

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 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 Hideki Inouchi
 Inquiries: Division TEL 03-6202-7331
 Scheduled date to file Quarterly Securities Report: November 12, 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 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	%
Nine months ended September 30, 2021	23,016	22.0	2,272	37.0	2,464	46.4	1,641	54.0
Nine months ended September 30, 2020	18,869	(9.0)	1,658	(14.9)	1,683	(14.2)	1,066	(23.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2021	54.13		–	
Nine months ended September 30, 2020	35.16		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	39,608	30,478	72.4
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				
Year ended December 31, 2020	–	8.00	–	8.00	16.00
Year ending December 31, 2021	–	8.00	–		
Year ending December 31, 2021 (Forecast)				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	31,020	19.1	2,940	12.5	3,100	16.2	1,950	15.7	64.31

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2021	30,321,283 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 September 30, 2021	– 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)

Nine months ended September 30, 2021	30,321,317 shares	Nine months ended September 30, 2020	30,321,346 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,985,835	3,852,083
Notes and accounts receivable - trade	9,597,896	9,891,582
Electronically recorded monetary claims - operating	1,303,198	1,194,809
Merchandise and finished goods	2,343,287	2,540,935
Work in process	353,204	450,164
Raw materials and supplies	1,160,984	1,585,403
Short-term loans receivable	3,089,018	1,802,523
Other	364,167	486,806
Allowance for doubtful accounts	(15,345)	(14,549)
Total current assets	21,182,247	21,789,758
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,315,702	3,427,535
Machinery, equipment and vehicles, net	2,498,998	3,223,621
Land	6,684,998	6,889,922
Other, net	1,817,169	2,326,414
Total property, plant and equipment	14,316,869	15,867,494
Intangible assets	60,212	49,836
Investments and other assets		
Investment securities	887,552	990,795
Retirement benefit asset	13,326	256,777
Other	640,403	684,867
Allowance for doubtful accounts	(30,977)	(31,435)
Total investments and other assets	1,510,304	1,901,003
Total non-current assets	15,887,386	17,818,334
Total assets	37,069,633	39,608,093

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,965,748	4,189,695
Short-term borrowings	730,000	730,000
Current portion of long-term borrowings	73,238	80,004
Income taxes payable	347,299	450,626
Provision for bonuses	655,247	479,526
Other provisions	–	52,050
Other	2,060,131	2,299,826
Total current liabilities	7,831,664	8,281,729
Non-current liabilities		
Long-term borrowings	623,885	621,523
Provision for retirement benefits for directors (and other officers)	7,800	7,800
Asset retirement obligations	86,708	87,089
Other	67,727	131,888
Total non-current liabilities	786,121	848,301
Total liabilities	8,617,785	9,130,031
Net assets		
Shareholders' equity		
Share capital	2,000,000	2,000,000
Capital surplus	1,576,265	1,470,923
Retained earnings	23,676,819	24,833,034
Treasury shares	(105,298)	–
Total shareholders' equity	27,147,786	28,303,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	261,345	340,937
Deferred gains or losses on hedges	(178)	1,252
Foreign currency translation adjustment	50,305	527,783
Remeasurements of defined benefit plans	(619,036)	(504,752)
Total accumulated other comprehensive income	(307,565)	365,220
Non-controlling interests	1,611,626	1,808,883
Total net assets	28,451,848	30,478,061
Total liabilities and net assets	37,069,633	39,608,093

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, 2020	Nine months ended September 30, 2021
Net sales	18,869,611	23,016,147
Cost of sales	13,628,815	16,563,743
Gross profit	5,240,796	6,452,404
Selling, general and administrative expenses	3,582,678	4,180,116
Operating profit	1,658,117	2,272,287
Non-operating income		
Interest income	20,910	12,299
Dividend income	15,929	16,397
Purchase discounts	9,604	9,168
Foreign exchange gains	–	93,889
Subsidy income	–	24,312
Other	42,217	49,371
Total non-operating income	88,661	205,439
Non-operating expenses		
Interest expenses	9,179	7,180
Sales discounts	3,687	3,297
Foreign exchange losses	41,438	–
Other	8,736	2,480
Total non-operating expenses	63,042	12,958
Ordinary profit	1,683,736	2,464,768
Extraordinary income		
Gain on sales of non-current assets	–	2,981
Gain on sales of investment securities	–	15,718
Total extraordinary income	–	18,699
Extraordinary losses		
Loss on sales of non-current assets	380	–
Loss on retirement of non-current assets	9,823	9,229
Loss on valuation of investment securities	7,866	–
Impairment loss	10,326	–
Total extraordinary losses	28,396	9,229
Profit before income taxes	1,655,339	2,474,239
Income taxes - current	443,962	723,785
Income taxes - deferred	(19,949)	(62,122)
Total income taxes	424,013	661,662
Profit	1,231,325	1,812,576
Profit attributable to non-controlling interests	165,312	171,220
Profit attributable to owners of parent	1,066,013	1,641,356

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	1,231,325	1,812,576
Other comprehensive income		
Valuation difference on available-for-sale securities	(112,433)	79,592
Deferred gains or losses on hedges	(212)	1,431
Foreign currency translation adjustment	(40,094)	629,702
Remeasurements of defined benefit plans, net of tax	73,029	114,284
Total other comprehensive income	(79,711)	825,010
Comprehensive income	1,151,614	2,637,586
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	980,854	2,314,142
Comprehensive income attributable to non-controlling interests	170,760	323,444