

Exhibiting high overseas net sales ratio and operating profit margin backed by technological capabilities

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【6223 Seibu Giken Sector : Machinery】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec.2021	17,403	12.0	1,847	-	2,063	-	1,695	-	84.8	704.9	0.5
Dec.2022	24,890	43.0	4,604	149.2	4,783	131.8	3,908	130.5	195.6	955.8	0.5
Dec.2023 f	27,147	9.1	5,236	13.7	5,267	10.1	4,075	4.3	214.0	-	TBD

Note: Consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.

It conducted 1:100 stock split on May 29, 2023. Per share indices are adjusted retroactively.

Global Manufacturer of Desiccant Dehumidifiers and VOC Concentrators

Seibu Giken is a global manufacturer that sells desiccant dehumidifiers, volatile organic compounds (VOC) concentrators and other products across approximately 50 countries. Its overseas sales ratio reached 79.9% in fiscal year ended December 2022. As for the sales breakdown by product, desiccant dehumidifiers accounted for 64.0% of net sales in the same fiscal year, while VOC concentrators accounted for 26.3% and other products accounted for 9.7%.

1) Desiccant dehumidifiers

Applications for desiccant dehumidifiers include food and pharmaceutical manufacturing plants that require humidity control in the manufacturing process to maintain final product quality, lithium-ion battery manufacturing plants, organic EL manufacturing plants, low-humidity warehouses and wind power generation plants. Among the many uses of desiccant dehumidifiers, the production of automotive batteries has seen a rapid increase in demand in recent years, making it the largest application of such dehumidifiers.

The group manufactures desiccant dehumidifiers in Japan, China and Europe, and sells them to customers across approximately 50 countries.

2) VOC concentrators

VOC concentrators are used in processes such as painting (automobiles, shipbuilding, etc.), printing, coating, and manufacturing processes involve chemicals and raw materials that contain VOCs, which are air pollutants that generate suspended particulate matter, photochemical oxidants and unpleasant odors. These concentrators protect the environment by efficiently processing harmful VOCs emitted from factories and purifying exhaust fumes.

Demand is expanding for a variety of applications such as semiconductor manufacturing and battery manufacturing, and currently there is growing demand for use in semiconductors and automotive coating. Its products are sold to customers in approximately 30 countries.

3) Other services

The company is also continuing to manufacture and sell total heat exchangers, which were commercialized in 1974. Its customers include office buildings, research facilities, hospitals, hotels, schools, ships and swimming pools.

Financial Statements

Statement of income	Fiscal Year	Dec.2021		Dec.2022		Six months to Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		17,403	100.0	24,890	100.0	12,610	100.0
Cost of sales		11,155	64.1	14,841	59.6	7,195	57.1
Gross profit		6,247	35.9	10,049	40.4	5,414	42.9
Selling, general and administrative expenses		4,400	25.3	5,444	21.9	3,268	25.8
Operating profit		1,847	10.6	4,604	18.5	2,156	17.1
Non-operating income		296	-	252	-	173	-
Non-operating expenses		80	-	72	-	41	-
Ordinary profit		2,063	11.9	4,783	19.2	2,287	18.1
Profit before income taxes		2,126	12.2	4,762	19.1	2,251	17.9
Profit attributable to owners of parent		1,695	9.7	3,908	15.7	1,818	14.4

Balance sheet	Fiscal Year	Dec.2021		Dec.2022		Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		17,008	66.3	22,178	71.3	24,376	72.1
Cash and deposits		7,674	29.9	9,803	31.5	10,712	31.7
Accounts receivable-trade		5,111	19.9	7,174	23.1	7,201	21.3
Inventories		4,016	15.7	4,668	15.0	5,927	17.5
Non-current assets		8,633	33.7	8,926	28.7	9,449	27.9
Property, plant and equipment		7,891	30.8	8,181	26.3	8,668	25.6
Intangible assets		353	1.4	299	1.0	268	0.8
Investments and other assets		389	1.5	445	1.4	512	1.5
Total assets		25,642	100.0	31,105	100.0	33,826	100.0
Current liabilities		8,145	31.8	10,534	33.9	11,163	33.0
Accounts payable - trade		2,866	11.2	3,800	12.2	3,745	11.1
Short-term borrowings		750	2.9	1,690	5.4	2,140	6.3
Current portion of long-term borrowings		1,373	5.4	1,158	3.7	1,055	3.1
Non-current liabilities		3,399	13.3	2,822	9.1	2,264	6.7
Long-term borrowings		2,956	11.5	2,045	6.6	1,535	4.5
Net assets		14,097	55.0	17,748	57.1	20,398	60.3
Owners' equity		14,097	55.0	17,748	57.1	20,398	60.3

Statement of cash flows	Fiscal Year	Dec.2021	Dec.2022	Six months to Jun.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		3,396	3,349	1,396
Depreciation		817	896	430
Cash flows from investing activities		268	-595	-601
Cash flows from financing activities		-876	-818	-207
Dividends paid		-10	-10	-9
Net increase in cash and cash equivalents		3,032	2,128	975
Cash and cash equivalents		7,388	9,517	10,492

Note: Consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.