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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

July 30, 2024

Company name: SEIKO ELECTRIC CO., LTD.

Listing: Tokyo, Fukuoka

Securities code: 6653

URL: <https://www.seiko-denki.co.jp/>

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Scheduled date to file semi-annual securities report: August 8, 2024

Scheduled date to commence dividend payments: August 30, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

President and Representative Director

Managing Director, General Manager of Corporate Planning
and Development Division

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (January 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(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	%
Six months ended June 30, 2024	14,237	13.4	1,013	20.2	1,297	36.7	844	36.5
June 30, 2023	12,556	(2.1)	842	20.2	948	15.9	618	17.9

(Note) Comprehensive income: Six months ended June 30, 2024: ¥ 1,376 million [45.7%]
Six months ended June 30, 2023: ¥ 944 million [266.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2024	69.41	-
June 30, 2023	50.93	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	27,083	14,406	53.2
December 31, 2023	28,755	13,212	45.9

(Reference) Equity: As of June 30, 2024: ¥ 14,406 million
As of December 31, 2023: ¥ 13,212 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	17.50	-	17.50	35.00
Fiscal year ending December 31, 2024	-	20.00			
Fiscal year ending December 31, 2024 (Forecast)			-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending December 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,000	10.8	2,000	23.2	2,050	12.9	1,350	12.3	107.11

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024:	12,603,595 shares
December 31, 2023:	12,603,595 shares

2) Number of treasury shares at the end of the period:

June 30, 2024:	415,053 shares
December 31, 2023:	437,446 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2024:	12,172,547 shares
Six months ended June 30, 2023:	12,148,368 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,257	2,804
Notes and accounts receivable - trade, and contract assets	13,181	10,286
Merchandise and finished goods	330	351
Work in process	1,936	1,915
Raw materials	475	472
Other	317	258
Allowance for doubtful accounts	(17)	(15)
Total current assets	18,480	16,072
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,972	4,298
Other, net	1,796	1,558
Total property, plant and equipment	5,768	5,857
Intangible assets	226	217
Investments and other assets		
Investment securities	4,140	4,807
Other	145	135
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	4,279	4,935
Total non-current assets	10,274	11,010
Total assets	28,755	27,083
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,548	4,388
Electronically recorded obligations - operating	1,492	1,792
Short-term borrowings	2,466	643
Income taxes payable	409	362
Provision for bonuses	-	512
Provision for loss on construction contracts	4	6
Other	2,349	1,614
Total current liabilities	12,271	9,321
Non-current liabilities		
Long-term borrowings	780	666
Retirement benefit liability	1,797	1,694
Other	693	994
Total non-current liabilities	3,271	3,355
Total liabilities	15,542	12,676

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,607	2,607
Capital surplus	1,988	2,008
Retained earnings	7,036	7,668
Treasury shares	(204)	(193)
Total shareholders' equity	11,428	12,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,875	2,352
Foreign currency translation adjustment	(76)	(68)
Remeasurements of defined benefit plans	(15)	31
Total accumulated other comprehensive income	1,784	2,315
Total net assets	13,212	14,406
Total liabilities and net assets	28,755	27,083

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Net sales	12,556	14,237
Cost of sales	10,164	11,608
Gross profit	2,392	2,629
Selling, general and administrative expenses	1,549	1,615
Operating profit	842	1,013
Non-operating income		
Interest income	0	0
Dividend income	44	49
Gain on sale of non-current assets	70	218
Other	22	52
Total non-operating income	138	321
Non-operating expenses		
Interest expenses	19	12
Guarantee commission	4	3
Other	8	21
Total non-operating expenses	32	37
Ordinary profit	948	1,297
Profit before income taxes	948	1,297
Income taxes - current	212	315
Income taxes - deferred	117	136
Total income taxes	330	452
Profit	618	844
Profit attributable to owners of parent	618	844

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Profit	618	844
Other comprehensive income		
Valuation difference on available-for-sale securities	310	477
Foreign currency translation adjustment	6	7
Remeasurements of defined benefit plans, net of tax	8	46
Total other comprehensive income	325	531
Comprehensive income	944	1,376
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	944	1,376

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2023	For the six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	948	1,297
Depreciation	187	198
Increase (decrease) in retirement benefit liability	(56)	(54)
Increase (decrease) in allowance for doubtful accounts	0	(3)
Interest and dividend income	(45)	(49)
Interest expenses	19	12
Loss (gain) on sale of property, plant and equipment	(70)	(218)
Decrease (increase) in trade receivables	3,245	2,928
Decrease (increase) in inventories	(12)	29
Increase (decrease) in trade payables	(362)	(872)
Increase (decrease) in contract	(1)	99
Other, net	(399)	(266)
Subtotal	3,454	3,101
Interest and dividends received	45	49
Interest paid	(19)	(12)
Income taxes paid	(388)	(367)
Net cash provided by (used in) operating activities	3,091	2,770
Cash flows from investing activities		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	3	3
Purchase of property, plant and equipment	(257)	(208)
Proceeds from sale of property, plant and equipment	151	220
Purchase of intangible assets	(24)	(15)
Purchase of investment securities	(23)	(3)
Proceeds from sale of investment securities	-	4
Other, net	(8)	(2)
Net cash provided by (used in) investing activities	(162)	(5)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,083)	(1,885)
Repayments of long-term borrowings	(114)	(114)
Purchase of treasury shares	(0)	-
Dividends paid	(182)	(212)
Repayments of lease liabilities	(34)	(34)
Net cash provided by (used in) financing activities	(3,413)	(2,247)
Effect of exchange rate change on cash and cash equivalents	10	29
Net increase (decrease) in cash and cash equivalents	(474)	547
Cash and cash equivalents at beginning of period	2,319	2,248
Cash and cash equivalents at end of period	1,844	2,796