

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended December 31, 2020  
(Based on Japanese GAAP)**

February 12, 2021

Company name: SEIKO PMC CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 4963 URL <https://www.seikopmc.co.jp/>  
 Representative: Representative Director and President Satoshi Takizawa  
 Managing Director, Head of Administration  
 Inquiries: Division Hideki Inouchi TEL 03-6202-7331  
 Scheduled date of ordinary general meeting of shareholders: March 26, 2021  
 Scheduled date to file Securities Report: March 29, 2021  
 Scheduled date to commence dividend payments: March 29, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2020 (from January 1, 2020 to December 31, 2020)

(1) Consolidated operating results

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	%
Year ended December 31, 2020	26,046	(6.9)	2,612	(6.4)	2,667	(6.1)	1,685	(14.1)
Year ended December 31, 2019	27,970	8.0	2,790	41.7	2,839	36.5	1,961	25.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2020	55.59	–	6.4	7.3	10.0
Year ended December 31, 2019	64.69	–	7.9	8.3	10.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	37,069	28,451	72.4	885.19
As of December 31, 2019	36,225	27,136	71.2	850.11

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2020	4,020	(2,110)	(580)	2,985
Year ended December 31, 2019	3,278	(2,311)	(711)	1,663

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2019	–	8.00	–	8.00	16.00	485	24.7	1.9
Year ended December 31, 2020	–	8.00	–	8.00	16.00	485	28.8	1.8
Year ending December 31, 2021 (Forecast)	–	8.00	–	8.00	16.00		27.1	

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	28,640	10.0	2,800	7.2	2,860	7.2	1,790	6.2	59.03

4. Notes

- (1) Changes in significant subsidiaries during the year ended December 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 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 December 31, 2020	422,275 shares	As of December 31, 2019	422,243 shares
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Average number of shares during the period

Year ended December 31, 2020	30,321,342 shares	Year ended December 31, 2019	30,321,361 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2019	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	1,663,648	2,985,835
Notes and accounts receivable - trade	10,916,857	9,597,896
Electronically recorded monetary claims - operating	1,409,707	1,303,198
Merchandise and finished goods	2,437,503	2,343,287
Work in process	356,563	353,204
Raw materials and supplies	1,077,577	1,160,984
Short-term loans receivable	3,697,933	3,089,018
Other	289,859	364,167
Allowance for doubtful accounts	(11,680)	(15,345)
Total current assets	21,837,972	21,182,247
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,104,300	11,886,397
Accumulated depreciation	(8,377,587)	(8,570,694)
Buildings and structures, net	2,726,712	3,315,702
Machinery, equipment and vehicles	21,218,583	21,774,151
Accumulated depreciation	(18,777,338)	(19,275,153)
Machinery, equipment and vehicles, net	2,441,244	2,498,998
Land	6,660,889	6,684,998
Construction in progress	712,462	1,547,412
Other	2,330,668	2,399,501
Accumulated depreciation	(2,062,823)	(2,129,744)
Other, net	267,845	269,757
Total property, plant and equipment	12,809,154	14,316,869
Intangible assets	72,090	60,212
Investments and other assets		
Investment securities	964,335	887,552
Retirement benefit asset	–	13,326
Deferred tax assets	97,499	89,141
Other	495,409	551,262
Allowance for doubtful accounts	(51,002)	(30,977)
Total investments and other assets	1,506,241	1,510,304
Total non-current assets	14,387,486	15,887,386
Total assets	36,225,458	37,069,633

(Thousands of yen)

	As of December 31, 2019	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,179,503	3,965,748
Short-term borrowings	730,000	730,000
Current portion of long-term borrowings	74,498	73,238
Income taxes payable	388,018	347,299
Accounts payable-directors' bonuses	61,900	78,800
Provision for bonuses	665,564	655,247
Other	2,071,206	1,981,331
<b>Total current liabilities</b>	<b>8,170,691</b>	<b>7,831,664</b>
<b>Non-current liabilities</b>		
Long-term borrowings	689,375	623,885
Provision for retirement benefits for directors (and other officers)	7,800	7,800
Retirement benefit liability	118,894	—
Asset retirement obligations	88,940	86,708
Deferred tax liabilities	—	53,990
Other	13,358	13,736
<b>Total non-current liabilities</b>	<b>918,368</b>	<b>786,121</b>
<b>Total liabilities</b>	<b>9,089,060</b>	<b>8,617,785</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	23,676,819
Treasury shares	(105,272)	(105,298)
<b>Total shareholders' equity</b>	<b>25,947,436</b>	<b>27,147,786</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	325,609	261,345
Deferred gains or losses on hedges	51	(178)
Foreign currency translation adjustment	68,640	50,305
Remeasurements of defined benefit plans	(565,255)	(619,036)
<b>Total accumulated other comprehensive income</b>	<b>(170,953)</b>	<b>(307,565)</b>
<b>Non-controlling interests</b>	<b>1,359,916</b>	<b>1,611,626</b>
<b>Total net assets</b>	<b>27,136,398</b>	<b>28,451,848</b>
<b>Total liabilities and net assets</b>	<b>36,225,458</b>	<b>37,069,633</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Net sales	27,970,050	26,046,096
Cost of sales	20,251,931	18,540,121
Gross profit	7,718,118	7,505,974
Selling, general and administrative expenses	4,927,935	4,893,522
Operating profit	2,790,182	2,612,452
Non-operating income		
Interest income	16,927	28,541
Dividend income	21,960	24,036
Purchase discounts	13,388	11,579
Subsidy income	20,198	–
Other	51,918	69,708
Total non-operating income	124,392	133,865
Non-operating expenses		
Interest expenses	13,687	12,230
Sales discounts	4,604	4,642
Foreign exchange losses	50,688	50,747
Other	5,842	11,009
Total non-operating expenses	74,822	78,630
Ordinary profit	2,839,752	2,667,686
Extraordinary income		
Gain on sales of non-current assets	141	–
Gain on sales of investment securities	1,005	–
Gain on bargain purchase	85,367	–
Total extraordinary income	86,514	–
Extraordinary losses		
Loss on sales of non-current assets	–	382
Loss on retirement of non-current assets	35,477	17,257
Impairment loss	–	10,326
Loss on valuation of investment securities	–	7,866
Loss on step acquisitions	59,043	–
Other	4,000	–
Total extraordinary losses	98,520	35,832
Profit before income taxes	2,827,746	2,631,854
Income taxes - current	634,831	599,190
Income taxes - deferred	56,051	98,060
Total income taxes	690,883	697,250
Profit	2,136,863	1,934,603
Profit attributable to non-controlling interests	175,272	249,086
Profit attributable to owners of parent	1,961,590	1,685,517

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Profit	2,136,863	1,934,603
Other comprehensive income		
Valuation difference on available-for-sale securities	16,098	(64,264)
Deferred gains or losses on hedges	1,052	(229)
Foreign currency translation adjustment	7,720	(209)
Remeasurements of defined benefit plans, net of tax	161,821	(53,781)
Total other comprehensive income	186,692	(118,484)
Comprehensive income	2,323,555	1,816,118
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,139,047	1,548,906
Comprehensive income attributable to non-controlling interests	184,508	267,212

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,000,000	1,566,178	20,999,994	(105,272)	24,460,900
Changes during period					
Dividends of surplus			(485,141)		(485,141)
Profit attributable to owners of parent			1,961,590		1,961,590
Purchase of treasury shares					
Change in ownership interest of parent due to transactions with non-controlling interests		10,086			10,086
Net changes in items other than shareholders' equity					
Total changes during period	–	10,086	1,476,449	–	1,486,535
Balance at end of period	2,000,000	1,576,265	22,476,443	(105,272)	25,947,436

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	309,511	(1,000)	70,156	(727,077)	(348,410)	–	24,112,490
Changes during period							
Dividends of surplus							(485,141)
Profit attributable to owners of parent							1,961,590
Purchase of treasury shares							
Change in ownership interest of parent due to transactions with non-controlling interests							10,086
Net changes in items other than shareholders' equity	16,098	1,052	(1,515)	161,821	177,456	1,359,916	1,537,372
Total changes during period	16,098	1,052	(1,515)	161,821	177,456	1,359,916	3,023,908
Balance at end of period	325,609	51	68,640	(565,255)	(170,953)	1,359,916	27,136,398

Fiscal year ended December 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,000,000	1,576,265	22,476,443	(105,272)	25,947,436
Changes during period					
Dividends of surplus			(485,141)		(485,141)
Profit attributable to owners of parent			1,685,517		1,685,517
Purchase of treasury shares				(25)	(25)
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period			1,200,375	(25)	1,200,350
Balance at end of period	2,000,000	1,576,265	23,676,819	(105,298)	27,147,786

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	325,609	51	68,640	(565,255)	(170,953)	1,359,916	27,136,398
Changes during period							
Dividends of surplus						(15,502)	(500,643)
Profit attributable to owners of parent							1,685,517
Purchase of treasury shares							(25)
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes in items other than shareholders' equity	(64,264)	(229)	(18,335)	(53,781)	(136,611)	267,212	130,601
Total changes during period	(64,264)	(229)	(18,335)	(53,781)	(136,611)	251,710	1,315,449
Balance at end of period	261,345	(178)	50,305	(619,036)	(307,565)	1,611,626	28,451,848



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,827,746	2,631,854
Depreciation	1,072,419	1,188,443
Gain on bargain purchase	(85,367)	–
Loss (gain) on step acquisitions	59,043	–
Increase (decrease) in allowance for doubtful accounts	8,252	3,574
Increase (decrease) in retirement benefit liability	(203,633)	(209,715)
Increase (decrease) in provision for bonuses	112,494	(12,161)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(8,125)	–
Increase (decrease) in accounts payable-directors' bonuses	(8,400)	16,900
Interest and dividend income	(38,887)	(52,577)
Interest expenses	13,687	12,230
Foreign exchange losses (gains)	34,523	24,296
Loss (gain) on sales of non-current assets	(141)	382
Loss on retirement of non-current assets	35,477	17,257
Impairment loss	–	10,326
Loss (gain) on sales of investment securities	(1,005)	–
Loss (gain) on valuation of investment securities	–	7,866
Decrease (increase) in trade receivables	(91,976)	1,442,602
Decrease (increase) in inventories	96,446	21,257
Decrease (increase) in accounts receivable - other	10,136	(38,304)
Increase (decrease) in trade payables	(89,981)	(223,537)
Other, net	87,666	(261,315)
Subtotal	3,830,377	4,579,379
Interest and dividends received	38,887	52,210
Interest paid	(13,680)	(12,216)
Income taxes paid	(577,246)	(598,708)
Net cash provided by (used in) operating activities	3,278,337	4,020,665
Cash flows from investing activities		
Purchase of investment securities	(6,032)	(6,182)
Proceeds from sales of investment securities	2,055	–
Purchase of property, plant and equipment	(1,486,974)	(2,683,135)
Proceeds from sales of property, plant and equipment	347	345
Purchase of intangible assets	(27,558)	(14,365)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	248,698	–
Payments into time deposits	–	(257,507)
Proceeds from withdrawal of time deposits	–	259,311
Proceeds from sales of membership	–	6,064
Net decrease (increase) in short-term loans receivable	(758,893)	608,915
Payments of guarantee deposits	(255,817)	(1,413)
Other, net	(27,026)	(22,662)
Net cash provided by (used in) investing activities	(2,311,200)	(2,110,630)

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Cash flows from financing activities		
Repayments of long-term borrowings	(72,247)	(74,123)
Dividends paid	(500,000)	(500,723)
Purchase of treasury shares	–	(25)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(130,713)	–
Other, net	(8,125)	(5,821)
Net cash provided by (used in) financing activities	(711,087)	(580,693)
Effect of exchange rate change on cash and cash equivalents	(13,787)	(7,155)
Net increase (decrease) in cash and cash equivalents	242,263	1,322,186
Cash and cash equivalents at beginning of period	1,421,385	1,663,648
Cash and cash equivalents at end of period	1,663,648	2,985,835