

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 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: May 12, 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 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	%
Three months ended March 31, 2023	12,016	(9.4)	2,011	(31.4)	2,424	(26.7)	1,688	(26.6)
Three months ended March 31, 2022	13,264	(0.1)	2,934	24.5	3,305	22.9	2,299	23.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	64.66		63.96	
Three months ended March 31, 2022	86.95		85.29	

(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, 2023	73,755	59,136	79.7	2,250.46
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	Yen	Yen	Yen	Yen
Year ended December 31, 2022	–	0.00	–	50.00	50.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	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 three months ended March 31, 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 March 31, 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 March 31, 2023	1,332,700 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)

Three months ended March 31, 2023	26,111,793 shares	Three months ended March 31, 2022	26,450,849 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	16,122,875	13,883,713
Notes and accounts receivable - trade, and contract assets	6,665,427	11,431,152
Securities	5,999,975	5,999,950
Merchandise and finished goods	5,523,505	4,022,825
Work in process	1,422,232	1,291,005
Raw materials and supplies	845,230	873,645
Other	1,152,637	807,499
Total current assets	37,731,884	38,309,791
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,459,840	7,375,112
Machinery, equipment and vehicles, net	580,678	576,720
Tools, furniture and fixtures, net	322,999	310,671
Land	3,917,154	3,917,154
Construction in progress	162,408	289,583
Total property, plant and equipment	12,443,082	12,469,242
Intangible assets	68,581	70,323
Investments and other assets		
Investment securities	21,496,667	22,511,179
Retirement benefit asset	98,884	82,490
Deferred tax assets	117,298	130,421
Other	176,458	181,877
Total investments and other assets	21,889,309	22,905,968
Total non-current assets	34,400,973	35,445,535
Total assets	72,132,858	73,755,326

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,328,343	4,659,428
Current portion of long-term borrowings	45,000	34,000
Income taxes payable	683,579	734,392
Provision for bonuses for directors (and other officers)	5,000	–
Provision for bonuses	–	146,960
Other	1,882,245	1,602,101
<b>Total current liabilities</b>	<b>6,944,168</b>	<b>7,176,882</b>
<b>Non-current liabilities</b>		
Long-term guarantee deposits	536,490	521,311
Deferred tax liabilities	5,680,918	5,978,930
Retirement benefit liability	119,219	121,863
Provision for share awards for directors (and other officers)	519,715	519,715
Asset retirement obligations	76,465	76,466
Long-term accounts payable - other	78,650	78,650
Other	152,837	145,462
<b>Total non-current liabilities</b>	<b>7,164,296</b>	<b>7,442,401</b>
<b>Total liabilities</b>	<b>14,108,465</b>	<b>14,619,283</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,582,867	1,582,867
Capital surplus	957,371	957,371
Retained earnings	42,950,232	43,313,577
Treasury shares	(980,485)	(980,717)
<b>Total shareholders' equity</b>	<b>44,509,985</b>	<b>44,873,098</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	13,110,602	13,815,553
Deferred gains or losses on hedges	31,159	74,745
<b>Total accumulated other comprehensive income</b>	<b>13,141,761</b>	<b>13,890,298</b>
Share acquisition rights	372,646	372,646
<b>Total net assets</b>	<b>58,024,393</b>	<b>59,136,043</b>
<b>Total liabilities and net assets</b>	<b>72,132,858</b>	<b>73,755,326</b>

## 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, 2022	Three months ended March 31, 2023
Net sales	13,264,861	12,016,133
Cost of sales	9,233,741	8,833,671
Gross profit	4,031,120	3,182,462
Selling, general and administrative expenses	1,096,723	1,170,727
Operating profit	2,934,396	2,011,735
Non-operating income		
Interest income	119	108
Dividend income	368,982	404,043
Other	11,480	14,093
Total non-operating income	380,583	418,246
Non-operating expenses		
Interest expenses	3,569	739
Share of loss of entities accounted for using equity method	2,524	1,181
Foreign exchange losses	1,629	1,120
Commission expenses	1,232	2,465
Other	37	250
Total non-operating expenses	8,992	5,758
Ordinary profit	3,305,986	2,424,223
Extraordinary income		
Gain on sale of non-current assets	45	–
Total extraordinary income	45	–
Extraordinary losses		
Loss on disposal of non-current assets	–	2,640
Total extraordinary losses	–	2,640
Profit before income taxes	3,306,032	2,421,583
Income taxes - current	980,913	778,290
Income taxes - deferred	25,205	(45,089)
Total income taxes	1,006,118	733,200
Profit	2,299,913	1,688,382
Profit attributable to owners of parent	2,299,913	1,688,382

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	2,299,913	1,688,382
Other comprehensive income		
Valuation difference on available-for-sale securities	71,878	704,950
Deferred gains or losses on hedges	52,768	43,585
Total other comprehensive income	124,647	748,536
Comprehensive income	2,424,560	2,436,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,424,560	2,436,918