

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: TEIKOKU SEN-I CO.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3302 URL <https://www.teisen.co.jp/>
 Representative: Chairman & CEO Tsuyoshi Shiraiwa
 Inquiries: Vice President Tatsuru Okamura TEL 03(3281)3022
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended September 30, 2022	20,601	(1.8)	2,823	24.4	3,618	20.9	2,538	23.0
Nine months ended September 30, 2021	20,969	(13.1)	2,269	(22.3)	2,992	(16.2)	2,063	(16.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	96.45		94.96	
Nine months ended September 30, 2021	78.06		76.57	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	69,180	57,638	82.8	2,193.09
As of December 31, 2021	74,280	57,645	76.6	2,151.26

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	0.00	–	45.00	45.00
Year ending December 31, 2022	–	0.00	–		
Year ending December 31, 2022 (Forecast)				45.00	45.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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
Full year	33,000	–	4,300	(12.4)	5,000	(12.2)	3,500	(12.0)	132.32

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	27,444,400 shares	As of December 31, 2021	27,394,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	1,332,515 shares	As of December 31, 2021	943,495 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	26,316,639 shares	Nine months ended September 30, 2021	26,437,033 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	6,207,523	14,688,191
Notes and accounts receivable - trade	12,615,357	4,295,226
Securities	12,349,975	5,999,950
Merchandise and finished goods	6,973,647	5,751,160
Work in process	1,075,943	1,323,392
Raw materials and supplies	687,761	677,510
Other	931,842	785,483
Total current assets	40,842,050	33,520,914
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,441,659	5,812,618
Machinery, equipment and vehicles, net	612,827	607,640
Tools, furniture and fixtures, net	240,450	274,187
Land	3,718,906	3,755,358
Construction in progress	1,291,394	2,205,447
Total property, plant and equipment	10,305,237	12,655,251
Intangible assets	396,284	394,665
Investments and other assets		
Investment securities	22,391,327	22,241,220
Retirement benefit asset	84,880	58,805
Deferred tax assets	83,518	126,718
Other	177,359	182,508
Total investments and other assets	22,737,084	22,609,252
Total non-current assets	33,438,606	35,659,169
Total assets	74,280,657	69,180,084

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,037,970	2,461,892
Short-term borrowings	1,000,000	–
Current portion of long-term borrowings	44,000	44,000
Income taxes payable	1,162,546	187,229
Provision for bonuses for directors (and other officers)	5,000	3,750
Provision for bonuses	–	239,686
Other	1,047,125	1,170,349
Total current liabilities	9,296,643	4,106,907
Non-current liabilities		
Long-term borrowings	45,000	12,000
Long-term guarantee deposits	597,503	551,669
Deferred tax liabilities	6,143,970	5,965,327
Retirement benefit liability	117,696	115,863
Provision for retirement benefits for directors (and other officers)	110,000	–
Provision for share awards for directors (and other officers)	–	478,423
Asset retirement obligations	73,054	76,463
Long-term accounts payable - other	78,650	78,650
Other	173,116	156,524
Total non-current liabilities	7,338,991	7,434,921
Total liabilities	16,635,634	11,541,829
Net assets		
Shareholders' equity		
Share capital	1,551,917	1,582,867
Capital surplus	926,421	957,371
Retained earnings	40,648,223	41,829,406
Treasury shares	(377,357)	(980,420)
Total shareholders' equity	42,749,204	43,389,224
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,159,568	13,791,438
Deferred gains or losses on hedges	(6,027)	84,946
Total accumulated other comprehensive income	14,153,541	13,876,384
Share acquisition rights	742,276	372,646
Total net assets	57,645,022	57,638,254
Total liabilities and net assets	74,280,657	69,180,084

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	20,969,172	20,601,666
Cost of sales	15,260,268	14,390,133
Gross profit	5,708,903	6,211,533
Selling, general and administrative expenses	3,439,356	3,388,285
Operating profit	2,269,547	2,823,248
Non-operating income		
Interest income	515	340
Dividend income	712,432	771,894
Share of profit of entities accounted for using equity method	1,453	–
Other	19,887	39,462
Total non-operating income	734,288	811,697
Non-operating expenses		
Interest expenses	2,819	5,249
Share of loss of entities accounted for using equity method	–	538
Foreign exchange losses	2,918	3,415
Commission expenses	4,972	6,246
Other	715	851
Total non-operating expenses	11,425	16,300
Ordinary profit	2,992,409	3,618,645
Extraordinary income		
Gain on sale of non-current assets	53	227
Gain on sale of investment securities	24	–
Total extraordinary income	77	227
Extraordinary losses		
Loss on disposal of non-current assets	8,000	2,511
Business place transfer expenses	41,032	–
Total extraordinary losses	49,032	2,511
Profit before income taxes	2,943,455	3,616,360
Income taxes - current	952,392	1,102,281
Income taxes - deferred	(72,642)	(24,130)
Total income taxes	879,749	1,078,150
Profit	2,063,705	2,538,210
Profit attributable to owners of parent	2,063,705	2,538,210

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	2,063,705	2,538,210
Other comprehensive income		
Valuation difference on available-for-sale securities	1,582,955	(368,130)
Deferred gains or losses on hedges	(42,717)	90,973
Total other comprehensive income	1,540,237	(277,157)
Comprehensive income	3,603,943	2,261,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,603,943	2,261,053