

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: SEIKO PMC CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 4963 URL <https://www.seikopmc.co.jp/>
 Representative: Representative Director, President and CEO Seido Kan
 Executive Officer, Head of Administration
 Inquiries: Hiroharu Kawano TEL 03-6202-7331
 Division
 Scheduled date to file Quarterly Securities Report: May 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2022 (from January 1, 2022 to March 31, 2022)

(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, 2022	7,530	0.2	581	(39.7)	849	(19.5)	621	(11.2)
Three months ended March 31, 2021	7,511	13.6	963	62.5	1,054	77.7	700	79.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	20.51		–	
Three months ended March 31, 2021	23.11		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	41,226	30,334	72.8
As of December 31, 2021	41,882	31,593	70.9

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, 2021	–	8.00	–	8.00	16.00
Year ending December 31, 2022	–	–	–	–	–
Year ending December 31, 2022 (Forecast)	–	8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	33,460	7.8	2,040	(28.9)	2,160	(31.2)	1,470	(29.4)	48.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(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: Yes
- 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, 2022	30,321,283 shares	As of December 31, 2021	30,321,283 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	104 shares	As of December 31, 2021	– shares
----------------------	------------	-------------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	30,321,214 shares	Three months ended March 31, 2021	30,321,329 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	2,762,928	3,563,794
Notes and accounts receivable - trade	11,387,861	10,153,890
Electronically recorded monetary claims - operating	1,600,325	1,314,856
Merchandise and finished goods	2,726,936	3,010,045
Work in process	397,925	454,067
Raw materials and supplies	1,683,310	1,841,061
Short-term loans receivable	1,677,980	730,727
Other	591,892	581,137
Allowance for doubtful accounts	(13,891)	(9,158)
Total current assets	22,815,269	21,640,421
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,442,073	3,404,550
Machinery, equipment and vehicles, net	3,295,801	3,190,353
Land	6,980,330	7,052,656
Other, net	2,860,782	3,359,769
Total property, plant and equipment	16,578,987	17,007,330
Intangible assets	45,495	48,843
Investments and other assets		
Investment securities	937,314	884,818
Retirement benefit asset	863,104	966,223
Other	671,668	708,552
Allowance for doubtful accounts	(29,404)	(29,656)
Total investments and other assets	2,442,683	2,529,937
Total non-current assets	19,067,166	19,586,111
Total assets	41,882,436	41,226,532

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,057,706	4,637,775
Short-term borrowings	730,000	2,077,486
Current portion of long-term borrowings	82,990	85,378
Income taxes payable	545,813	263,230
Provision for bonuses	669,165	474,676
Other provisions	–	6,900
Other	2,101,296	2,271,773
Total current liabilities	9,186,972	9,817,220
Non-current liabilities		
Long-term borrowings	623,967	620,578
Provision for retirement benefits for directors (and other officers)	7,800	7,800
Asset retirement obligations	87,216	87,345
Other	383,046	358,817
Total non-current liabilities	1,102,030	1,074,541
Total liabilities	10,289,003	10,891,761
Net assets		
Shareholders' equity		
Share capital	2,000,000	2,000,000
Capital surplus	1,576,265	1,149,697
Retained earnings	25,169,029	25,548,330
Treasury shares	–	(69)
Total shareholders' equity	28,745,294	28,697,958
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	299,489	261,087
Deferred gains or losses on hedges	1,199	6,298
Foreign currency translation adjustment	759,049	1,130,018
Remeasurements of defined benefit plans	(102,609)	(92,266)
Total accumulated other comprehensive income	957,128	1,305,137
Non-controlling interests	1,891,009	331,674
Total net assets	31,593,432	30,334,770
Total liabilities and net assets	41,882,436	41,226,532

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, 2021	Three months ended March 31, 2022
Net sales	7,511,853	7,530,390
Cost of sales	5,135,613	5,549,404
Gross profit	2,376,240	1,980,986
Selling, general and administrative expenses	1,412,328	1,399,933
Operating profit	963,911	581,053
Non-operating income		
Interest income	2,910	935
Dividend income	3,423	3,423
Purchase discounts	3,650	4,096
Subsidy income	–	75,411
Foreign exchange gains	73,581	158,119
Other	11,388	29,575
Total non-operating income	94,954	271,561
Non-operating expenses		
Interest expenses	2,265	2,648
Sales discounts	1,221	–
Other	485	796
Total non-operating expenses	3,972	3,444
Ordinary profit	1,054,894	849,169
Extraordinary income		
Subsidy income	–	18,650
Gain on sale of non-current assets	155	–
Total extraordinary income	155	18,650
Extraordinary losses		
Loss on retirement of non-current assets	902	0
Loss on tax purpose reduction entry of non-current assets	–	18,650
Total extraordinary losses	902	18,650
Profit before income taxes	1,054,146	849,169
Income taxes - current	362,593	242,583
Income taxes - deferred	(84,193)	(19,548)
Total income taxes	278,399	223,035
Profit	775,746	626,134
Profit attributable to non-controlling interests	75,098	4,262
Profit attributable to owners of parent	700,648	621,871

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	775,746	626,134
Other comprehensive income		
Valuation difference on available-for-sale securities	47,552	(38,402)
Deferred gains or losses on hedges	4,216	5,099
Foreign currency translation adjustment	402,454	380,267
Remeasurements of defined benefit plans, net of tax	38,094	10,342
Total other comprehensive income	492,317	357,306
Comprehensive income	1,268,064	983,441
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,103,186	969,879
Comprehensive income attributable to non-controlling interests	164,878	13,561