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## Summary of Consolidated Financial Results for the Year Ended December 31, 2023 [Japanese GAAP]

February 8, 2024

Company name: SEIKO ELECTRIC CO., LTD.

Stock exchange listing: Tokyo, Fukuoka

Code number: 6653

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

Representative: Hidetoshi Soeda

President and Representative Director

Contact: Tsutomu Tanaka

Managing Director, General Manager of Corporate Planning and  
Development Division

Phone: +81-92-473-8831

Scheduled date of Annual General Meeting of Shareholders: March 27, 2024

Scheduled date of commencing dividend payments: March 12, 2024

Scheduled date of filing annual securities report: March 27, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 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	%
Fiscal year ended December 31, 2023	27,071	8.3	1,622	12.6	1,816	12.7	1,202	11.1
December 31, 2022	25,007	1.7	1,440	2.5	1,612	4.7	1,082	2.5

(Note) Comprehensive income: Fiscal year ended December 31, 2023: ¥ 2,015 million [ 96.9%]  
Fiscal year ended December 31, 2022: ¥ 1,023 million [ (4.8)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	98.92	-	9.7	6.4	6.0
December 31, 2022	89.25	-	9.6	6.0	5.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended December 31, 2023: ¥ - million  
Fiscal year ended December 31, 2022: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2023	28,755	13,212	45.9	1,086.03
December 31, 2022	28,055	11,565	41.2	952.59

(Reference) Equity: As of December 31, 2023: ¥ 13,212 million  
As of December 31, 2022: ¥ 11,565 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2023	3,190	(771)	(2,499)	2,248
December 31, 2022	(79)	(498)	1,040	2,319

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2022	-	15.00	-	15.00	30.00	364	33.6	3.2
December 31, 2023	-	17.50	-	17.50	35.00	425	35.4	3.4
Fiscal year ending December 31, 2024 (Forecast)	-	20.00	-	20.00	40.00		37.3	

(Note) Breakdown of the year-end dividend for the fiscal year ended December 31, 2023 :

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)

(% 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	13,000	3.5	850	0.9	880	(7.3)	620	0.2	49.19
Full year	30,000	10.8	2,000	23.2	2,050	12.9	1,350	12.3	107.11

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) 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

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

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

December 31, 2023:	12,603,595 shares
December 31, 2022:	12,603,595 shares

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

December 31, 2023:	437,446 shares
December 31, 2022:	462,384 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended December 31, 2023:	12,156,602 shares
Fiscal Year ended December 31, 2022:	12,132,934 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	19,073	5.1	1,351	15.1	1,541	9.0	1,046	5.6
December 31, 2022	18,141	(5.5)	1,174	2.2	1,415	0.2	990	(4.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2023	86.06	-
December 31, 2022	81.66	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2023	23,528	12,244	52.0	1,006.42
December 31, 2022	25,325	10,828	42.8	891.88

(Reference) Equity: As of December 31, 2023: ¥ 12,244 million  
As of December 31, 2022: ¥ 10,828 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,327	2,257
Notes and accounts receivable - trade, and contract assets	13,965	13,181
Merchandise and finished goods	535	330
Work in process	1,727	1,936
Raw materials	403	475
Other	423	317
Allowance for doubtful accounts	(16)	(17)
Total current assets	19,365	18,480
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,772	9,023
Accumulated depreciation	(4,843)	(5,051)
Buildings and structures, net	3,928	3,972
Machinery, equipment and vehicles	1,585	1,541
Accumulated depreciation	(1,452)	(1,417)
Machinery, equipment and vehicles, net	132	124
Tools, furniture and fixtures	1,415	1,414
Accumulated depreciation	(1,318)	(1,324)
Tools, furniture and fixtures, net	96	90
Land	827	1,148
Leased assets	516	450
Accumulated depreciation	(275)	(252)
Leased assets, net	241	197
Construction in progress	48	235
Total property, plant and equipment	5,276	5,768
Intangible assets	232	226
Investments and other assets		
Investment securities	3,047	4,140
Other	142	145
Allowance for doubtful accounts	(8)	(6)
Total investments and other assets	3,181	4,279
Total non-current assets	8,689	10,274
Total assets	28,055	28,755

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,484	5,548
Electronically recorded obligations - operating	1,322	1,492
Short-term borrowings	4,253	2,466
Income taxes payable	404	409
Contract liabilities	683	317
Provision for loss on construction contracts	1	4
Other	2,016	2,032
Total current liabilities	13,167	12,271
Non-current liabilities		
Long-term borrowings	1,009	780
Deferred tax liabilities	118	455
Retirement benefit liability	1,935	1,797
Other	259	237
Total non-current liabilities	3,322	3,271
<b>Total liabilities</b>	<b>16,490</b>	<b>15,542</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,607	2,607
Capital surplus	1,974	1,988
Retained earnings	6,229	7,036
Treasury shares	(215)	(204)
Total shareholders' equity	10,594	11,428
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,107	1,875
Foreign currency translation adjustment	(78)	(76)
Remeasurements of defined benefit plans	(58)	(15)
Total accumulated other comprehensive income	970	1,784
<b>Total net assets</b>	<b>11,565</b>	<b>13,212</b>
<b>Total liabilities and net assets</b>	<b>28,055</b>	<b>28,755</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Net sales	25,007	27,071
Cost of sales	20,536	22,400
Gross profit	4,470	4,671
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	262	273
Salaries and allowances	1,045	1,044
Bonuses	361	359
Retirement benefit expenses	72	68
Other	1,287	1,303
Total selling, general and administrative expenses	3,030	3,048
Operating profit	1,440	1,622
Non-operating income		
Interest income	0	0
Dividend income	84	92
Rental income	14	15
Subsidy income	44	-
Gain on sale of investment securities	64	50
Gain on sale of non-current assets	-	70
Other	26	31
Total non-operating income	234	261
Non-operating expenses		
Interest expenses	33	35
Guarantee commission	10	9
Other	18	23
Total non-operating expenses	63	67
Ordinary profit	1,612	1,816
Profit before income taxes	1,612	1,816
Income taxes - current	524	599
Income taxes - deferred	4	14
Total income taxes	529	613
Profit	1,082	1,202
Profit attributable to owners of parent	1,082	1,202

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
Profit	1,082	1,202
Other comprehensive income		
Valuation difference on available-for-sale securities	(96)	767
Foreign currency translation adjustment	9	2
Remeasurements of defined benefit plans, net of tax	27	43
Total other comprehensive income	(59)	813
Comprehensive income	1,023	2,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,023	2,015

Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,607	1,958	5,570	(225)	9,910
Changes during period					
Dividends of surplus			(424)		(424)
Profit attributable to owners of parent			1,082		1,082
Purchase of treasury shares					-
Disposal of treasury shares		15		10	25
Net changes in items other than shareholders' equity					
Total changes during period	-	15	658	10	684
Balance at end of period	2,607	1,974	6,229	(215)	10,594

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,204	(87)	(86)	1,029	10,940
Changes during period					
Dividends of surplus					(424)
Profit attributable to owners of parent					1,082
Purchase of treasury shares					-
Disposal of treasury shares					25
Net changes in items other than shareholders' equity	(96)	9	27	(59)	(59)
Total changes during period	(96)	9	27	(59)	625
Balance at end of period	1,107	(78)	(58)	970	11,565



For the fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,607	1,974	6,229	(215)	10,594
Changes during period					
Dividends of surplus			(395)		(395)
Profit attributable to owners of parent			1,202		1,202
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		14		11	26
Net changes in items other than shareholders' equity					
Total changes during period	-	14	807	11	833
Balance at end of period	2,607	1,988	7,036	(204)	11,428

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,107	(78)	(58)	970	11,565
Changes during period					
Dividends of surplus					(395)
Profit attributable to owners of parent					1,202
Purchase of treasury shares					(0)
Disposal of treasury shares					26
Net changes in items other than shareholders' equity	767	2	43	813	813
Total changes during period	767	2	43	813	1,647
Balance at end of period	1,875	(76)	(15)	1,784	13,212

## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended December 31, 2022	For the fiscal year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,612	1,816
Depreciation	387	388
Amortization of goodwill	5	-
Increase (decrease) in retirement benefit liability	(6)	(87)
Increase (decrease) in allowance for doubtful accounts	2	(0)
Interest and dividend income	(84)	(93)
Interest expenses	33	35
Loss (gain) on sale of property, plant and equipment	(0)	(70)
Decrease (increase) in trade receivables	(1,788)	805
Decrease (increase) in inventories	45	(66)
Increase (decrease) in trade payables	93	1,226
Loss (gain) on sale of investment securities	(64)	(50)
Increase (decrease) in contract liabilities	252	(366)
Other, net	(179)	188
Subtotal	310	3,724
Interest and dividends received	84	93
Interest paid	(32)	(34)
Income taxes paid	(441)	(593)
Net cash provided by (used in) operating activities	(79)	3,190
<b>Cash flows from investing activities</b>		
Payments into time deposits	(3)	(8)
Proceeds from withdrawal of time deposits	3	8
Purchase of property, plant and equipment	(476)	(926)
Proceeds from sale of property, plant and equipment	0	151
Purchase of intangible assets	(71)	(26)
Purchase of investment securities	(34)	(84)
Proceeds from sale of investment securities	70	117
Other, net	12	(3)
Net cash provided by (used in) investing activities	(498)	(771)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,754	(1,814)
Repayments of long-term borrowings	(228)	(228)
Purchase of treasury shares	-	(0)
Dividends paid	(424)	(395)
Repayments of lease liabilities	(60)	(61)
Net cash provided by (used in) financing activities	1,040	(2,499)
Effect of exchange rate change on cash and cash equivalents	10	11
Net increase (decrease) in cash and cash equivalents	473	(70)
Cash and cash equivalents at beginning of period	1,845	2,319
Cash and cash equivalents at end of period	2,319	2,248