

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 10, 2023

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 13, 2023
 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, 2023 (from January 1, 2023 to September 30, 2023)

(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, 2023	20,655	0.3	1,816	(35.7)	2,701	(25.4)	1,841	(27.5)
Nine months ended September 30, 2022	20,601	(1.8)	2,823	24.4	3,618	20.9	2,538	23.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	70.57		69.81	
Nine months ended September 30, 2022	96.45		94.96	

(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, 2023	74,926	62,863	83.4	2,398.09
As of December 31, 2022	72,132	58,024	79.9	2,207.88

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, 2022	–	0.00	–	50.00	50.00
Year ending December 31, 2023	–	0.00	–		
Year ending December 31, 2023 (Forecast)				50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	32,000	7.0	3,200	(28.2)	4,000	(24.5)	2,800	(23.5)	107.20

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023
(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, 2023	27,444,400 shares	As of December 31, 2022	27,444,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,385,902 shares	As of December 31, 2022	1,332,555 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, 2023	26,088,094 shares	Nine months ended September 30, 2022	26,316,639 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	16,122,875	15,239,715
Notes and accounts receivable - trade, and contract assets	6,665,427	3,199,961
Securities	5,999,975	5,999,950
Merchandise and finished goods	5,523,505	6,071,869
Work in process	1,422,232	1,464,459
Raw materials and supplies	845,230	961,617
Other	1,152,637	1,509,985
Total current assets	37,731,884	34,447,559
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,459,840	7,226,077
Machinery, equipment and vehicles, net	580,678	740,741
Tools, furniture and fixtures, net	322,999	375,533
Land	3,917,154	3,917,154
Construction in progress	162,408	24,119
Total property, plant and equipment	12,443,082	12,283,626
Intangible assets	68,581	143,525
Investments and other assets		
Investment securities	21,496,667	27,668,802
Retirement benefit asset	98,884	64,935
Deferred tax assets	117,298	141,416
Other	176,458	177,006
Total investments and other assets	21,889,309	28,052,159
Total non-current assets	34,400,973	40,479,311
Total assets	72,132,858	74,926,871

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,328,343	1,571,241
Current portion of long-term borrowings	45,000	12,000
Income taxes payable	683,579	78,453
Provision for bonuses for directors (and other officers)	5,000	–
Provision for bonuses	–	196,868
Other	1,882,245	1,167,439
Total current liabilities	6,944,168	3,026,002
Non-current liabilities		
Long-term guarantee deposits	536,490	490,954
Deferred tax liabilities	5,680,918	7,549,375
Retirement benefit liability	119,219	123,905
Provision for share awards for directors (and other officers)	519,715	582,052
Asset retirement obligations	76,465	76,469
Long-term accounts payable - other	78,650	78,650
Other	152,837	136,244
Total non-current liabilities	7,164,296	9,037,652
Total liabilities	14,108,465	12,063,655
Net assets		
Shareholders' equity		
Share capital	1,582,867	1,582,867
Capital surplus	957,371	957,371
Retained earnings	42,950,232	43,466,231
Treasury shares	(980,485)	(1,067,433)
Total shareholders' equity	44,509,985	44,939,035
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,110,602	17,332,910
Deferred gains or losses on hedges	31,159	218,623
Total accumulated other comprehensive income	13,141,761	17,551,533
Share acquisition rights	372,646	372,646
Total net assets	58,024,393	62,863,215
Total liabilities and net assets	72,132,858	74,926,871

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, 2022	Nine months ended September 30, 2023
Net sales	20,601,666	20,655,227
Cost of sales	14,390,133	15,143,088
Gross profit	6,211,533	5,512,138
Selling, general and administrative expenses	3,388,285	3,695,653
Operating profit	2,823,248	1,816,485
Non-operating income		
Interest income	340	327
Dividend income	771,894	869,783
Other	39,462	26,920
Total non-operating income	811,697	897,031
Non-operating expenses		
Interest expenses	5,249	1,997
Share of loss of entities accounted for using equity method	538	897
Foreign exchange losses	3,415	4,170
Commission expenses	6,246	4,561
Other	851	833
Total non-operating expenses	16,300	12,459
Ordinary profit	3,618,645	2,701,057
Extraordinary income		
Gain on sale of non-current assets	227	–
Total extraordinary income	227	–
Extraordinary losses		
Loss on disposal of non-current assets	2,511	68,477
Total extraordinary losses	2,511	68,477
Profit before income taxes	3,616,360	2,632,579
Income taxes - current	1,102,281	881,263
Income taxes - deferred	(24,130)	(89,720)
Total income taxes	1,078,150	791,542
Profit	2,538,210	1,841,036
Profit attributable to owners of parent	2,538,210	1,841,036

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	2,538,210	1,841,036
Other comprehensive income		
Valuation difference on available-for-sale securities	(368,130)	4,222,307
Deferred gains or losses on hedges	90,973	187,463
Total other comprehensive income	(277,157)	4,409,771
Comprehensive income	2,261,053	6,250,808
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,261,053	6,250,808