

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

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: May 14, 2021
 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 three months ended March 31, 2021 (from January 1, 2021 to March 31, 2021)

(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	%
Three months ended March 31, 2021	7,511	13.6	963	62.5	1,054	77.7	700	79.3
Three months ended March 31, 2020	6,613	(1.6)	593	(4.8)	593	(10.6)	390	(21.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2021	23.11		–	
Three months ended March 31, 2020	12.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2021	38,972	29,477	71.1
As of December 31, 2020	37,069	28,451	72.4

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, 2020	–	8.00	–	8.00	16.00
Year ending December 31, 2021	–	–	–	–	–
Year ending December 31, 2021 (Forecast)	–	8.00	–	8.00	16.00

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 three months ended March 31, 2021
(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 March 31, 2021	30,743,604 shares	As of December 31, 2020	30,743,604 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	422,275 shares	As of December 31, 2020	422,275 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2021	30,321,329 shares	Three months ended March 31, 2020	30,321,350 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,985,835	3,855,589
Notes and accounts receivable - trade	9,597,896	9,583,892
Electronically recorded monetary claims - operating	1,303,198	1,105,814
Merchandise and finished goods	2,343,287	2,368,940
Work in process	353,204	388,431
Raw materials and supplies	1,160,984	1,247,584
Short-term loans receivable	3,089,018	2,884,193
Other	364,167	414,095
Allowance for doubtful accounts	(15,345)	(24,100)
Total current assets	21,182,247	21,824,442
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,315,702	3,365,506
Machinery, equipment and vehicles, net	2,498,998	2,633,051
Land	6,684,998	6,805,541
Other, net	1,817,169	2,601,834
Total property, plant and equipment	14,316,869	15,405,934
Intangible assets	60,212	57,184
Investments and other assets		
Investment securities	887,552	942,177
Retirement benefit asset	13,326	94,718
Other	640,403	679,078
Allowance for doubtful accounts	(30,977)	(31,237)
Total investments and other assets	1,510,304	1,684,737
Total non-current assets	15,887,386	17,147,856
Total assets	37,069,633	38,972,298

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,965,748	3,764,476
Short-term borrowings	730,000	730,000
Current portion of long-term borrowings	73,238	77,218
Income taxes payable	347,299	512,648
Provision for bonuses	655,247	500,829
Other provisions	–	17,350
Other	2,060,131	3,129,721
Total current liabilities	7,831,664	8,732,245
Non-current liabilities		
Long-term borrowings	623,885	638,487
Provision for retirement benefits for directors (and other officers)	7,800	7,800
Asset retirement obligations	86,708	86,835
Other	67,727	29,588
Total non-current liabilities	786,121	762,711
Total liabilities	8,617,785	9,494,956
Net assets		
Shareholders' equity		
Share capital	2,000,000	2,000,000
Capital surplus	1,576,265	1,576,265
Retained earnings	23,676,819	24,134,896
Treasury shares	(105,298)	(105,298)
Total shareholders' equity	27,147,786	27,605,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	261,345	308,897
Deferred gains or losses on hedges	(178)	4,037
Foreign currency translation adjustment	50,305	362,979
Remeasurements of defined benefit plans	(619,036)	(580,942)
Total accumulated other comprehensive income	(307,565)	94,972
Non-controlling interests	1,611,626	1,776,504
Total net assets	28,451,848	29,477,341
Total liabilities and net assets	37,069,633	38,972,298

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Net sales	6,613,501	7,511,853
Cost of sales	4,755,786	5,135,613
Gross profit	1,857,715	2,376,240
Selling, general and administrative expenses	1,264,595	1,412,328
Operating profit	593,119	963,911
Non-operating income		
Interest income	4,739	2,910
Dividend income	3,423	3,423
Purchase discounts	4,240	3,650
Foreign exchange gains	–	73,581
Other	11,172	11,388
Total non-operating income	23,577	94,954
Non-operating expenses		
Interest expenses	2,871	2,265
Sales discounts	1,287	1,221
Foreign exchange losses	17,727	–
Other	1,303	485
Total non-operating expenses	23,190	3,972
Ordinary profit	593,506	1,054,894
Extraordinary income		
Gain on sales of non-current assets	–	155
Total extraordinary income	–	155
Extraordinary losses		
Loss on sales of non-current assets	381	–
Loss on retirement of non-current assets	1,560	902
Loss on valuation of investment securities	7,866	–
Total extraordinary losses	9,808	902
Profit before income taxes	583,698	1,054,146
Income taxes - current	195,788	362,593
Income taxes - deferred	(38,283)	(84,193)
Total income taxes	157,504	278,399
Profit	426,193	775,746
Profit attributable to non-controlling interests	35,346	75,098
Profit attributable to owners of parent	390,846	700,648

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	426,193	775,746
Other comprehensive income		
Valuation difference on available-for-sale securities	(116,063)	47,552
Deferred gains or losses on hedges	374	4,216
Foreign currency translation adjustment	(109,931)	402,454
Remeasurements of defined benefit plans, net of tax	24,343	38,094
Total other comprehensive income	(201,277)	492,317
Comprehensive income	224,916	1,268,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	204,709	1,103,186
Comprehensive income attributable to non-controlling interests	20,207	164,878