

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2020 (Based on Japanese GAAP)

November 12, 2020

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  
 Managing Director, Head of Administration Hideki Inouchi TEL 03-6202-7331  
 Inquiries: Division  
 Scheduled date to file Quarterly Securities Report: November 13, 2020  
 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, 2020 (from January 1, 2020 to September 30, 2020)

(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, 2020	18,869	(9.0)	1,658	(14.9)	1,683	(14.2)	1,066	(23.7)
Nine months ended September 30, 2019	20,740	8.6	1,949	38.4	1,962	31.1	1,397	21.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2020	35.16		–	
Nine months ended September 30, 2019	46.10		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	35,140	27,787	74.8
As of December 31, 2019	36,225	27,136	71.2

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, 2019	–	8.00	–	8.00	16.00
Year ending December 31, 2020	–	8.00	–	–	–
Year ending December 31, 2020 (Forecast)	–	–	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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	25,700	(8.1)	2,300	(17.6)	2,330	(18.0)	1,460	(25.6)	48.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2020  
(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: 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, 2020	30,743,604 shares	As of December 31, 2019	30,743,604 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	422,275 shares	As of December 31, 2019	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, 2020	30,321,346 shares	Nine months ended September 30, 2019	30,321,361 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2019	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	1,663,648	3,148,580
Notes and accounts receivable - trade	10,916,857	8,130,756
Electronically recorded monetary claims - operating	1,409,707	930,219
Merchandise and finished goods	2,437,503	2,205,199
Work in process	356,563	445,842
Raw materials and supplies	1,077,577	1,110,093
Short-term loans receivable	3,697,933	3,516,187
Other	289,859	585,555
Allowance for doubtful accounts	(11,680)	(13,501)
Total current assets	21,837,972	20,058,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,726,712	3,146,026
Machinery, equipment and vehicles, net	2,441,244	2,367,002
Land	6,660,889	6,666,916
Other, net	980,307	1,216,430
Total property, plant and equipment	12,809,154	13,396,375
Intangible assets	72,090	65,852
Investments and other assets		
Investment securities	964,335	818,956
Retirement benefit asset	–	152,788
Other	592,908	678,671
Allowance for doubtful accounts	(51,002)	(30,995)
Total investments and other assets	1,506,241	1,619,421
Total non-current assets	14,387,486	15,081,649
Total assets	36,225,458	35,140,582

(Thousands of yen)

	As of December 31, 2019	As of September 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,179,503	3,095,563
Short-term borrowings	730,000	730,000
Current portion of long-term borrowings	74,498	74,703
Income taxes payable	388,018	208,661
Provision for bonuses	665,564	437,275
Other provisions	–	59,100
Other	2,133,106	2,003,598
<b>Total current liabilities</b>	<b>8,170,691</b>	<b>6,608,902</b>
<b>Non-current liabilities</b>		
Long-term borrowings	689,375	635,241
Provision for retirement benefits for directors (and other officers)	7,800	7,800
Retirement benefit liability	118,894	–
Asset retirement obligations	88,940	86,645
Other	13,358	14,648
<b>Total non-current liabilities</b>	<b>918,368</b>	<b>744,335</b>
<b>Total liabilities</b>	<b>9,089,060</b>	<b>7,353,238</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,000,000	2,000,000
Capital surplus	1,576,265	1,576,265
Retained earnings	22,476,443	23,057,315
Treasury shares	(105,272)	(105,298)
<b>Total shareholders' equity</b>	<b>25,947,436</b>	<b>26,528,282</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	325,609	213,176
Deferred gains or losses on hedges	51	(161)
Foreign currency translation adjustment	68,640	23,098
Remeasurements of defined benefit plans	(565,255)	(492,226)
<b>Total accumulated other comprehensive income</b>	<b>(170,953)</b>	<b>(256,112)</b>
<b>Non-controlling interests</b>	<b>1,359,916</b>	<b>1,515,174</b>
<b>Total net assets</b>	<b>27,136,398</b>	<b>27,787,344</b>
<b>Total liabilities and net assets</b>	<b>36,225,458</b>	<b>35,140,582</b>

**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, 2019	Nine months ended September 30, 2020
Net sales	20,740,512	18,869,611
Cost of sales	15,140,906	13,628,815
Gross profit	5,599,605	5,240,796
Selling, general and administrative expenses	3,650,341	3,582,678
Operating profit	1,949,264	1,658,117
Non-operating income		
Interest income	8,087	20,910
Dividend income	15,019	15,929
Purchase discounts	10,812	9,604
Subsidy income	20,198	–
Other	42,219	42,217
Total non-operating income	96,336	88,661
Non-operating expenses		
Interest expenses	9,875	9,179
Sales discounts	3,670	3,687
Foreign exchange losses	65,477	41,438
Other	4,576	8,736
Total non-operating expenses	83,600	63,042
Ordinary profit	1,962,000	1,683,736
Extraordinary income		
Gain on sales of non-current assets	142	–
Gain on bargain purchase	85,367	–
Total extraordinary income	85,510	–
Extraordinary losses		
Loss on sales of non-current assets	–	380
Loss on retirement of non-current assets	17,971	9,823
Loss on valuation of investment securities	–	7,866
Impairment loss	–	10,326
Provision of allowance for doubtful accounts	4,000	–
Loss on step acquisitions	59,043	–
Total extraordinary losses	81,014	28,396
Profit before income taxes	1,966,496	1,655,339
Income taxes - current	495,013	443,962
Income taxes - deferred	(40,502)	(19,949)
Total income taxes	454,510	424,013
Profit	1,511,986	1,231,325
Profit attributable to non-controlling interests	114,139	165,312
Profit attributable to owners of parent	1,397,846	1,066,013

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

(Thousands of yen)

	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	1,511,986	1,231,325
Other comprehensive income		
Valuation difference on available-for-sale securities	(28,250)	(112,433)
Deferred gains or losses on hedges	1,205	(212)
Foreign currency translation adjustment	(170,609)	(40,094)
Remeasurements of defined benefit plans, net of tax	59,686	73,029
Total other comprehensive income	(137,968)	(79,711)
Comprehensive income	1,374,017	1,151,614
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,308,805	980,854
Comprehensive income attributable to non-controlling interests	65,212	170,760