

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2019 (Based on Japanese GAAP)

May 14, 2019

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
 Director, Head of Administration Hideki Inouchi TEL 03-6202-7331
 Inquiries: Division
 Scheduled date to file Quarterly Securities Report: May 15, 2019
 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, 2019 (from January 1, 2019 to March 31, 2019)

(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, 2019	6,722	9.0	622	7.1	664	12.7	500	7.0
Three months ended March 31, 2018	6,165	5.2	581	(4.9)	589	(14.5)	467	(14.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2019	16.50		–	
Three months ended March 31, 2018	15.43		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	34,979	25,805	69.9
As of December 31, 2018	32,149	24,112	75.0

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, 2018	–	8.00	–	8.00	16.00
Year ending December 31, 2019	–	–	–	–	–
Year ending December 31, 2019 (Forecast)	–	8.00	–	8.00	16.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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
Six months ending June 30, 2019	13,740	9.4	960	0.7	1,010	0.2	690	(11.0)	22.76
Full year	28,400	9.7	2,320	17.8	2,400	15.4	1,700	8.8	56.07

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2019	30,743,604 shares	As of December 31, 2018	30,743,604 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	422,243 shares	As of December 31, 2018	422,243 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, 2019	30,321,361 shares	Three months ended March 31, 2018	30,321,559 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	1,421,385	2,605,675
Notes and accounts receivable - trade	10,664,515	10,495,122
Electronically recorded monetary claims - operating	1,368,324	1,410,362
Merchandise and finished goods	2,184,805	2,499,138
Work in process	351,125	397,504
Raw materials and supplies	1,170,695	1,090,279
Short-term loans receivable	2,939,040	2,439,450
Other	253,358	250,852
Allowance for doubtful accounts	(4,964)	(7,203)
Total current assets	20,348,285	21,181,182
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,445,747	2,718,412
Machinery, equipment and vehicles, net	2,024,894	2,100,558
Land	4,466,994	6,636,780
Other, net	479,268	800,499
Total property, plant and equipment	9,416,904	12,256,251
Intangible assets	74,145	76,751
Investments and other assets		
Investment securities	1,901,919	999,020
Other	455,873	518,226
Allowance for doubtful accounts	(47,894)	(51,894)
Total investments and other assets	2,309,898	1,465,352
Total non-current assets	11,800,948	13,798,355
Total assets	32,149,234	34,979,538

(Thousands of yen)

	As of December 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,934,200	4,198,154
Short-term loans payable	730,000	730,000
Current portion of long-term loans payable	–	73,680
Income taxes payable	279,873	275,472
Provision for bonuses	550,685	345,561
Other provision	–	15,475
Other	1,875,203	2,207,171
Total current liabilities	7,369,963	7,845,513
Non-current liabilities		
Long-term loans payable	–	737,059
Provision for directors' retirement benefits	15,925	7,800
Net defined benefit liability	555,700	481,263
Asset retirement obligations	85,448	85,721
Other	9,706	16,959
Total non-current liabilities	666,780	1,328,804
Total liabilities	8,036,743	9,174,318
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	1,566,178	1,566,178
Retained earnings	20,999,994	21,257,700
Treasury shares	(105,272)	(105,272)
Total shareholders' equity	24,460,900	24,718,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	309,511	352,544
Deferred gains or losses on hedges	(1,000)	(304)
Foreign currency translation adjustment	70,156	89,915
Remeasurements of defined benefit plans	(727,077)	(707,181)
Total accumulated other comprehensive income	(348,410)	(265,026)
Non-controlling interests	–	1,351,639
Total net assets	24,112,490	25,805,219
Total liabilities and net assets	32,149,234	34,979,538

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, 2018	Three months ended March 31, 2019
Net sales	6,165,997	6,722,246
Cost of sales	4,486,531	4,901,342
Gross profit	1,679,466	1,820,904
Selling, general and administrative expenses	1,097,947	1,198,121
Operating profit	581,519	622,782
Non-operating income		
Interest income	1,137	2,116
Dividend income	3,632	3,423
Purchase discounts	3,952	3,365
Share of profit of entities accounted for using equity method	23,177	–
Foreign exchange gains	–	15,371
Subsidy income	–	16,298
Other	13,239	6,900
Total non-operating income	45,139	47,476
Non-operating expenses		
Interest expenses	728	3,046
Sales discounts	1,684	1,323
Foreign exchange losses	33,762	–
Other	1,318	1,695
Total non-operating expenses	37,492	6,065
Ordinary profit	589,166	664,193
Extraordinary income		
Gain on sales of non-current assets	2	–
Gain on sales of memberships	696	–
Gain on bargain purchase	–	85,367
Total extraordinary income	698	85,367
Extraordinary losses		
Loss on sales of non-current assets	5	–
Loss on retirement of non-current assets	143	12,229
Provision of allowance for doubtful accounts	–	4,000
Loss on step acquisitions	–	59,043
Total extraordinary losses	149	75,272
Profit before income taxes	589,715	674,287
Income taxes - current	190,609	210,218
Income taxes - deferred	(68,628)	(60,424)
Total income taxes	121,981	149,794
Profit	467,734	524,493
Profit attributable to non-controlling interests	–	24,216
Profit attributable to owners of parent	467,734	500,276

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2018	Three months ended March 31, 2019
Profit	467,734	524,493
Other comprehensive income		
Valuation difference on available-for-sale securities	(40,653)	43,033
Deferred gains or losses on hedges	306	696
Foreign currency translation adjustment	(61,275)	13,749
Remeasurements of defined benefit plans, net of tax	16,773	19,895
Share of other comprehensive income of entities accounted for using equity method	7,951	2,458
Total other comprehensive income	(76,898)	79,832
Comprehensive income	390,835	604,326
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	390,835	583,661
Comprehensive income attributable to non-controlling interests	—	20,664