

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: Sekisui Jushi Corporation
 Stock exchange listing: Tokyo
 Stock code: 4212 URL <https://www.sekisuijushi.co.jp>
 Representative: President and Representative Director, CEO Hiroshi Baba
 Director and Managing Executive Officer, in charge of Finance and Investor Relations Tomoyuki Kikuchi TEL 06-6365-3204
 Inquiries: TEL 06-6365-3204
 Scheduled date of ordinary general meeting of shareholders: June 25, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 4, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	62,790	(4.7)	6,298	(30.1)	6,969	(26.7)	4,671	(29.8)
Year ended March 31, 2023	65,897	(0.0)	9,007	(17.2)	9,501	(16.6)	6,653	(13.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	131.20	–	4.5	5.1	10.0
Year ended March 31, 2023	163.75	–	6.1	6.9	13.7

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	133,269	98,829	72.9	2,968.51
As of March 31, 2023	139,366	111,589	78.9	2,735.54

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	1,104	(6,934)	(24,409)	15,167
Year ended March 31, 2023	4,946	(3,170)	(4,233)	44,905

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	31.00	–	32.00	63.00	2,544	38.5	2.4
Year ended March 31, 2024	–	33.00	–	32.00	65.00	2,132	49.5	2.3
Year ending March 31, 2025 (Forecast)	–	35.00	–	35.00	70.00		47.2	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	33,300	19.4	2,600	2.8	2,850	0.4	2,020	3.9	61.71
Full year	75,500	20.2	6,500	3.2	7,000	0.4	4,850	3.8	148.16

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	33,313,598 shares	As of March 31, 2023	43,313,598 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	579,341 shares	As of March 31, 2023	3,098,738 shares
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Average number of shares during the period

Year ended March 31, 2024	35,610,900 shares	Year ended March 31, 2023	40,632,307 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	44,905	15,167
Notes receivable - trade	3,751	3,165
Accounts receivable - trade	13,150	12,879
Electronically recorded monetary claims - operating	8,220	9,783
Securities	699	–
Merchandise and finished goods	3,210	4,133
Work in process	1,382	1,496
Raw materials and supplies	4,313	4,971
Other	1,453	1,477
Allowance for doubtful accounts	(25)	(26)
Total current assets	81,062	53,048
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,737	4,891
Machinery, equipment and vehicles, net	2,920	4,362
Land	7,262	7,944
Other, net	351	933
Total property, plant and equipment	14,271	18,131
Intangible assets		
Goodwill	–	16,728
Other	254	281
Total intangible assets	254	17,010
Investments and other assets		
Investment securities	16,375	17,528
LongTermTimeDeposits	25,500	25,500
Deferred tax assets	407	532
Retirement benefit asset	902	1,065
Other	1,194	1,118
Allowance for doubtful accounts	(601)	(665)
Total investments and other assets	43,778	45,079
Total non-current assets	58,303	80,221
Total assets	139,366	133,269

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,592	7,924
Electronically recorded obligations - operating	6,532	3,022
Short-term borrowings	900	9,963
Accounts payable - other	1,347	1,601
Income taxes payable	1,334	1,027
Provision for bonuses	797	1,022
Provision for bonuses for directors (and other officers)	105	122
Other	4,428	5,378
Total current liabilities	24,038	30,061
Non-current liabilities		
Long-term borrowings	–	139
Provision for retirement benefits for directors (and other officers)	88	94
Retirement benefit liability	2,013	2,176
Deferred tax liabilities	1,471	1,918
Other	165	51
Total non-current liabilities	3,738	4,379
Total liabilities	27,776	34,440
Net assets		
Shareholders' equity		
Share capital	12,334	12,334
Capital surplus	13,152	13,152
Retained earnings	85,738	66,481
Treasury shares	(6,011)	(1,149)
Total shareholders' equity	105,213	90,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,135	4,908
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	717	1,493
Remeasurements of defined benefit plans	(57)	(48)
Total accumulated other comprehensive income	4,795	6,353
Non-controlling interests	1,580	1,657
Total net assets	111,589	98,829
Total liabilities and net assets	139,366	133,269

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	65,897	62,790
Cost of sales	45,844	43,656
Gross profit	20,053	19,133
Selling, general and administrative expenses	11,045	12,834
Operating profit	9,007	6,298
Non-operating income		
Interest income	82	120
Dividend income	308	272
Foreign exchange gains	50	292
Share of profit of entities accounted for using equity method	128	100
Other	77	113
Total non-operating income	647	899
Non-operating expenses		
Provision of allowance for doubtful accounts	39	64
Diagnosis expense of earthquake resistance	–	57
Office relocation expenses	36	–
Other	77	106
Total non-operating expenses	153	228
Ordinary profit	9,501	6,969
Extraordinary income		
Gain on sale of investment securities	824	407
Gain on sale of shares of subsidiaries and associates	74	–
Total extraordinary income	899	407
Extraordinary losses		
Loss on valuation of investment securities	390	–
Impairment losses	75	105
Loss on sales and retirement of noncurrent assets	72	101
Total extraordinary losses	538	207
Profit before income taxes	9,862	7,169
Income taxes - current	3,038	2,302
Income taxes - deferred	(1)	71
Total income taxes	3,037	2,373
Profit	6,825	4,795
Profit attributable to non-controlling interests	172	123
Profit attributable to owners of parent	6,653	4,671

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,825	4,795
Other comprehensive income		
Valuation difference on available-for-sale securities	116	758
Deferred gains or losses on hedges	(13)	(0)
Foreign currency translation adjustment	531	792
Remeasurements of defined benefit plans, net of tax	(33)	(11)
Share of other comprehensive income of entities accounted for using equity method	(3)	35
Total other comprehensive income	596	1,574
Comprehensive income	7,422	6,370
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,241	6,229
Comprehensive income attributable to non-controlling interests	181	140

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,334	13,154	81,741	(4,619)	102,610
Changes during period					
Dividends of surplus			(2,652)		(2,652)
Profit attributable to owners of parent			6,653		6,653
Purchase of treasury shares				(1,412)	(1,412)
Disposal of treasury shares			(3)	20	16
Change in ownership interest of parent due to transactions with non-controlling interests		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	(2)	3,997	(1,392)	2,602
Balance at end of period	12,334	13,152	85,738	(6,011)	105,213

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,014	13	194	(14)	4,207	1,569	108,387
Changes during period							
Dividends of surplus							(2,652)
Profit attributable to owners of parent							6,653
Purchase of treasury shares							(1,412)
Disposal of treasury shares							16
Change in ownership interest of parent due to transactions with non-controlling interests							(2)
Net changes in items other than shareholders' equity	121	(13)	523	(42)	588	10	598
Total changes during period	121	(13)	523	(42)	588	10	3,201
Balance at end of period	4,135	0	717	(57)	4,795	1,580	111,589

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,334	13,152	85,738	(6,011)	105,213
Changes during period					
Dividends of surplus			(2,372)		(2,372)
Profit attributable to owners of parent			4,671		4,671
Purchase of treasury shares				(16,743)	(16,743)
Disposal of treasury shares		6		42	49
Cancellation of treasury shares		(6)	(21,557)	21,563	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(19,257)	4,862	(14,394)
Balance at end of period	12,334	13,152	66,481	(1,149)	90,818

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,135	0	717	(57)	4,795	1,580	111,589
Changes during period							
Dividends of surplus							(2,372)
Profit attributable to owners of parent							4,671
Purchase of treasury shares							(16,743)
Disposal of treasury shares							49
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	773	(0)	775	8	1,557	76	1,634
Total changes during period	773	(0)	775	8	1,557	76	(12,760)
Balance at end of period	4,908	(0)	1,493	(48)	6,353	1,657	98,829

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	9,862	7,169
Depreciation	1,197	1,252
Impairment losses	75	105
Increase (decrease) in provision for bonuses	13	76
Increase (decrease) in provision for bonuses for directors (and other officers)	(13)	17
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	5
Increase (decrease) in allowance for doubtful accounts	39	64
Increase (decrease) in retirement benefit liability	(18)	55
Decrease (increase) in retirement benefit asset	(126)	(104)
Interest and dividend income	(390)	(392)
Share of loss (profit) of entities accounted for using equity method	(128)	(100)
Foreign exchange losses (gains)	(39)	(49)
Loss (gain) on sale of investment securities	(824)	(407)
Loss (gain) on sale of shares of subsidiaries and associates	(74)	–
Loss (gain) on valuation of investment securities	390	–
Gain on sale of non-current assets	(1)	(25)
Loss on sales and retirement of non-current assets	72	101
Decrease (increase) in trade receivables	(1,192)	(245)
Decrease (increase) in inventories	(1,657)	(83)
Increase (decrease) in trade payables	1,213	(4,368)
Other, net	(787)	117
Subtotal	7,612	3,190
Interest and dividends received	408	412
Interest paid	(6)	(10)
Income taxes paid	(3,067)	(2,487)
Net cash provided by (used in) operating activities	4,946	1,104
Cash flows from investing activities		
Proceeds from redemption of securities	–	700
Purchase of property, plant and equipment	(1,140)	(1,788)
Proceeds from sale of property, plant and equipment	7	38
Purchase of intangible assets	(82)	(90)
Purchase of investment securities	(200)	(341)
Proceeds from sale of investment securities	1,102	801
Decrease (increase) in short-term loans receivable	1	50
Long-term loan advances	(10)	(19)
Proceeds from collection of long-term loans receivable	12	7
Payments into increase in long-term deposits	(3,000)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(6,279)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	134	–
Other, net	4	(10)
Net cash provided by (used in) investing activities	(3,170)	(6,934)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10	9,025
Repayments of long-term borrowings	–	(14,255)
Purchase of treasury shares	(1,409)	(16,741)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(92)	–
Dividends paid	(2,646)	(2,367)
Other, net	(94)	(72)
Net cash provided by (used in) financing activities	(4,233)	(24,409)
Effect of exchange rate change on cash and cash equivalents	330	501
Net increase (decrease) in cash and cash equivalents	(2,126)	(29,737)
Cash and cash equivalents at beginning of period	47,031	44,905
Cash and cash equivalents at end of period	44,905	15,167