

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 12, 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: May 13, 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 three months ended March 31, 2022 (from January 1, 2022 to March 31, 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	%
Three months ended March 31, 2022	13,264	(0.1)	2,934	24.5	3,305	22.9	2,299	23.0
Three months ended March 31, 2021	13,271	(23.2)	2,357	(25.8)	2,689	(23.2)	1,870	(24.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	86.95		85.29	
Three months ended March 31, 2021	70.81		69.44	

(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, 2022	74,863	58,712	77.4	2,191.62
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	–				
Year ending December 31, 2022 (Forecast)		0.00	–	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 three months ended March 31, 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 March 31, 2022	27,394,400 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 March 31, 2022	943,560 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)

Three months ended March 31, 2022	26,450,849 shares	Three months ended March 31, 2021	26,410,954 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,207,523	14,881,103
Notes and accounts receivable - trade	12,615,357	12,262,942
Securities	12,349,975	5,999,949
Merchandise and finished goods	6,973,647	5,141,995
Work in process	1,075,943	789,979
Raw materials and supplies	687,761	559,355
Other	931,842	525,328
Total current assets	40,842,050	40,160,654
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,441,659	4,374,574
Machinery, equipment and vehicles, net	612,827	577,638
Tools, furniture and fixtures, net	240,450	256,196
Land	3,718,906	3,718,906
Construction in progress	1,291,394	2,472,143
Total property, plant and equipment	10,305,237	11,399,458
Intangible assets	396,284	396,482
Investments and other assets		
Investment securities	22,391,327	22,547,014
Retirement benefit asset	84,880	76,437
Deferred tax assets	83,518	100,244
Other	177,359	183,261
Total investments and other assets	22,737,084	22,906,957
Total non-current assets	33,438,606	34,702,899
Total assets	74,280,657	74,863,553

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,037,970	5,939,359
Short-term borrowings	1,000,000	–
Current portion of long-term borrowings	44,000	44,000
Income taxes payable	1,162,546	945,871
Provision for bonuses for directors (and other officers)	5,000	1,250
Provision for bonuses	–	156,785
Other	1,047,125	1,731,773
Total current liabilities	9,296,643	8,819,039
Non-current liabilities		
Long-term borrowings	45,000	34,000
Long-term guarantee deposits	597,503	582,177
Deferred tax liabilities	6,143,970	6,165,459
Retirement benefit liability	117,696	121,174
Provision for retirement benefits for directors (and other officers)	110,000	110,000
Asset retirement obligations	73,054	73,054
Long-term accounts payable - other	78,650	78,650
Other	173,116	167,586
Total non-current liabilities	7,338,991	7,332,100
Total liabilities	16,635,634	16,151,139
Net assets		
Shareholders' equity		
Share capital	1,551,917	1,551,917
Capital surplus	926,421	926,421
Retained earnings	40,648,223	41,591,108
Treasury shares	(377,357)	(377,498)
Total shareholders' equity	42,749,204	43,691,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,159,568	14,231,447
Deferred gains or losses on hedges	(6,027)	46,741
Total accumulated other comprehensive income	14,153,541	14,278,188
Share acquisition rights	742,276	742,276
Total net assets	57,645,022	58,712,413
Total liabilities and net assets	74,280,657	74,863,553

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	13,271,793	13,264,861
Cost of sales	9,845,082	9,233,741
Gross profit	3,426,710	4,031,120
Selling, general and administrative expenses	1,068,828	1,096,723
Operating profit	2,357,882	2,934,396
Non-operating income		
Interest income	109	119
Dividend income	329,958	368,982
Other	8,853	11,480
Total non-operating income	338,922	380,583
Non-operating expenses		
Interest expenses	828	3,569
Share of loss of entities accounted for using equity method	685	2,524
Foreign exchange losses	2,146	1,629
Commission expenses	2,465	1,232
Other	982	37
Total non-operating expenses	7,108	8,992
Ordinary profit	2,689,695	3,305,986
Extraordinary income		
Gain on sale of non-current assets	41	45
Total extraordinary income	41	45
Extraordinary losses		
Loss on disposal of non-current assets	585	–
Total extraordinary losses	585	–
Profit before income taxes	2,689,151	3,306,032
Income taxes - current	914,860	980,913
Income taxes - deferred	(95,887)	25,205
Total income taxes	818,973	1,006,118
Profit	1,870,178	2,299,913
Profit attributable to owners of parent	1,870,178	2,299,913

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	1,870,178	2,299,913
Other comprehensive income		
Valuation difference on available-for-sale securities	2,168,413	71,878
Deferred gains or losses on hedges	32,023	52,768
Total other comprehensive income	2,200,436	124,647
Comprehensive income	4,070,614	2,424,560
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,070,614	2,424,560