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Consolidated Financial Results for the Three Months Ended March 31, 2022 [Japanese GAAP]

April 22, 2022

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: May 10, 2022

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 million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2022 (January 01, 2022 to March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2022	6,686	15.3	636	20.8	659	23.6	430	27.5
March 31, 2021	5,801	(1.5)	526	57.3	533	81.2	337	16.4

(Note) Comprehensive income: Three months ended March 31, 2022: ¥ 188 million [(74.2)%]
Three months ended March 31, 2021: ¥ 733 million [437.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	35.48	-
March 31, 2021	27.86	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of March 31, 2022	27,353	10,886	39.8
December 31, 2021	25,793	10,940	42.4

(Reference) Equity: As of March 31, 2022: ¥ 10,886 million
As of December 31, 2021: ¥ 10,940 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, 2021	-	10.00	-	20.00	30.00
Fiscal year ending December 31, 2022	-				
Fiscal year ending December 31, 2022 (Forecast)		15.00	-	15.00	30.00

(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, 2022 :

Commemorative dividend 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022(January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended June 30, 2022	12,000	3.6	720	5.8	740	1.5	480	1.8	39.60
Full year	30,000	22.0	2,000	42.2	2,050	33.1	1,370	29.7	113.04

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2022

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

(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: Yes

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, 2022: 12,603,595 shares

December 31, 2021: 12,603,595 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 483,903 shares

December 31, 2021: 483,903 shares

3) Average number of shares during the period:

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

Three months ended March 31, 2021: 12,108,647 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	1,853	1,758
Notes and accounts receivable - trade	12,155	-
Notes and accounts receivable - trade, and contract assets	-	14,642
Merchandise and finished goods	753	586
Work in process	1,621	1,422
Raw materials	320	341
Other	252	207
Allowance for doubtful accounts	(13)	(11)
Total current assets	16,945	18,946
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,038	3,992
Other, net	1,360	1,345
Total property, plant and equipment	5,399	5,338
Intangible assets	174	168
Investments and other assets		
Investment securities	3,142	2,792
Other	140	117
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	3,274	2,900
Total non-current assets	8,848	8,407
Total assets	25,793	27,353
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,459	4,474
Electronically recorded obligations - operating	1,243	1,627
Short-term borrowings	2,475	4,587
Income taxes payable	321	108
Provision for bonuses	-	460
Provision for loss on construction contracts	34	14
Other	2,718	1,669
Total current liabilities	11,252	12,942
Non-current liabilities		
Long-term borrowings	1,237	1,180
Retirement benefit liability	1,961	1,951
Other	401	391
Total non-current liabilities	3,600	3,524
Total liabilities	14,853	16,466

(Million yen)

	As of December 31,2021	As of March 31,2022
Net assets		
Shareholders' equity		
Share capital	2,607	2,607
Capital surplus	1,958	1,958
Retained earnings	5,570	5,758
Treasury shares	(225)	(225)
Total shareholders' equity	9,910	10,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,204	951
Foreign currency translation adjustment	(87)	(82)
Remeasurements of defined benefit plans	(86)	(80)
Total accumulated other comprehensive income	1,029	788
Total net assets	10,940	10,886
Total liabilities and net assets	25,793	27,353

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Net sales	5,801	6,686
Cost of sales	4,565	5,287
Gross profit	1,236	1,399
Selling, general and administrative expenses	709	763
Operating profit	526	636
Non-operating income		
Interest income	0	0
Foreign exchange gains	6	8
Rental income	3	2
Subsidy income	-	22
Other	7	3
Total non-operating income	17	37
Non-operating expenses		
Interest expenses	6	8
Guarantee commission	2	3
Other	1	2
Total non-operating expenses	10	13
Ordinary profit	533	659
Profit before income taxes	533	659
Income taxes - current	94	109
Income taxes - deferred	101	120
Total income taxes	196	229
Profit	337	430
Profit attributable to owners of parent	337	430

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

(Million yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Profit	337	430
Other comprehensive income		
Valuation difference on available-for-sale securities	382	(252)
Foreign currency translation adjustment	9	5
Remeasurements of defined benefit plans, net of tax	3	5
Total other comprehensive income	395	(241)
Comprehensive income	733	188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	733	188