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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 [Japanese GAAP]

April 26, 2023

Company name: SEIKO ELECTRIC CO., LTD.

Stock exchange listing: Tokyo, Fukuoka

Code number: 6653

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

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Scheduled date of filing quarterly securities report: May 9, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

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 millions of yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 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	%
Three months ended March 31, 2023	6,695	0.1	656	3.3	649	(1.6)	432	0.5
March 31, 2022	6,686	15.3	636	20.8	659	23.6	430	27.5

(Note) Comprehensive income: Three months ended March 31, 2023: ¥ 457 million [142.2%]
Three months ended March 31, 2022: ¥ 188 million [(74.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2023	35.61	-
March 31, 2022	35.48	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	28,143	11,841	42.1
December 31, 2022	28,055	11,565	41.2

(Reference) Equity: As of March 31, 2023: ¥ 11,841 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	-				
Fiscal year ending December 31, 2023 (Forecast)		17.50	-	17.50	35.00

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

(Note) Breakdown of the 1st 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
Six months ending June 30, 2023	12,500	(2.5)	800	14.1	820	0.2	525	0.0	43.24
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: Yes

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 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):

March 31, 2023: 12,603,595 shares

December 31, 2022: 12,603,595 shares

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

March 31, 2023: 462,414 shares

December 31, 2022: 462,384 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2023: 12,141,204 shares

Three months ended March 31, 2022: 12,119,692 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,327	1,537
Notes and accounts receivable - trade, and contract assets	13,965	14,801
Merchandise and finished goods	535	457
Work in process	1,727	1,630
Raw materials	403	476
Other	423	414
Allowance for doubtful accounts	(16)	(17)
Total current assets	19,365	19,301
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,928	3,889
Other, net	1,347	1,518
Total property, plant and equipment	5,276	5,408
Intangible assets	232	244
Investments and other assets		
Investment securities	3,047	3,076
Other	142	121
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	3,181	3,189
Total non-current assets	8,689	8,841
Total assets	28,055	28,143
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,484	4,447
Electronically recorded obligations - operating	1,322	1,650
Short-term borrowings	4,253	4,574
Income taxes payable	404	120
Provision for bonuses	-	470
Provision for loss on construction contracts	1	17
Other	2,700	1,735
Total current liabilities	13,167	13,017
Non-current liabilities		
Long-term borrowings	1,009	952
Retirement benefit liability	1,935	1,881
Other	377	450
Total non-current liabilities	3,322	3,284
Total liabilities	16,490	16,302

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	2,607	2,607
Capital surplus	1,974	1,974
Retained earnings	6,229	6,479
Treasury shares	(215)	(215)
Total shareholders' equity	10,594	10,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,107	1,127
Foreign currency translation adjustment	(78)	(77)
Remeasurements of defined benefit plans	(58)	(53)
Total accumulated other comprehensive income	970	996
Total net assets	11,565	11,841
Total liabilities and net assets	28,055	28,143

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Net sales	6,686	6,695
Cost of sales	5,287	5,266
Gross profit	1,399	1,428
Selling, general and administrative expenses	763	772
Operating profit	636	656
Non-operating income		
Interest income	0	0
Foreign exchange gains	8	-
Rental income	2	3
Subsidy income	22	-
Other	3	4
Total non-operating income	37	7
Non-operating expenses		
Interest expenses	8	10
Guarantee commission	3	1
Other	2	2
Total non-operating expenses	13	15
Ordinary profit	659	649
Profit before income taxes	659	649
Income taxes - current	109	116
Income taxes - deferred	120	100
Total income taxes	229	216
Profit	430	432
Profit attributable to owners of parent	430	432

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

(Millions of yen)

	For the three months ended March 31, 2022	For the three months ended March 31, 2023
Profit	430	432
Other comprehensive income		
Valuation difference on available-for-sale securities	(252)	19
Foreign currency translation adjustment	5	1
Remeasurements of defined benefit plans, net of tax	5	4
Total other comprehensive income	(241)	25
Comprehensive income	188	457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	188	457