

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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 Semi-annual Securities Report: August 13, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(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	%
Six months ended June 30, 2024	17,869	3.9	2,127	(5.8)	2,688	(1.4)	1,899	2.4
Six months ended June 30, 2023	17,196	6.0	2,259	(15.1)	2,725	(11.2)	1,855	(14.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2024	72.75	72.10
Six months ended June 30, 2023	71.07	70.31

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	79,883	65,966	82.2	2,512.38
As of December 31, 2023	79,204	64,976	81.6	2,479.19

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, 2023	–	0.00	–	50.00	50.00
Year ending December 31, 2024	–	0.00			
Year ending December 31, 2024 (Forecast)			–	50.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	34,000	21.3	3,500	35.4	4,500	26.1	3,200	30.9	122.80

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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: No
- 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 June 30, 2024	27,524,400 shares	As of December 31, 2023	27,444,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	1,374,209 shares	As of December 31, 2023	1,385,908 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	26,115,424 shares	Six months ended June 30, 2023	26,103,137 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	12,998,600	14,258,432
Notes and accounts receivable - trade, and contract assets	6,299,418	4,882,569
Securities	5,999,975	7,999,899
Merchandise and finished goods	6,587,179	4,753,003
Work in process	1,254,835	1,440,935
Raw materials and supplies	968,733	975,558
Other	2,288,650	2,444,634
Total current assets	36,397,394	36,755,033
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,145,846	7,094,233
Machinery, equipment and vehicles, net	685,516	593,543
Tools, furniture and fixtures, net	360,604	357,308
Land	3,917,154	3,917,154
Construction in progress	62,350	121,397
Total property, plant and equipment	12,171,472	12,083,637
Intangible assets	31,934	29,140
Investments and other assets		
Investment securities	30,086,834	30,492,594
Retirement benefit asset	126,433	91,779
Deferred tax assets	124,782	174,192
Other	265,532	256,683
Total investments and other assets	30,603,582	31,015,250
Total non-current assets	42,806,990	43,128,028
Total assets	79,204,384	79,883,062

	(Thousands of yen)	
	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,932,624	1,269,085
Current portion of long-term borrowings	—	22,000
Income taxes payable	214,369	880,673
Other	1,329,801	1,870,996
Total current liabilities	4,476,796	4,042,756
Non-current liabilities		
Long-term borrowings	—	78,000
Long-term guarantee deposits	475,775	439,769
Deferred tax liabilities	8,285,439	8,370,664
Retirement benefit liability	121,949	128,899
Provision for share awards for directors (and other officers)	582,052	582,052
Asset retirement obligations	76,471	76,474
Long-term accounts payable - other	78,650	78,650
Other	130,714	119,652
Total non-current liabilities	9,751,052	9,874,163
Total liabilities	14,227,848	13,916,919
Net assets		
Shareholders' equity		
Share capital	1,582,867	1,635,762
Capital surplus	957,371	1,028,587
Retained earnings	44,070,500	44,645,298
Treasury shares	(1,067,446)	(1,062,870)
Total shareholders' equity	45,543,293	46,246,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,012,026	19,182,705
Deferred gains or losses on hedges	48,569	269,723
Total accumulated other comprehensive income	19,060,595	19,452,429
Share acquisition rights	372,646	266,936
Total net assets	64,976,535	65,966,142
Total liabilities and net assets	79,204,384	79,883,062

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	17,196,483	17,869,660
Cost of sales	12,572,932	13,340,749
Gross profit	4,623,550	4,528,911
Selling, general and administrative expenses	2,364,202	2,400,969
Operating profit	2,259,348	2,127,942
Non-operating income		
Interest income	217	1,108
Dividend income	452,643	551,712
Other	22,944	14,548
Total non-operating income	475,805	567,370
Non-operating expenses		
Interest expenses	1,392	1,289
Share of loss of entities accounted for using equity method	1,108	581
Foreign exchange losses	3,853	5,126
Commission expenses	2,465	—
Other	508	85
Total non-operating expenses	9,329	7,083
Ordinary profit	2,725,824	2,688,228
Extraordinary losses		
Loss on disposal of non-current assets	62,483	35
Total extraordinary losses	62,483	35
Profit before income taxes	2,663,341	2,688,193
Income taxes - current	910,397	922,402
Income taxes - deferred	(102,325)	(134,035)
Total income taxes	808,071	788,366
Profit	1,855,269	1,899,827
Profit attributable to owners of parent	1,855,269	1,899,827

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	1,855,269	1,899,827
Other comprehensive income		
Valuation difference on available-for-sale securities	2,680,828	170,678
Deferred gains or losses on hedges	278,982	221,154
Total other comprehensive income	2,959,811	391,833
Comprehensive income	4,815,080	2,291,660
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,815,080	2,291,660

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,663,341	2,688,193
Depreciation	303,474	360,789
Interest and dividend income	(452,860)	(552,821)
Interest expenses	1,392	1,289
Share of loss (profit) of entities accounted for using equity method	1,108	581
Increase (decrease) in provision for bonuses for directors (and other officers)	(5,000)	—
Decrease (increase) in retirement benefit asset	25,382	34,653
Increase (decrease) in retirement benefit liability	7,485	6,950
Loss (gain) on disposal of non-current assets	62,483	35
Decrease (increase) in trade receivables	1,748,514	1,708,420
Decrease (increase) in inventories	1,333,904	1,641,251
Increase (decrease) in trade payables	(2,304,336)	(1,419,981)
Increase (decrease) in guarantee deposits received	(30,376)	(35,376)
Decrease (increase) in other current assets	375,618	(79,560)
Increase (decrease) in other current liabilities	(308,455)	252,666
Other, net	(4,897)	27,192
Subtotal	3,416,779	4,634,283
Interest and dividends received	452,810	551,921
Interest paid	(1,277)	(2,368)
Income taxes paid	(723,641)	(277,715)
Net cash provided by (used in) operating activities	3,144,672	4,906,121
Cash flows from investing activities		
Payments into time deposits	(1,953,077)	(950,302)
Proceeds from withdrawal of time deposits	1,953,077	1,953,078
Purchase of securities	(5,499,950)	(6,999,797)
Proceeds from redemption of securities	5,000,000	5,000,000
Purchase of property, plant and equipment	(308,499)	(213,673)
Payments for retirement of property, plant and equipment	(2,750)	(31,469)
Purchase of intangible assets	(48,448)	(590)
Purchase of investment securities	(99,399)	(163,416)
Purchase of long-term prepaid expenses	—	(1,200)
Net cash provided by (used in) investing activities	(959,046)	(1,407,369)
Cash flows from financing activities		
Proceeds from short-term borrowings	720,000	360,000
Repayments of short-term borrowings	(720,000)	(360,000)
Proceeds from long-term borrowings	—	100,000
Repayments of long-term borrowings	(22,000)	—
Repayments of lease liabilities	(12,905)	(11,061)
Proceeds from issuance of shares	—	80
Purchase of treasury shares	(86,948)	(131)
Dividends paid	(1,318,391)	(1,325,029)
Net cash provided by (used in) financing activities	(1,440,245)	(1,236,142)
Net increase (decrease) in cash and cash equivalents	745,380	2,262,608
Cash and cash equivalents at beginning of period	15,169,798	12,045,523
Cash and cash equivalents at end of period	15,915,178	14,308,132