

Consolidated Financial Results
for the Nine Months Ended December 31, 2022
[Japanese GAAP]



February 8, 2023

Company name: SEIKITOKYU KOGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1898

URL: <https://www.seikitokyu.co.jp>

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Scheduled date of filing quarterly securities report: February 9, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary briefing materials on quarterly financial results: Unavailable

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (Cumulative) (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	68,509	11.7	1,511	(47.4)	1,467	(48.6)	960	(52.9)
December 31, 2021	61,342	3.5	2,870	(38.0)	2,853	(37.1)	2,039	(41.2)

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥1,052 million [(51.3)%]

Nine months ended December 31, 2021: ¥2,162 million [(38.6)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	26.12		–	
December 31, 2021	51.84		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2022	79,317	39,663	50.0	1,088.23
As of March 31, 2022	78,295	40,497	51.7	1,082.33

(Reference) Equity: As of December 31, 2022: ¥39,663 million

As of March 31, 2022: ¥40,497 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	30.00	30.00
Fiscal year ending March 31, 2023	–	0.00	–		
Fiscal year ending March 31, 2023 (Forecast)				30.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	93,200	9.5	3,200	(27.6)	3,100	(28.9)	2,200	(33.4)	60.36

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the period under review

(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Number of shares issued (common shares)

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

December 31, 2022: 38,414,407 shares

March 31, 2022: 40,414,407 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 1,966,397 shares

March 31, 2022: 2,996,909 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Nine months ended December 31, 2022: 36,754,105 shares

Nine months ended December 31, 2021: 39,341,317 shares

* These consolidated financial results are outside the scope of quarterly review by certified public accountants or audit corporations.

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

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

(Reference) Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates year-on-year changes)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	88,600	9.2	2,900	(28.0)	2,100	(31.9)	57.62

(Note) Revision to the financial results forecast announced most recently: Yes

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

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

Quarterly Consolidated Financial Statements and Primary Notes
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	12,814	6,365
Notes receivable, accounts receivable from completed construction contracts and other	34,942	41,329
Costs on construction contracts in progress	459	157
Raw materials and supplies	401	333
Other	2,871	2,536
Allowance for doubtful accounts	-	(5)
Total current assets	51,489	50,716
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,824	11,678
Machinery, vehicles, tools, furniture and fixtures	21,511	22,161
Land	14,217	15,006
Construction in progress	763	740
Accumulated depreciation	(21,464)	(22,671)
Total property, plant and equipment	24,852	26,915
Intangible assets	250	244
Investments and other assets		
Other	1,703	1,440
Total investments and other assets	1,703	1,440
Total non-current assets	26,806	28,600
Total assets	78,295	79,317

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	20,722	25,604
Short-term borrowings	107	203
Income taxes payable	494	38
Advances received on construction contracts in progress	1,921	920
Provision for warranties for completed construction	32	31
Provision for loss on construction contracts	5	22
Provision for bonuses	1,861	842
Other	4,163	3,897
Total current liabilities	29,307	31,561
Non-current liabilities		
Long-term borrowings	6,900	6,825
Retirement benefit liability	1,505	1,176
Other	84	90
Total non-current liabilities	8,490	8,092
Total liabilities	37,797	39,653
Net assets		
Shareholders' equity		
Share capital	2,000	2,000
Capital surplus	521	500
Retained earnings	40,248	38,457
Treasury shares	(2,502)	(1,618)
Total shareholders' equity	40,266	39,339
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	33
Foreign currency translation adjustment	4	14
Remeasurements of defined benefit plans	203	275
Total accumulated other comprehensive income	231	324
Total net assets	40,497	39,663
Total liabilities and net assets	78,295	79,317

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	61,342	68,509
Cost of sales	54,241	62,441
Gross profit	7,101	6,068
Selling, general and administrative expenses	4,230	4,557
Operating profit	2,870	1,511
Non-operating income		
Dividend income	4	4
Rental income	14	15
Foreign exchange gains	5	26
Miscellaneous income	24	20
Total non-operating income	48	66
Non-operating expenses		
Interest expenses	28	41
Guarantee commission	20	15
Commission for purchase of treasury shares	5	22
Miscellaneous expenses	11	30
Total non-operating expenses	65	110
Ordinary profit	2,853	1,467
Extraordinary income		
Gain on sale of non-current assets	20	2
Compensation income	77	-
Reversal of provision for retirement benefits	0	-
Total extraordinary income	98	2
Extraordinary losses		
Loss on sale of non-current assets	0	13
Loss on retirement of non-current assets	6	11
Expenses on dismantlement of non-current assets	30	-
Loss on sale of shares of subsidiaries and associates	4	-
Total extraordinary losses	41	25
Profit before income taxes	2,910	1,444
Income taxes	871	483
Profit	2,039	960
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,039	960

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	2,039	960
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	10
Foreign currency translation adjustment	7	10
Remeasurements of defined benefit plans, net of tax	121	71
Total other comprehensive income	123	92
Comprehensive income	2,162	1,052
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,162	1,052
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

The Company retired 2,000,000 shares of its treasury shares on June 30, 2022, based on the resolution at the Board of Directors meeting held on April 27, 2022. As a result, in the nine months ended December 31, 2022, capital surplus decreased by ¥21 million, retained earnings decreased by ¥1,627 million, and treasury shares decreased by ¥1,648 million.

(Additional information)

(Accounting estimates as to the impact of COVID-19)

There are no significant changes in the assumptions including those about the future impact and period of convergence of the COVID-19 pandemic stated in “(Additional information)” in the Annual Securities Report (*Yukashoken Houkokusho*) for the fiscal year ended March 31, 2022.