	(1,426)
Purchase of intangible assets	(35)	(58)
Other, net	604	1,065
Net cash provided by (used in) investing activities	(9,614)	(5,279)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,797)	(2,045)
Purchase of treasury shares	(832)	(2,245)
Dividends paid	(2,306)	(2,466)
Dividends paid to non-controlling interests	(2)	(7)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(238)
Other, net	(70)	(44)
Net cash provided by (used in) financing activities	(7,009)	(7,048)
Effect of exchange rate change on cash and cash equivalents	2,370	2,242
Net increase (decrease) in cash and cash equivalents	(1,309)	3,403
Cash and cash equivalents at beginning of period	35,451	34,141
Cash and cash equivalents at end of period	34,141	37,545