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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

July 26, 2023

Company name: SEIKO ELECTRIC CO., LTD.

Stock exchange listing: Tokyo, Fukuoka

Code number: 6653

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

Representative: Hidetoshi Soeda

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Scheduled date of filing quarterly securities report: August 7, 2023

Scheduled date of commencing dividend payments: August 25, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

President and Representative Director

Managing Director, General Manager of Corporate Planning and
Development Division

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2023 (January 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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, 2023	12,556	(2.1)	842	20.2	948	15.9	618	17.9
June 30, 2023	12,822	10.7	700	3.0	818	12.3	524	11.3

(Note) Comprehensive income: Six months ended June 30, 2023: ¥ 944 million [266.8%]
Six months ended June 30, 2023: ¥ 257 million [(49.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended June 30, 2023	Yen 50.93	Yen -
June 30, 2023	43.28	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of June 30, 2023	Millions of yen 24,761	Millions of yen 12,354	49.9
December 31, 2022	28,055	11,565	41.2

(Reference) Equity: As of June 30, 2023: ¥ 12,354 million
As of December 31, 2022: ¥ 11,565 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, 2022	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2023	-	17.50			
Fiscal year ending December 31, 2023 (Forecast)			-	17.50	35.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending December 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023(January 1, 2023 to December 31, 2023)

(% indicates changes from the previous corresponding period.)

	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	20.0	2,000	38.8	2,050	27.2	1,370	26.5	112.84

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2023: 12,603,595 shares

December 31, 2022: 12,603,595 shares

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

June 30, 2023: 437,305 shares

December 31, 2022: 462,384 shares

3) Average number of shares outstanding during the period:

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

Six months ended June 30, 2023: 12,125,840 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,327	1,852
Notes and accounts receivable - trade, and contract assets	13,965	10,747
Merchandise and finished goods	535	423
Work in process	1,727	1,774
Raw materials	403	495
Other	423	361
Allowance for doubtful accounts	(16)	(16)
Total current assets	19,365	15,637
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,928	3,892
Other, net	1,347	1,401
Total property, plant and equipment	5,276	5,293
Intangible assets	232	213
Investments and other assets		
Investment securities	3,047	3,493
Other	142	132
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	3,181	3,616
Total non-current assets	8,689	9,123
Total assets	28,055	24,761
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,484	3,815
Electronically recorded obligations - operating	1,322	1,640
Short-term borrowings	4,253	1,199
Income taxes payable	404	227
Provision for bonuses	-	422
Provision for loss on construction contracts	1	15
Other	2,700	1,765
Total current liabilities	13,167	9,085
Non-current liabilities		
Long-term borrowings	1,009	895
Retirement benefit liability	1,935	1,866
Other	377	559
Total non-current liabilities	3,322	3,321
Total liabilities	16,490	12,407

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	2,607	2,607
Capital surplus	1,974	1,988
Retained earnings	6,229	6,665
Treasury shares	(215)	(203)
Total shareholders' equity	10,594	11,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,107	1,418
Foreign currency translation adjustment	(78)	(72)
Remeasurements of defined benefit plans	(58)	(49)
Total accumulated other comprehensive income	970	1,296
Total net assets	11,565	12,354
Total liabilities and net assets	28,055	24,761

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Net sales	12,822	12,556
Cost of sales	10,603	10,164
Gross profit	2,218	2,392
Selling, general and administrative expenses	1,517	1,549
Operating profit	700	842
Non-operating income		
Interest income	0	0
Dividend income	39	44
Subsidy income	22	-
Gain on sale of investment securities	50	-
Gain on sale of non-current assets	-	70
Other	31	22
Total non-operating income	143	138
Non-operating expenses		
Interest expenses	16	19
Guarantee commission	6	4
Other	3	8
Total non-operating expenses	26	32
Ordinary profit	818	948
Profit before income taxes	818	948
Income taxes - current	166	212
Income taxes - deferred	127	117
Total income taxes	293	330
Profit	524	618
Profit attributable to owners of parent	524	618

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended June 30, 2022	For the six months ended June 30, 2023
Profit	524	618
Other comprehensive income		
Valuation difference on available-for-sale securities	(288)	310
Foreign currency translation adjustment	10	6
Remeasurements of defined benefit plans, net of tax	11	8
Total other comprehensive income	(267)	325
Comprehensive income	257	944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	257	944