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May 14, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (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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 Telephone: +81-584-82-5023
 Scheduled date of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

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

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	642,811	1.8	23,403	-17.9	24,496	-25.1	14,561	-23.4
March 31, 2023	631,507	3.9	28,501	3.5	32,688	8.0	19,013	10.2

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥29,991 million (48.3%)
 For the fiscal year ended March 31, 2023: ¥20,224 million (6.9%)

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	83.72	78.16	3.3	3.5	3.6
March 31, 2023	104.87	98.40	4.3	4.7	4.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥-229 million
 For the fiscal year ended March 31, 2023: ¥2,446 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	689,525	435,577	62.4	2,560.24
March 31, 2023	703,893	449,727	63.2	2,449.98

Reference: Equity
 As of March 31, 2024: ¥430,380 million
 As of March 31, 2023: ¥444,844 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	48,441	-25,509	-48,646	75,378
March 31, 2023	39,274	-29,589	-8,172	101,065

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	11.00	-	45.00	56.00	10,491	53.4	2.3
Fiscal year ended March 31, 2024	-	43.00	-	57.00	100.00	17,537	119.4	4.0
Fiscal year ending March 31, 2025 (Forecast)	-	43.00	-	57.00	100.00		86.8	

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

	Operation revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	317,000	0.5	12,000	6.0	12,900	5.6	7,500	0.8	44.59
Full year	658,700	2.5	30,900	32.0	32,400	32.3	19,400	33.2	115.27

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	187,679,783 shares
As of March 31, 2023	207,679,783 shares

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

As of March 31, 2024	19,578,573 shares
As of March 31, 2023	26,109,781 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	173,923,917 shares
Fiscal year ended March 31, 2023	181,291,165 shares

* Financial results reports are exempt from audit 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.

4. Consolidated Financial Statement

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	106,752	80,281
Notes receivable - trade	5,821	5,740
Operating accounts receivable and accounts receivable-trade	113,420	108,704
Contract assets	1,289	1,131
Securities	3,000	3,188
Inventories	16,388	20,614
Other	9,205	11,055
Allowance for doubtful accounts	(445)	(348)
Total current assets	255,432	230,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	120,269	116,970
Machinery, equipment and vehicles, net	19,119	19,074
Tools, furniture and fixtures, net	3,369	4,974
Land	187,959	189,254
Construction in progress	2,672	5,637
Other, net	9,836	9,742
Total property, plant and equipment	343,226	345,654
Intangible assets		
Goodwill	11,602	9,467
Other	5,904	5,861
Total intangible assets	17,507	15,328
Investments and other assets		
Investment securities	65,291	81,531
Long-term loans receivable	243	256
Retirement benefit asset	—	215
Deferred tax assets	15,649	9,002
Other	7,016	7,655
Allowance for doubtful accounts	(474)	(489)
Total investments and other assets	87,727	98,172
Total non-current assets	448,461	459,155
Total assets	703,893	689,525

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	1,922	2,261
Operating accounts payable and accounts payable-trade	47,952	56,701
Short-term borrowings	4,760	3,748
Current portion of long-term borrowings	1,174	1,565
Accounts payable - other	15,970	16,662
Accrued expenses	16,108	16,445
Income taxes payable	6,691	4,969
Accrued consumption taxes	6,508	5,848
Contract liabilities	3,873	3,647
Other	8,005	7,987
Total current liabilities	112,966	119,838
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	25,150	25,099
Long-term borrowings	9,388	6,927
Deferred tax liabilities	2,960	2,651
Provision for retirement benefits for directors	1,832	1,560
Provision for share awards	5,054	4,806
Provision for share awards for directors	179	219
Retirement benefit liability	83,138	77,392
Asset retirement obligations	3,838	3,984
Other	9,657	11,467
Total non-current liabilities	141,199	134,109
Total liabilities	254,166	253,947
Net assets		
Shareholders' equity		
Share capital	42,481	42,481
Capital surplus	80,874	77,175
Retained earnings	346,416	321,348
Treasury shares	(36,422)	(37,586)
Total shareholders' equity	433,350	403,420
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,763	23,850
Revaluation reserve for land	(96)	(100)
Foreign currency translation adjustment	676	1,540
Remeasurements of defined benefit plans	(2,849)	1,670
Total accumulated other comprehensive income	11,494	26,960
Share acquisition rights	2	2
Non-controlling interests	4,880	5,194
Total net assets	449,727	435,577
Total liabilities and net assets	703,893	689,525

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue	631,507	642,811
Cost of sales	554,998	569,213
Gross profit	76,509	73,597
Selling, general and administrative expenses		
Personnel expenses	27,738	28,726
Retirement benefit expenses	865	963
Provision for retirement benefits for directors	268	217
Provision for share awards for directors	(7)	39
Depreciation	2,513	2,732
Provision of allowance for doubtful accounts	123	(35)
Advertising expenses	1,677	1,448
Amortization of goodwill	2,192	2,134
Other	13,761	15,187
Total selling, general and administrative expenses	48,007	50,194
Operating profit	28,501	23,403
Non-operating income		
Interest income	24	19
Dividend income	953	954
Share of profit of entities accounted for using equity method	2,446	—
Other	1,592	1,297
Total non-operating income	5,016	2,271
Non-operating expenses		
Interest expenses	424	412
Share of loss of entities accounted for using equity method	—	229
Loss on investments in investment partnerships	348	303
Commission for purchase of treasury shares	—	125
Other	56	108
Total non-operating expenses	829	1,178
Ordinary profit	32,688	24,496
Extraordinary income		
Gain on sale of non-current assets	200	641
Gain on sale of investment securities	146	548
Compensation income	—	1,640
Compensation for expropriation	583	—
Other	0	29
Total extraordinary income	931	2,859
Extraordinary losses		
Loss on disposal of non-current assets	1,287	1,051
Impairment losses	787	492
Other	193	194
Total extraordinary losses	2,268	1,738
Profit before income taxes	31,351	25,617
Income taxes - current	12,627	10,942
Income taxes - deferred	(736)	206
Total income taxes	11,891	11,149
Profit	19,460	14,467
Profit (loss) attributable to non-controlling interests	447	(94)
Profit attributable to owners of parent	19,013	14,561

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	19,460	14,467
Other comprehensive income		
Valuation difference on available-for-sale securities	(859)	10,062
Revaluation reserve for land	—	(4)
Foreign currency translation adjustment	123	104
Remeasurements of defined benefit plans, net of tax	743	4,358
Share of other comprehensive income of entities accounted for using equity method	756	1,001
Total other comprehensive income	764	15,523
Comprehensive income	20,224	29,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,734	30,028
Comprehensive income attributable to non-controlling interests	490	(36)

(4) Consolidated Statement 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	42,481	80,940	332,860	(37,138)	419,144
Changes during period					
Dividends of surplus			(5,432)		(5,432)
Profit attributable to owners of parent			19,013		19,013
Reversal of revaluation reserve for land			(25)		(25)
Purchase of treasury shares				(80)	(80)
Disposal of treasury shares		(58)		797	738
Cancellation of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests		(7)			(7)
Net changes in items other than shareholders' equity					
Total changes during period	—	(65)	13,555	716	14,206
Balance at end of period	42,481	80,874	346,416	(36,422)	433,350

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	14,620	(122)	(207)	(3,542)	10,747	—	3,628	433,520
Changes during period								
Dividends of surplus								(5,432)
Profit attributable to owners of parent								19,013
Reversal of revaluation reserve for land								(25)
Purchase of treasury shares								(80)
Disposal of treasury shares								738
Cancellation of treasury shares								
Change in ownership interest of parent due to transactions with non-controlling interests								(7)
Net changes in items other than shareholders' equity	(856)	25	884	693	746	2	1,251	2,001
Total changes during period	(856)	25	884	693	746	2	1,251	16,207
Balance at end of period	13,763	(96)	676	(2,849)	11,494	2	4,880	449,727

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	42,481	80,874	346,416	(36,422)	433,350
Changes during period					
Dividends of surplus			(16,083)		(16,083)
Profit attributable to owners of parent			14,561		14,561
Reversal of revaluation reserve for land					
Purchase of treasury shares				(29,999)	(29,999)
Disposal of treasury shares		188		877	1,065
Cancellation of treasury shares		(4,412)	(23,545)	27,958	—
Change in ownership interest of parent due to transactions with non-controlling interests		525			525
Net changes in items other than shareholders' equity					
Total changes during period	—	(3,698)	(25,067)	(1,163)	(29,930)
Balance at end of period	42,481	77,175	321,348	(37,586)	403,420

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	13,763	(96)	676	(2,849)	11,494	2	4,880	449,727
Changes during period								
Dividends of surplus								(16,083)
Profit attributable to owners of parent								14,561
Reversal of revaluation reserve for land								
Purchase of treasury shares								(29,999)
Disposal of treasury shares								1,065
Cancellation of treasury shares								—
Change in ownership interest of parent due to transactions with non-controlling interests								525
Net changes in items other than shareholders' equity	10,087	(4)	863	4,519	15,466		314	15,780
Total changes during period	10,087	(4)	863	4,519	15,466	—	314	(14,149)
Balance at end of period	23,850	(100)	1,540	1,670	26,960	2	5,194	435,577

(5) 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	31,351	25,617
Depreciation	21,554	21,690
Impairment losses	787	492
Amortization of goodwill	2,192	2,134
Increase (decrease) in allowance for doubtful accounts	105	(74)
Increase (decrease) in provision for retirement benefits for directors	149	(272)
Increase (decrease) in provision for share awards	(187)	(248)
Increase (decrease) in provision for share awards for directors	(18)	39
Increase (decrease) in retirement benefit liability	1,808	615
Decrease (increase) in retirement benefit asset	—	(98)
Interest and dividend income	(977)	(974)
Interest expenses	424	412
Share of loss (profit) of entities accounted for using equity method	(2,446)	229
Loss (gain) on investments in investment partnerships	348	303
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	1,087	409
Loss (gain) on sale of investment securities	(146)	(548)
Decrease (increase) in trade receivables	1,447	4,938
Decrease (increase) in inventories	(5,029)	(3,887)
Increase (decrease) in trade payables	(134)	9,032
Increase (decrease) in accrued consumption taxes	(367)	(484)
Other, net	(181)	1,281
Subtotal	51,768	60,610
Interest and dividends received	1,414	1,455
Interest paid	(446)	(429)
Income taxes paid	(13,462)	(13,194)
Net cash provided by (used in) operating activities	39,274	48,441
Cash flows from investing activities		
Payments into time deposits	(9,301)	(8,591)
Proceeds from withdrawal of time deposits	9,573	9,320
Purchase of securities	(3,000)	—
Proceeds from redemption of securities	3,000	—
Purchase of property, plant and equipment and intangible assets	(24,930)	(23,400)
Proceeds from sale of property, plant and equipment and intangible assets	386	1,003
Purchase of investment securities	(4,022)	(3,011)
Proceeds from sale and redemption of investment securities	376	763
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(685)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	476	—
Decrease (increase) in other investments	(730)	(563)
Loan advances	(35)	(47)
Proceeds from collection of loans receivable	27	30
Other, net	(723)	(1,012)
Net cash provided by (used in) investing activities	(29,589)	(25,509)

(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	(482)	(1,011)
Proceeds from long-term borrowings	630	—
Repayments of long-term borrowings	(2,031)	(2,070)
Proceeds from share issuance to non-controlling shareholders	—	1,000
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(15)	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	157
Purchase of treasury shares	(80)	(29,999)
Proceeds from disposal of treasury shares	607	617
Dividends paid	(5,252)	(15,571)
Dividends paid to non-controlling interests	(143)	(282)
Other, net	(1,405)	(1,486)
Net cash provided by (used in) financing activities	(8,172)	(48,646)
Effect of exchange rate change on cash and cash equivalents	27	27
Net increase (decrease) in cash and cash equivalents	1,540	(25,686)
Cash and cash equivalents at beginning of period	99,524	101,065
Cash and cash equivalents at end of period	101,065	75,378