

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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 12, 2023
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	7,457	(1.0)	311	(46.4)	390	(54.0)	305	(50.9)
Three months ended March 31, 2022	7,530	0.2	581	(39.7)	849	(19.5)	621	(11.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	10.07		–	
Three months ended March 31, 2022	20.51		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	45,461	31,391	68.3
As of December 31, 2022	46,557	31,108	66.1

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, 2022	–	8.00	–	8.00	16.00
Year ending December 31, 2023	–	–	–	–	–
Year ending December 31, 2023 (Forecast)	–	8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	35,280	8.8	2,010	6.7	2,160	(9.8)	1,550	(5.9)	51.12

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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, 2023	30,321,283 shares	As of December 31, 2022	30,321,283 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	192 shares	As of December 31, 2022	192 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, 2023	30,321,091 shares	Three months ended March 31, 2022	30,321,214 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,827,471	4,340,002
Notes and accounts receivable - trade	11,855,653	10,030,692
Electronically recorded monetary claims - operating	2,000,835	1,644,954
Merchandise and finished goods	3,283,138	3,471,758
Work in process	506,939	536,425
Raw materials and supplies	2,146,933	2,008,232
Short-term loans receivable	995,979	790,681
Other	835,559	1,080,381
Allowance for doubtful accounts	(7,829)	(5,791)
Total current assets	25,444,680	23,897,338
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,146,945	5,174,902
Machinery, equipment and vehicles, net	4,719,028	4,679,197
Land	7,070,738	7,112,928
Other, net	1,292,233	1,597,443
Total property, plant and equipment	18,228,945	18,564,471
Intangible assets	50,500	53,410
Investments and other assets		
Investment securities	929,539	969,337
Retirement benefit asset	1,134,220	1,236,967
Other	800,170	769,896
Allowance for doubtful accounts	(30,193)	(30,104)
Total investments and other assets	2,833,737	2,946,097
Total non-current assets	21,113,182	21,563,979
Total assets	46,557,863	45,461,317

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,875,497	4,755,975
Short-term borrowings	5,572,068	5,064,337
Current portion of long-term borrowings	85,975	87,368
Income taxes payable	229,325	232,154
Provision for bonuses	587,366	365,672
Other provisions	–	7,350
Other	1,996,138	2,530,281
Total current liabilities	14,346,372	13,043,140
Non-current liabilities		
Long-term borrowings	560,436	567,675
Provision for retirement benefits for directors (and other officers)	7,800	–
Asset retirement obligations	87,730	87,860
Other	446,570	371,485
Total non-current liabilities	1,102,537	1,027,021
Total liabilities	15,448,909	14,070,162
Net assets		
Shareholders' equity		
Share capital	2,000,000	2,000,000
Capital surplus	1,149,697	1,149,697
Retained earnings	26,331,123	26,393,899
Treasury shares	(115)	(115)
Total shareholders' equity	29,480,706	29,543,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285,464	315,320
Deferred gains or losses on hedges	(6,506)	(401)
Foreign currency translation adjustment	1,169,530	1,341,856
Remeasurements of defined benefit plans	(150,226)	(142,332)
Total accumulated other comprehensive income	1,298,262	1,514,443
Non-controlling interests	329,985	333,229
Total net assets	31,108,954	31,391,154
Total liabilities and net assets	46,557,863	45,461,317

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, 2022	Three months ended March 31, 2023
Net sales	7,530,390	7,457,270
Cost of sales	5,549,404	5,783,509
Gross profit	1,980,986	1,673,760
Selling, general and administrative expenses	1,399,933	1,362,489
Operating profit	581,053	311,271
Non-operating income		
Interest income	935	15,257
Dividend income	3,423	3,423
Purchase discounts	4,096	2,933
Subsidy income	75,411	8,426
Foreign exchange gains	158,119	35,971
Other	29,575	20,180
Total non-operating income	271,561	86,193
Non-operating expenses		
Interest expenses	2,648	5,912
Other	796	797
Total non-operating expenses	3,444	6,710
Ordinary profit	849,169	390,754
Extraordinary income		
Subsidy income	18,650	44,048
Gain on sale of non-current assets	–	899
Total extraordinary income	18,650	44,948
Extraordinary losses		
Loss on retirement of non-current assets	0	582
Loss on tax purpose reduction entry of non-current assets	18,650	44,048
Total extraordinary losses	18,650	44,631
Profit before income taxes	849,169	391,071
Income taxes - current	242,583	123,847
Income taxes - deferred	(19,548)	(36,213)
Total income taxes	223,035	87,633
Profit	626,134	303,437
Profit (loss) attributable to non-controlling interests	4,262	(1,906)
Profit attributable to owners of parent	621,871	305,344

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	626,134	303,437
Other comprehensive income		
Valuation difference on available-for-sale securities	(38,402)	29,855
Deferred gains or losses on hedges	5,099	6,105
Foreign currency translation adjustment	380,267	177,548
Remeasurements of defined benefit plans, net of tax	10,342	7,894
Total other comprehensive income	357,306	221,404
Comprehensive income	983,441	524,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	969,879	521,525
Comprehensive income attributable to non-controlling interests	13,561	3,316