

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Based on Japanese GAAP)

November 13, 2019

Company name: SEIKO PMC CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 4963 URL <https://www.seikopmc.co.jp/>
 Representative: Representative Director Satoshi Takizawa
 and President
 Director, Head of Administration Hideki Inouchi TEL 03-6202-7331
 Inquiries: Division
 Scheduled date to file Quarterly Securities Report: November 14, 2019
 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, 2019 (from January 1, 2019 to September 30, 2019)

(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, 2019	20,740	8.6	1,949	38.4	1,962	31.1	1,397	21.3
Nine months ended September 30, 2018	19,093	4.8	1,408	(8.5)	1,496	(13.1)	1,152	(16.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2019	46.10		–	
Nine months ended September 30, 2018	38.01		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	34,480	26,186	72.3
As of December 31, 2018	32,149	24,112	75.0

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, 2018	–	8.00	–	8.00	16.00
Year ending December 31, 2019	–	8.00	–	–	–
Year ending December 31, 2019 (Forecast)	–	–	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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	27,280	5.4	2,450	24.4	2,520	21.2	1,810	15.9	59.69

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: 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 September 30, 2019	30,743,604 shares	As of December 31, 2018	30,743,604 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	422,243 shares	As of December 31, 2018	422,243 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, 2019	30,321,361 shares	Nine months ended September 30, 2018	30,321,480 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	1,421,385	2,938,217
Notes and accounts receivable - trade	10,664,515	9,498,767
Electronically recorded monetary claims - operating	1,368,324	1,134,738
Merchandise and finished goods	2,184,805	2,212,867
Work in process	351,125	390,554
Raw materials and supplies	1,170,695	1,009,256
Short-term loans receivable	2,939,040	3,090,310
Other	253,358	310,823
Allowance for doubtful accounts	(4,964)	(12,637)
Total current assets	20,348,285	20,572,898
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,445,747	2,703,735
Machinery, equipment and vehicles, net	2,024,894	2,101,342
Land	4,466,994	6,564,454
Other, net	479,268	996,746
Total property, plant and equipment	9,416,904	12,366,278
Intangible assets	74,145	68,161
Investments and other assets		
Investment securities	1,901,919	899,977
Other	455,873	624,394
Allowance for doubtful accounts	(47,894)	(50,997)
Total investments and other assets	2,309,898	1,473,374
Total non-current assets	11,800,948	13,907,814
Total assets	32,149,234	34,480,713

(Thousands of yen)

	As of December 31, 2018	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,934,200	3,710,232
Short-term loans payable	730,000	730,000
Income taxes payable	279,873	224,813
Provision for bonuses	550,685	394,341
Current portion of long-term loans payable	–	71,224
Other provision	–	46,425
Other	1,875,203	2,017,458
Total current liabilities	7,369,963	7,194,494
Non-current liabilities		
Long-term loans payable	–	676,878
Provision for directors' retirement benefits	15,925	7,800
Net defined benefit liability	555,700	313,073
Asset retirement obligations	85,448	86,025
Other	9,706	16,008
Total non-current liabilities	666,780	1,099,786
Total liabilities	8,036,743	8,294,281
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	1,566,178	1,576,265
Retained earnings	20,999,994	21,912,699
Treasury shares	(105,272)	(105,272)
Total shareholders' equity	24,460,900	25,383,691
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	309,511	281,261
Deferred gains or losses on hedges	(1,000)	204
Foreign currency translation adjustment	70,156	(51,525)
Remeasurements of defined benefit plans	(727,077)	(667,391)
Total accumulated other comprehensive income	(348,410)	(437,451)
Non-controlling interests	–	1,240,192
Total net assets	24,112,490	26,186,432
Total liabilities and net assets	32,149,234	34,480,713

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, 2018	Nine months ended September 30, 2019
Net sales	19,093,084	20,740,512
Cost of sales	14,260,419	15,140,906
Gross profit	4,832,665	5,599,605
Selling, general and administrative expenses	3,423,832	3,650,341
Operating profit	1,408,832	1,949,264
Non-operating income		
Interest income	7,783	8,087
Dividend income	14,510	15,019
Purchase discounts	11,176	10,812
Share of profit of entities accounted for using equity method	67,027	–
Subsidy income	–	20,198
Other	40,344	42,219
Total non-operating income	140,842	96,336
Non-operating expenses		
Interest expenses	2,183	9,875
Sales discounts	4,076	3,670
Foreign exchange losses	40,358	65,477
Other	6,379	4,576
Total non-operating expenses	52,998	83,600
Ordinary profit	1,496,676	1,962,000
Extraordinary income		
Gain on sales of non-current assets	230	142
Gain on sales of memberships	696	–
Gain on bargain purchase	–	85,367
Total extraordinary income	926	85,510
Extraordinary losses		
Loss on sales of non-current assets	5	–
Loss on retirement of non-current assets	5,608	17,971
Provision of allowance for doubtful accounts	–	4,000
Loss on step acquisitions	–	59,043
Other	50	–
Total extraordinary losses	5,664	81,014
Profit before income taxes	1,491,938	1,966,496
Income taxes - current	426,906	495,013
Income taxes - deferred	(87,564)	(40,502)
Total income taxes	339,342	454,510
Profit	1,152,596	1,511,986
Profit attributable to non-controlling interests	–	114,139
Profit attributable to owners of parent	1,152,596	1,397,846

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Profit	1,152,596	1,511,986
Other comprehensive income		
Valuation difference on available-for-sale securities	(56,871)	(28,250)
Deferred gains or losses on hedges	1,912	1,205
Foreign currency translation adjustment	(85,700)	(170,609)
Remeasurements of defined benefit plans, net of tax	50,320	59,686
Share of other comprehensive income of entities accounted for using equity method	26,857	–
Total other comprehensive income	(63,481)	(137,968)
Comprehensive income	1,089,114	1,374,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,089,114	1,308,805
Comprehensive income attributable to non-controlling interests	–	65,212