

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 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 Hiroharu Kawano
 Inquiries: Division TEL 03-6202-7331
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 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, 2023 (from January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	23,932	(1.0)	1,441	(9.4)	2,011	(15.8)	1,466	(16.7)
Nine months ended September 30, 2022	24,162	5.0	1,590	(30.0)	2,389	(3.1)	1,760	7.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	48.37		–	
Nine months ended September 30, 2022	58.08		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	47,162	32,994	69.2
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	–	8.00	–		
Year ending December 31, 2023 (Forecast)				0.00	8.00

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	32,207	(0.7)	2,119	12.5	2,680	11.9	2,006	21.8	66.16

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 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 September 30, 2023	195 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)

Nine months ended September 30, 2023	30,321,091 shares	Nine months ended September 30, 2022	30,321,168 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,827,471	4,195,005
Notes and accounts receivable - trade	11,855,653	11,461,178
Electronically recorded monetary claims - operating	2,000,835	1,926,440
Merchandise and finished goods	3,283,138	3,124,585
Work in process	506,939	478,691
Raw materials and supplies	2,146,933	1,968,217
Short-term loans receivable	995,979	728,379
Other	835,559	722,735
Allowance for doubtful accounts	(7,829)	(8,285)
Total current assets	25,444,680	24,596,947
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,146,945	5,308,259
Machinery, equipment and vehicles, net	4,719,028	4,486,917
Land	7,070,738	7,269,635
Construction in progress	1,075,448	1,820,555
Other, net	216,784	249,212
Total property, plant and equipment	18,228,945	19,134,581
Intangible assets	50,500	73,198
Investments and other assets		
Investment securities	929,539	1,181,430
Retirement benefit asset	1,134,220	1,418,038
Other	800,170	788,027
Allowance for doubtful accounts	(30,193)	(29,970)
Total investments and other assets	2,833,737	3,357,525
Total non-current assets	21,113,182	22,565,305
Total assets	46,557,863	47,162,252

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,875,497	4,960,186
Short-term borrowings	5,572,068	4,667,728
Current portion of long-term borrowings	85,975	92,543
Income taxes payable	229,325	171,730
Provision for bonuses	587,366	389,836
Other provisions	–	22,050
Other	1,996,138	2,736,467
Total current liabilities	14,346,372	13,040,541
Non-current liabilities		
Long-term borrowings	560,436	553,840
Provision for retirement benefits for directors (and other officers)	7,800	–
Asset retirement obligations	87,730	88,120
Other	446,570	485,451
Total non-current liabilities	1,102,537	1,127,411
Total liabilities	15,448,909	14,167,953
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	27,312,581
Treasury shares	(115)	(118)
Total shareholders' equity	29,480,706	30,462,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	285,464	467,298
Deferred gains or losses on hedges	(6,506)	1,956
Foreign currency translation adjustment	1,169,530	1,828,928
Remeasurements of defined benefit plans	(150,226)	(126,315)
Total accumulated other comprehensive income	1,298,262	2,171,867
Non-controlling interests	329,985	360,271
Total net assets	31,108,954	32,994,298
Total liabilities and net assets	46,557,863	47,162,252

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, 2022	Nine months ended September 30, 2023
Net sales	24,162,954	23,932,698
Cost of sales	18,241,878	18,340,466
Gross profit	5,921,075	5,592,232
Selling, general and administrative expenses	4,331,022	4,150,929
Operating profit	1,590,052	1,441,302
Non-operating income		
Interest income	5,947	52,359
Dividend income	19,584	16,366
Purchase discounts	11,847	8,899
Foreign exchange gains	648,921	384,043
Subsidy income	76,033	41,304
Other	53,557	87,962
Total non-operating income	815,892	590,936
Non-operating expenses		
Interest expenses	12,469	18,163
Other	4,134	3,024
Total non-operating expenses	16,604	21,187
Ordinary profit	2,389,340	2,011,050
Extraordinary income		
Subsidy income	29,472	44,048
Gain on sale of non-current assets	41	1,134
Total extraordinary income	29,513	45,182
Extraordinary losses		
Loss on sale of non-current assets	215	532
Loss on retirement of non-current assets	51,969	1,602
Loss on tax purpose reduction entry of non-current assets	29,472	44,048
TOB related expenses	–	115,164
Other	–	8,493
Total extraordinary losses	81,656	169,840
Profit before income taxes	2,337,197	1,886,393
Income taxes - current	559,251	418,874
Income taxes - deferred	4,197	(4,345)
Total income taxes	563,449	414,528
Profit	1,773,748	1,471,865
Profit attributable to non-controlling interests	12,789	5,270
Profit attributable to owners of parent	1,760,959	1,466,594

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	1,773,748	1,471,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(31,153)	181,833
Deferred gains or losses on hedges	297	8,462
Foreign currency translation adjustment	1,057,212	684,484
Remeasurements of defined benefit plans, net of tax	31,028	23,911
Total other comprehensive income	1,057,385	898,692
Comprehensive income	2,831,133	2,370,557
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,787,259	2,340,199
Comprehensive income attributable to non-controlling interests	43,873	30,357