

Financial Results Briefing for the Fiscal Year Ended March 31, 2023

SEIKA CORPORATION

(TSE Prime Market: 8061)



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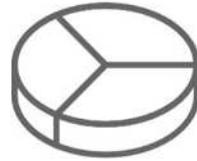
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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

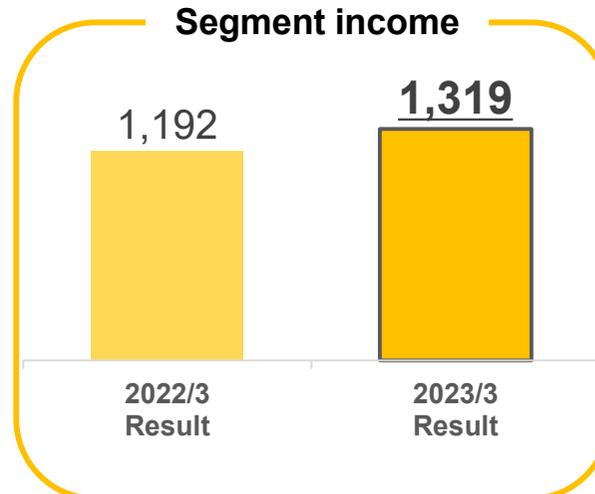
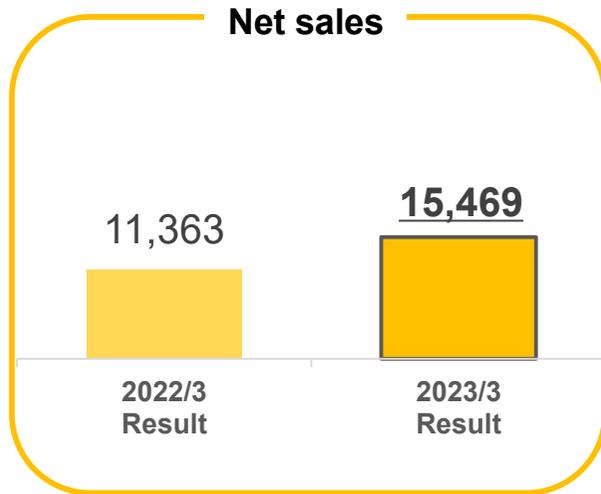
	2022/3 Result	2023/3 Result	Change (YoY)
Transaction value	134.26 billion yen	175.74 billion yen	+30.9%
Net sales	85.31 billion yen	93.31 billion yen	+9.4%
Operating income	3.82 billion yen	4.64 billion yen	+21.2%
Ordinary income	3.88 billion yen	6.29 billion yen	+62.0%
Profit attributable to owners of parent (adjusted profit *)	2.25 billion yen	5.00 billion yen (2.8)	+122.6%
Amount of orders received	83.14 billion yen	90.25 billion yen	7.11 billion yen
Order backlog	58.76 billion yen	55.69 billion yen	-3.07 billion yen

* Including negative goodwill of 1.71 billion yen, adjusted profit excluding transient factors was 2.8 billion yen.

Business Summary by Segment (Net Sales and Income)

Power Plant

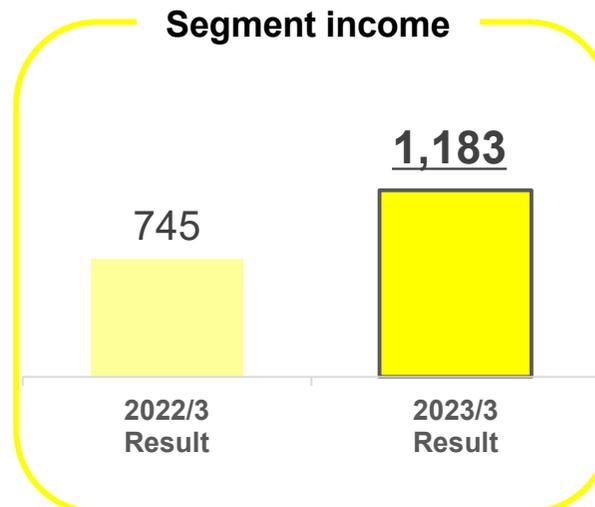
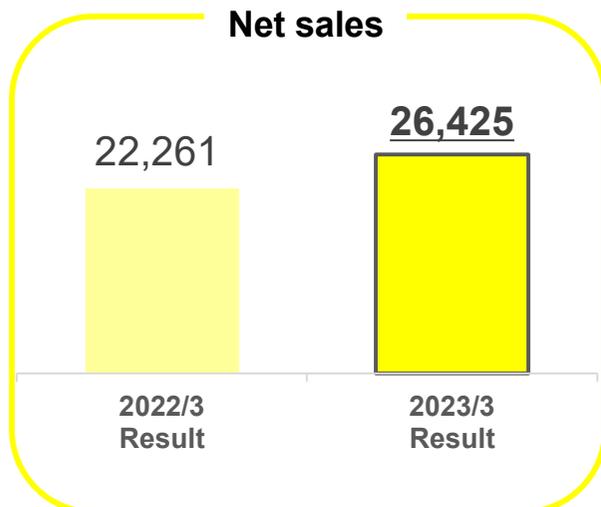
(In million yen)



- ◆ Strong results in negotiations over facility maintenance for power companies in the West Japan area
- ◆ Increase in the number of projects due to newly constructed power plants in the Sanin area
- ◆ Promotion of sales transactions to power plants in the Hokuriku area contributed to business results

Chemicals and Energy Plant

(In million yen)

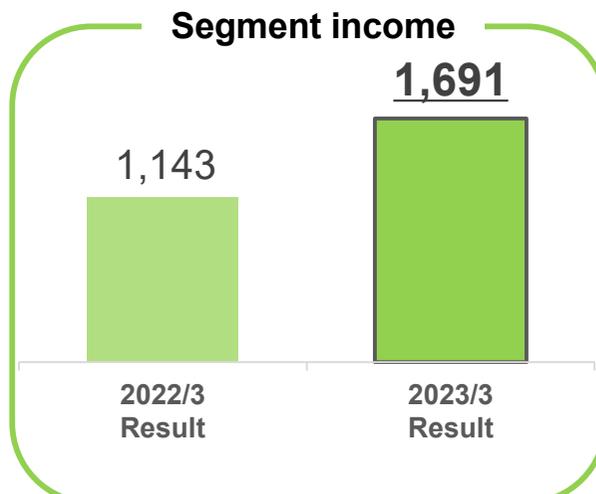
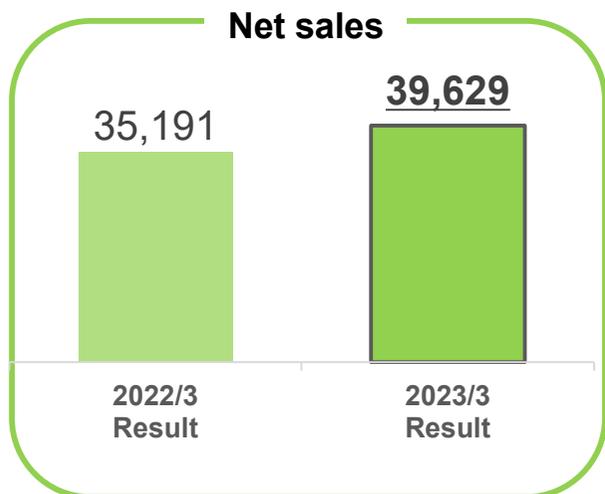


- ◆ Major projects to newly install or update in-house power generating facilities for companies including major steel, oil refining, chemical and paper companies contributed to business results.

Business Summary by Segment (Net Sales and Income)

Industrial Machinery

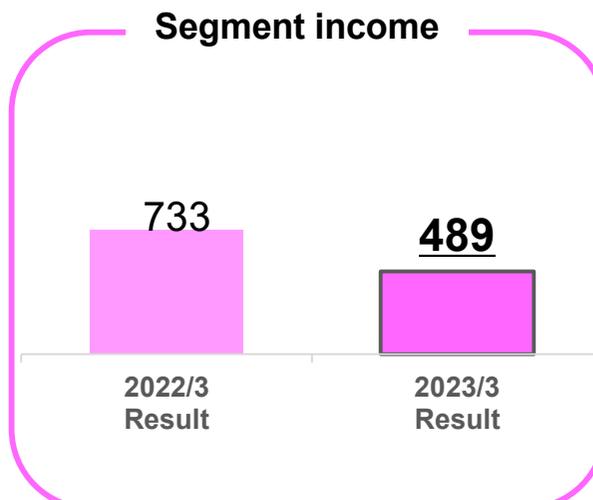
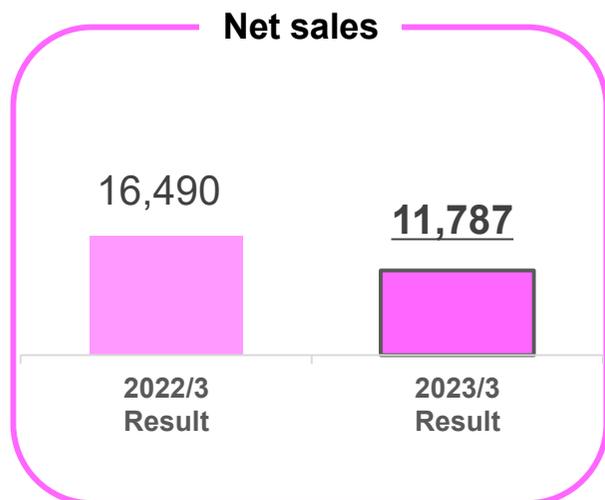
(In million yen)



- ◆ Large projects drove sales, including film manufacturing equipment for major manufacturers and the new construction of plants for producers of health foods.
- ◆ Nippon Daiya Valve Co., Ltd. performed strongly.

Global Business

(In million yen)



- ◆ The Tsurumi (Europe) GmbH Group's results had a positive impact.
- ◆ Performance was negatively affected to a significant degree by restrictions on sales activities and delayed projects in China and Southeast Asia during the COVID-19 pandemic.

Business Summary by Segment

(In billion yen)

	Net sales			Segment income		
	2022/3 Result	2023/3 Result	Change	2022/3 Result	2023/3 Result	Change
Power Plant	11.36	15.47	+4.11	1.19	1.32	+0.13
Chemicals and Energy Plant	22.26	26.43	+4.16	0.75	1.18	+0.44
Industrial Machinery	35.19	39.63	+4.44	1.14	1.69	+0.55
Global Business	16.49	11.79	-4.70	0.73	0.49	-0.24
Total	85.31	93.31	+8.00	3.82	4.68	+0.87



02

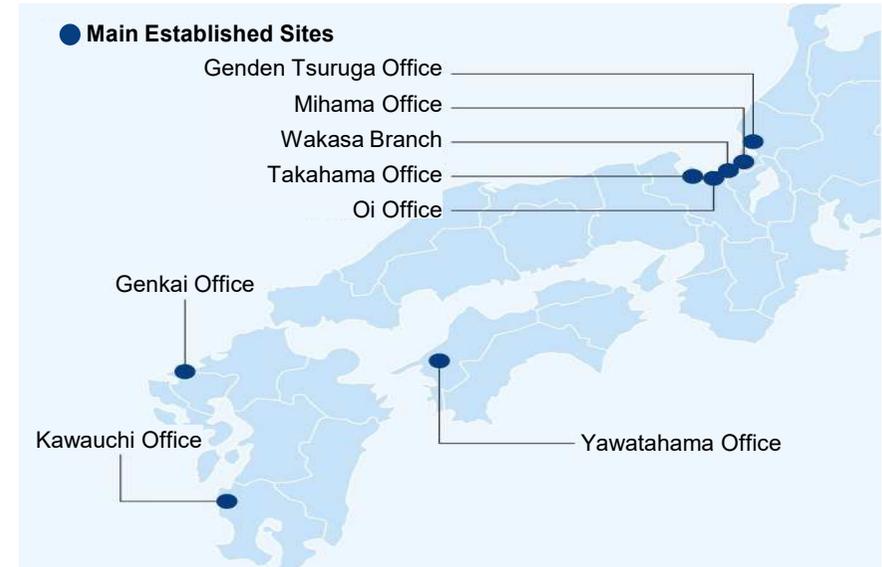
Topics

Topic (1) Initiatives Aimed at the Nuclear Power Business

Launch of sales distributor operations for nuclear power plant equipment in the West Japan area

From April 1, 2023 we launched sales distributor operations related to nuclear power plant equipment of Mitsubishi Heavy Industries, Ltd. in the West Japan area.

In connection with this, we increased the number of personnel and established a new site.



Capital Alliance with TVE Co., Ltd.

TVE's core business is the sale and maintenance of high-pressure valves for power plants, nuclear power plants in particular, and generates around 8 billion yen in sales.

In each of our businesses including the power plant business, which is a major driver of revenue, we implement operations that are wide-ranging and closely connected, and TVE has a high degree of synergy with the company.

We will strive to expand earnings in the Seika Group by complementing and supporting each other's strengths, including the transfer of commercial rights held by TVE.



Office	5-12-1, Nishi Tachibana-cho, Amagasaki-shi, Hyogo
Business Activities	Manufacturing, sale and maintenance of various valves, manufacturing and sale of various cast steel products
Capital	1,739,559 thousand yen (As of March 31, 2023)
Date of Establishment	March 16, 2000



Topic (2)

Acquisition of Non-current Assets

NDV NIPPON DAIYA VALVE Co., Ltd.

Nippon Daiya Valve Co., Ltd. has acquired all leased land and buildings with the aim of stabilizing its business foundations and expanding its business in the medium- to long-term. Going forward, we will consider the optimum arrangement of plants and warehouses, pursuing capital investment to expand production capacity.



■ Acquired land



Returns to Employees and Human Resource Initiatives

Raising Starting Salaries for New Graduate Hires and Increasing Base Salary Table Amounts

SEIKA implemented the increases with the aim of securing and fostering the development of the human resources who will lead its sustainable growth as a corporate group.

The base salary table increases, including the amounts equivalent to regular salary increases, represent a wage hike of around 5% on average.

Enhancements to the Employee Stock Ownership Scheme

Effective April 1, 2023, the employee stock ownership scheme which we run for the purposes listed below was expanded to include the employees of consolidated subsidiaries, and incentives were increased from the previous 5% to 10%.

- ✓ Enhance the sense of ownership and awareness of participation in management by having employees being actual shareholders
- ✓ Aim to enhance medium- to long-term corporate value with the same perspective as shareholders
- ✓ Enhance the awareness of contributions to the SEIKA Group
- ✓ Contribute to increased trading volume and enhance liquidity in the stock market

Other Human Resource Initiatives

- Reforms to Personnel Systems
- Career recruitment (experts, area specialists, career returnees, utilization of Group human resources)
- Improvements to the work environment



03

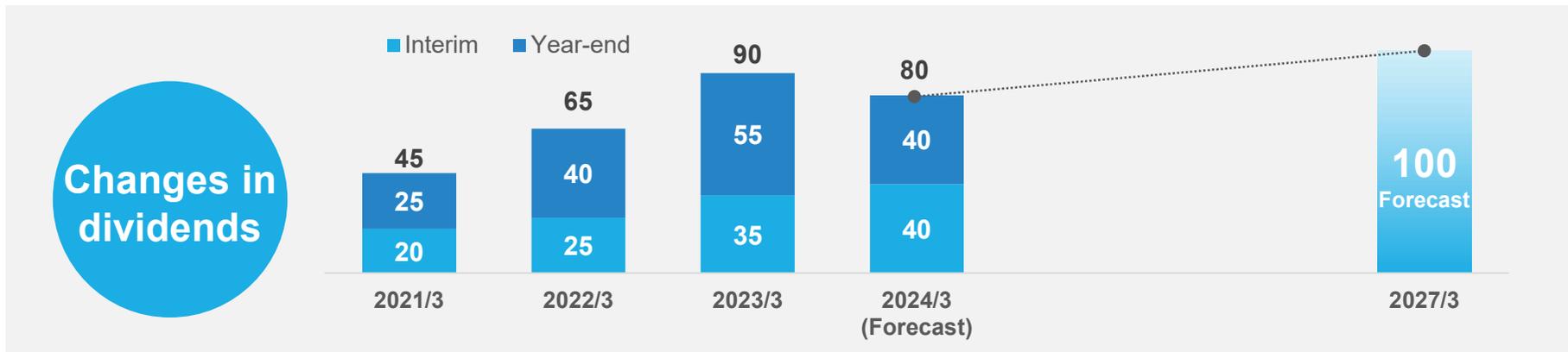
Consolidated Forecast for the Fiscal Year Ending March 31, 2024

Consolidated Forecast for the Fiscal Year Ending March 31, 2024

(In billion yen)

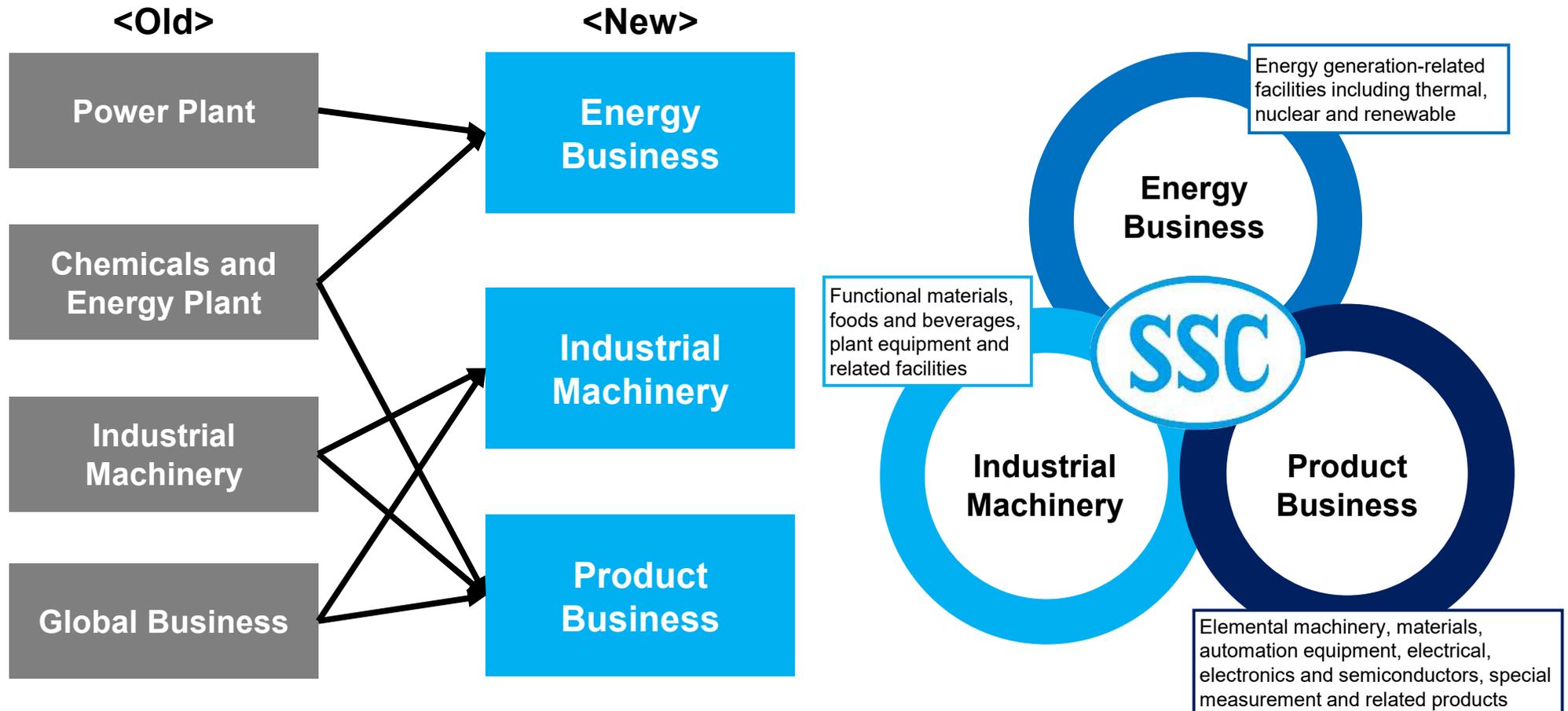
	2023/3 Result	2024/3 Forecast	Change Vs. 2023/3	2027/03 Forecast	Change Vs. 2023/3
Transaction value (Note)	175.7	200.0	+13.8 %	220.0	+25.2 %
Net sales	93.3	95.0	+1.8 %	110.0	+17.9 %
Operating income	4.6	3.7	-20.2 %	5.2	+12.2 %
Ordinary income	6.3	4.3	-31.6 %	5.2	-17.3 %
Profit attributable to owners of parent (adjusted profit*)	5.0 (2.8)	2.9	-42.0 % (+3.6)	3.5	-30.0 % (+25.0)

* Including negative goodwill of 1.71 billion yen, adjusted profit excluding transient factors was 2.8 billion yen.

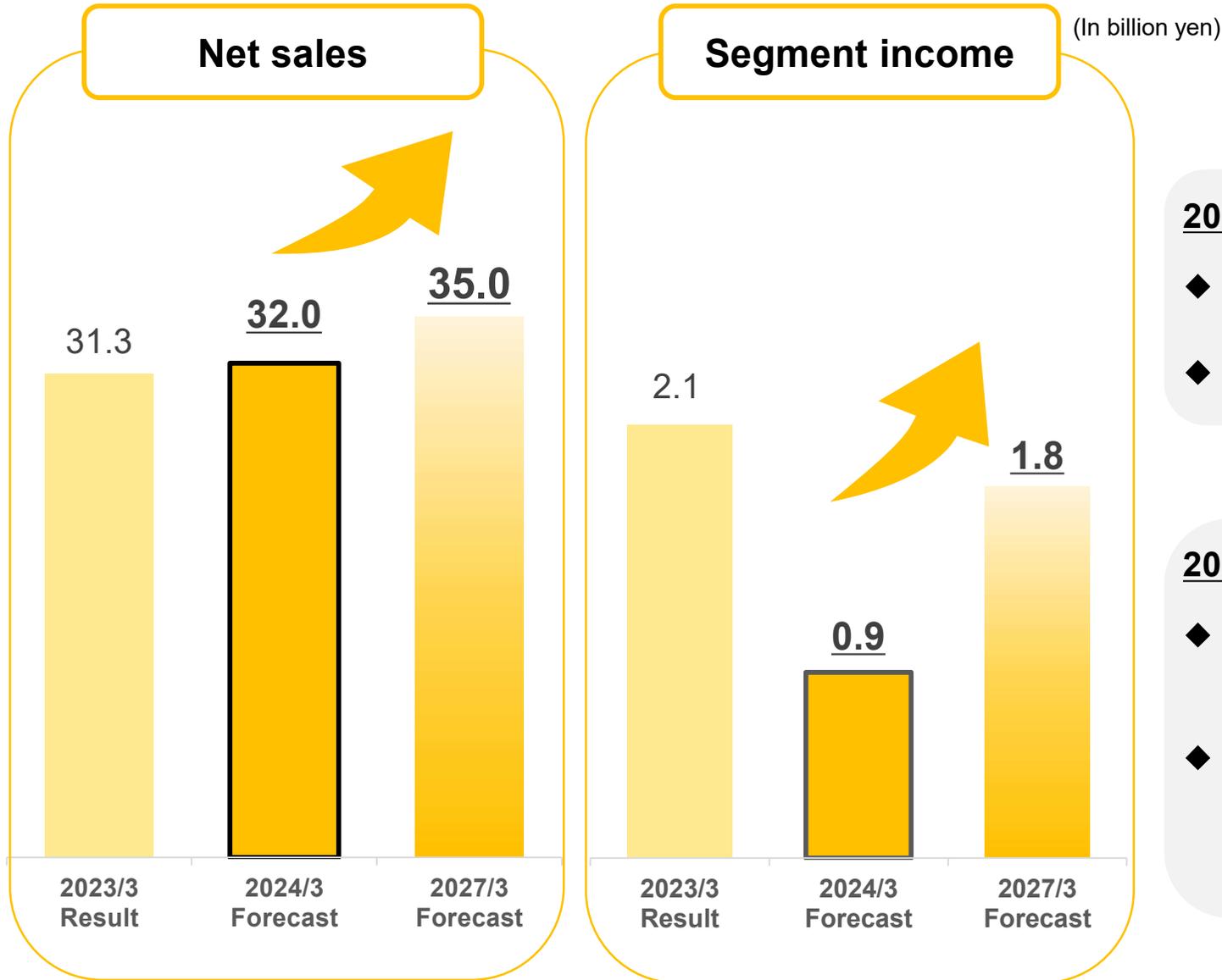


Three New Business Segments

To establish clear divisions enabling us to trace a part of growth and other changes over the long term from the first year of VIORB2030 Phase 1, our new medium-term business plan, we have shifted from the previous four business segments to three segments.



Fiscal Year Ending March 31, 2024: Consolidated Forecast for the Energy Business (Net Sales and Income)



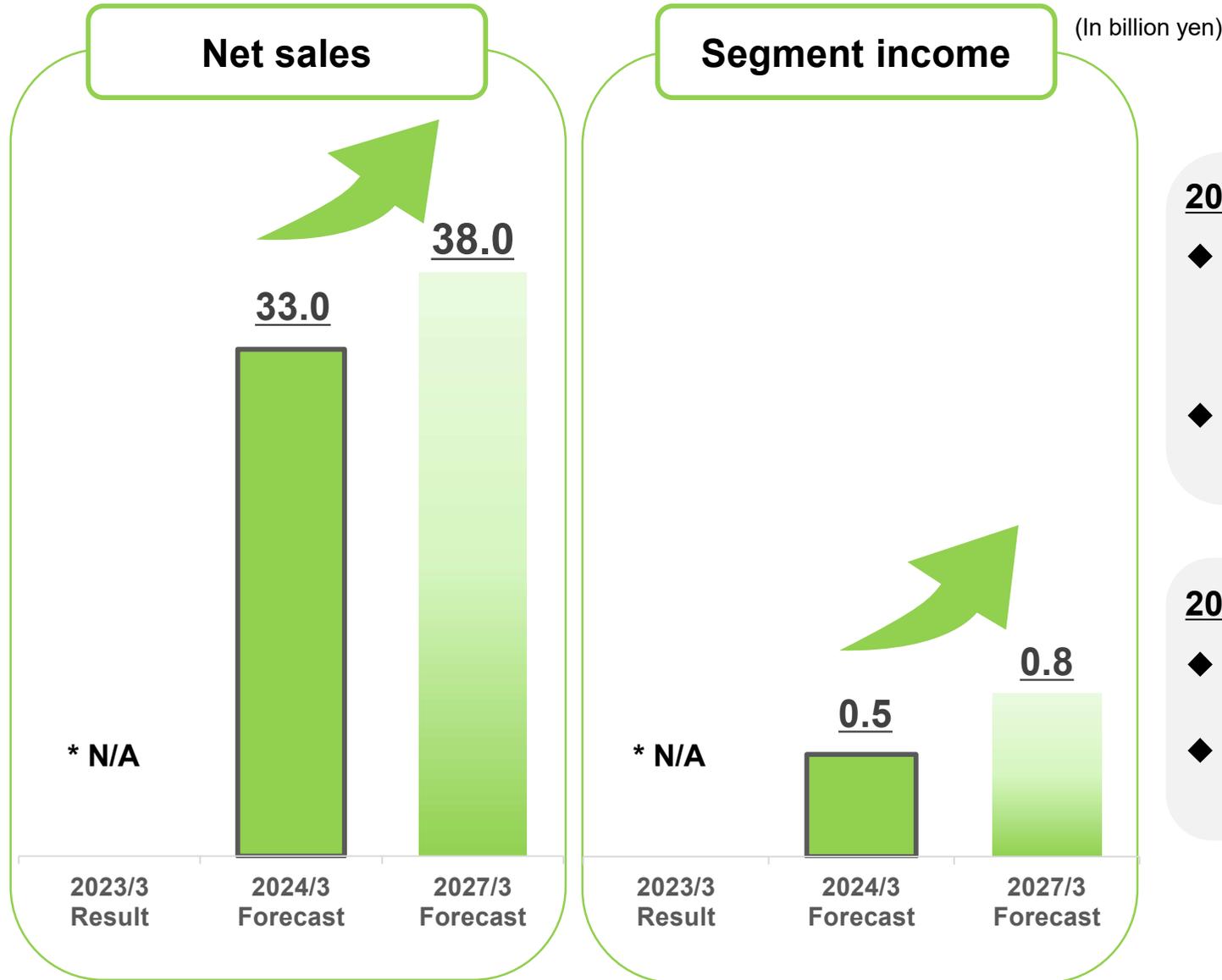
2024/3

- ◆ Temporary increase in cost burden due to up-front investment
- ◆ Lull in the delivery of large projects

2027/3

- ◆ Development of stable revenue from business inquiries related to nuclear power generation
- ◆ Growth in demand from the switch to hydrogen, biomass and ammonia based fuels (co-firing and single firing) at existing gas and coal-fired power plants

Fiscal Year Ending March 31, 2024: Consolidated Forecast for the Industrial Machinery Business (Net Sales and Income)



2024/3

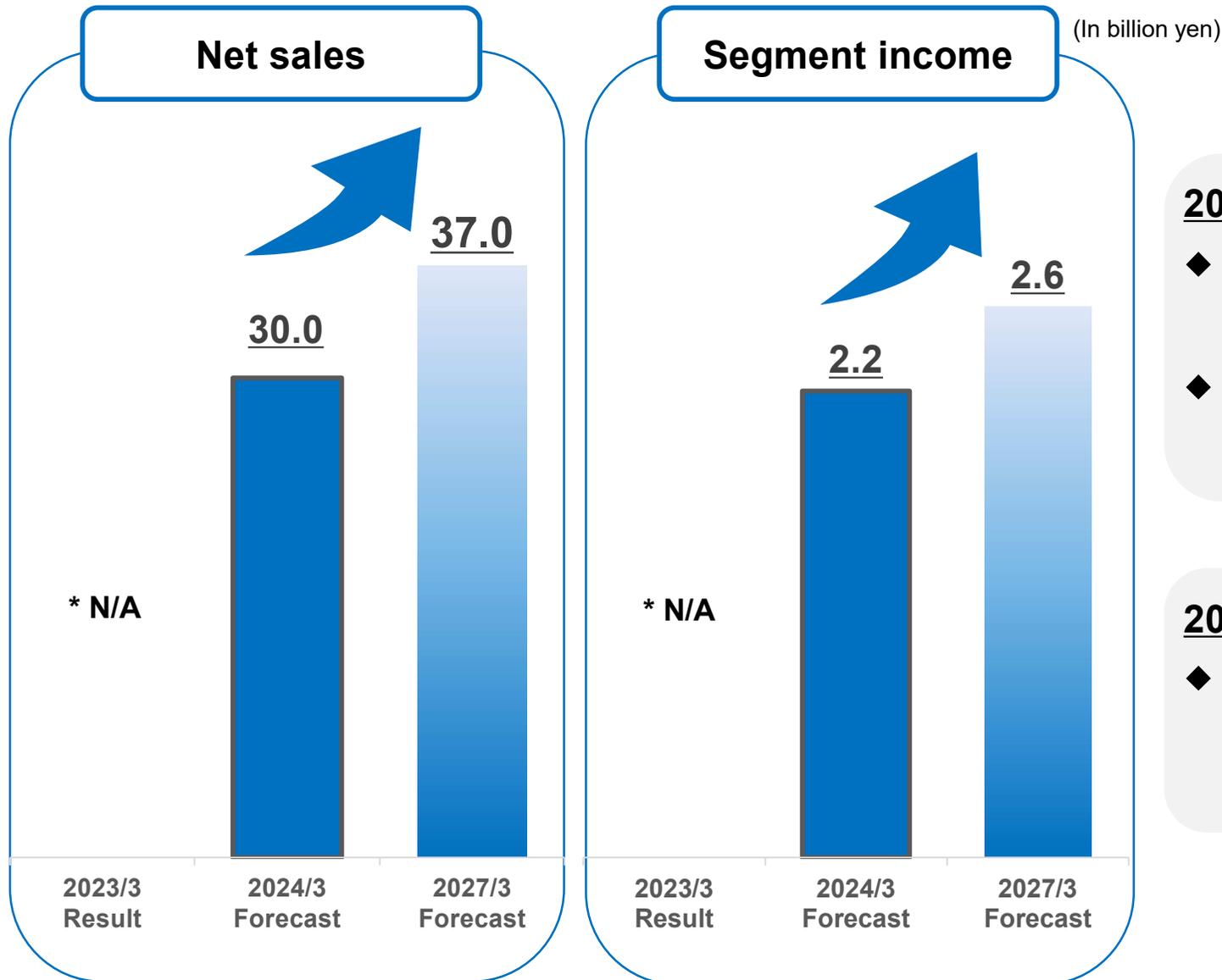
- ◆ Expected sales from manufacturing line automation projects for major food companies and chemical manufacturers
- ◆ Bookbinding equipment for government agencies will contribute to sales

2027/3

- ◆ Accelerating expansion of sales activities for eco-friendly products
- ◆ Expanding revenue from business talks related to labor savings

* N/A due to segment changes

Fiscal Year Ending March 31, 2024: Consolidated Forecast for the Product Business (Net Sales and Income)



2024/3

- ◆ Sales of standalone measurement equipment and electronic devices will remain on par with the previous year.
- ◆ Performance of major affiliates will perform strongly, although not as well as in the previous year.

2027/3

- ◆ Further growth in the results of strongly performing affiliate companies such as Nippon Daiya Valve and Seika Daiya Engine

* N/A due to segment changes

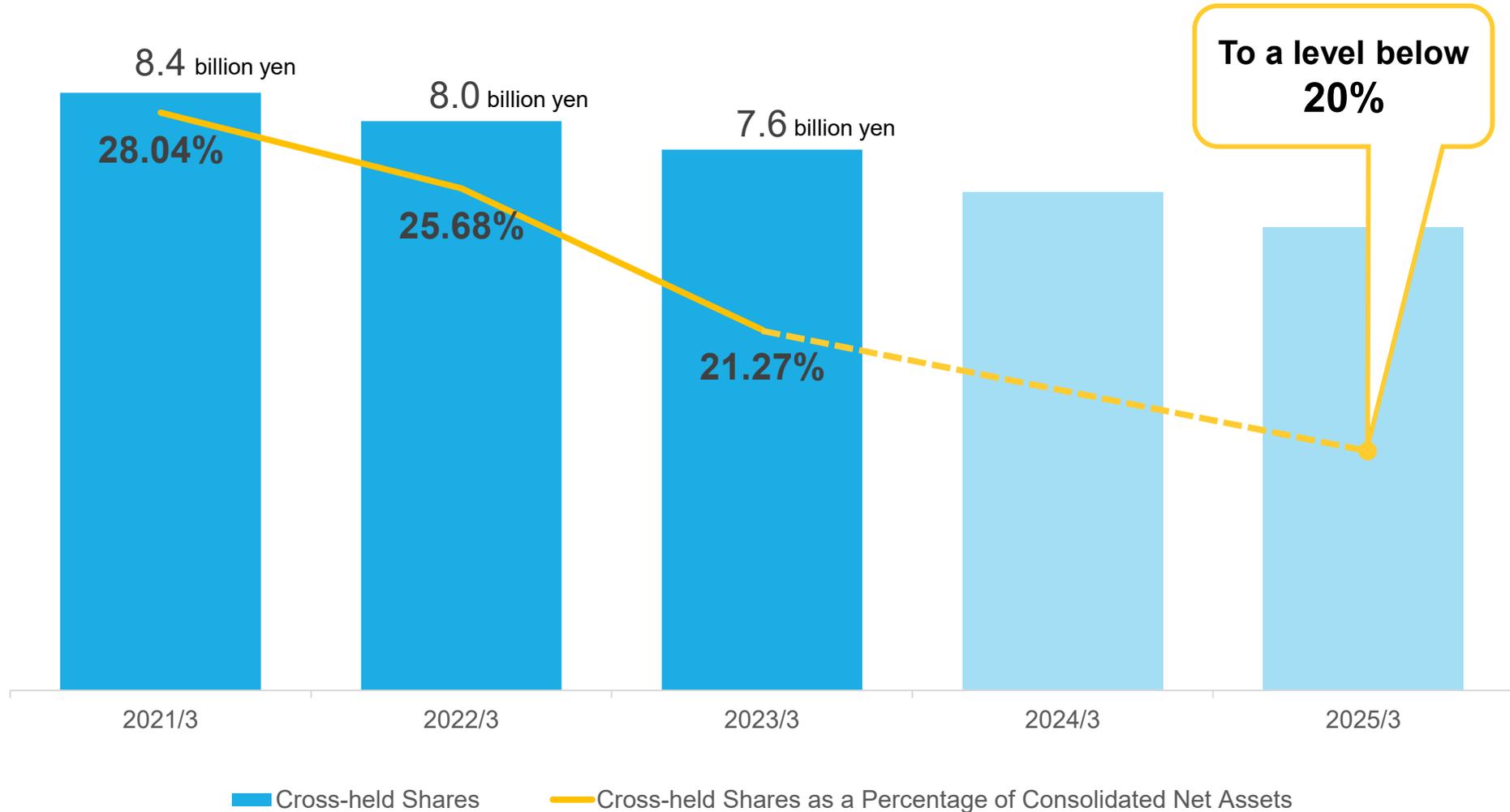
Consolidated Forecast for the Fiscal Year Ending March 31, 2024 by Segment

(In billion yen)

	Net sales			Segment income		
	2023/3 Result	2024/3 Forecast	2027/3 Forecast	2023/3 Result	2024/3 Forecast	2027/3 Forecast
Energy Business	31.3	32.0	35.0	2.1	0.9	1.8
Industrial Machinery	62.0	33.0	38.0	2.6	0.5	0.8
Product Business		30.0	37.0		2.3	2.6
Total	93.3	95.0	110.0	4.7	3.7	5.2

Reduction Target for Cross-held Shares

To further improve asset efficiency and for other reasons, we will further reduce our cross-held shares, setting the target of bringing **cross-held shares as a percentage of consolidated net assets down to less than 20%** by the fiscal year ending March 2025.



Our Aspirations

Expanded corporate value (the challenge to achieve a PBR over 1.0x)

Market capitalization

As of March 31, 2023

25.3 billion yen
(PBR 0.71 times)



2026/3 Target

40 billion yen or greater
(PBR of over 1.0x)

Dividend Payout Ratio

Maintain **35%** (goal)

Improved Management Efficiency

ROE

Maintain in the **8%** range



04

Issues to be Addressed

Issues to be Addressed <Business Perspective>

(1) Practicing and driving the implementation of management and business activities based on the VIORB2030 Phase 1 Medium-term Business Plan

Adopting the environment as a key theme, we will aim to meet stakeholder expectations while achieving sustainable growth and the enhancement of corporate value in the medium and long term.

(2) Early stabilization of management in sales distributor operations related to nuclear power generating equipment

We have entered into a sales distributor agreement related to nuclear power plant equipment with Mitsubishi Heavy Industries, and have simultaneously secured various distribution rights related to nuclear power plant equipment for the products of other manufacturers.

We will achieve stable management at an early stage.

(3) Expanding commercial rights utilizing business investment, etc., securing competitive commercial products

To acquire new good quality commercial rights and commercialize the competitive technologies and products we have on hand, we will establish systems to coordinate between sales locations and the HQ side and engage in business investment.

On the financing side, we will introduce cash management that includes credit lines and maximize surplus funding.

Issues to be Addressed <Management Side>

(1) Implementing human resources measures aimed at the motivation and growth of employees as a management resource

To achieve optimum personnel placements that leverage the abilities of each employee and maximize our performance as an organization, we are pursuing human resources-related measures such as revisions to personnel systems, the development of more sophisticated training schemes and workstyle innovations. Additionally, from the perspective of corporate sustainability, we are continuing with initiatives to actively cultivate management personnel.

(2) Developing more sophisticated consolidated management and strengthening sales capabilities on a global and Group basis

As a corporate group made up of 29 companies spanning 13 countries, we will recognize and define the strengths of each company, and focus management resources accordingly. Moreover, we will transition our trading company-type overseas subsidiaries to a business implementation system equivalent to the core Company's sales locations, raise the involvement of Sales Headquarters and strive to enhance sales capabilities.

(3) Action to implement management that is conscious of cost of capital and stock price

In response to the request issued by the Tokyo Stock Exchange on March 31, 2023, after first analyzing the current situation at the Company, we will strive to make improvements to achieve a PBR of more than 1.0 times and an ROE of at least 8%.

(4) Developing a sustainability-related management structure and publicizing our efforts

Our corporate motto (corporate philosophy) is to contribute to society through the expansion of business. In keeping with the strategy defined in VIORB 2030, the long-term vision we formulated based on this philosophy, we will work towards achieving the sustainable growth of the Seika Group and enhanced corporate value in the medium and long term, while striving to realize a sustainable society.

(Once the Sustainability Committee has been established, we will disclose more details including its role and how it will operate.)



05

New Medium-Term Management Plan VIORB2030 Phase1

Medium-Term Management Plan 2026

FY2023 - FY2026

VIORB2030 Phase 1

Review of Re-SEIKA 2030 - the Previous Medium-term Management Plan

We largely achieved our targets for both indicators, consolidated operating income and profit, including in FY2022, the final year of the plan.

Consolidated Operating Income and Profit

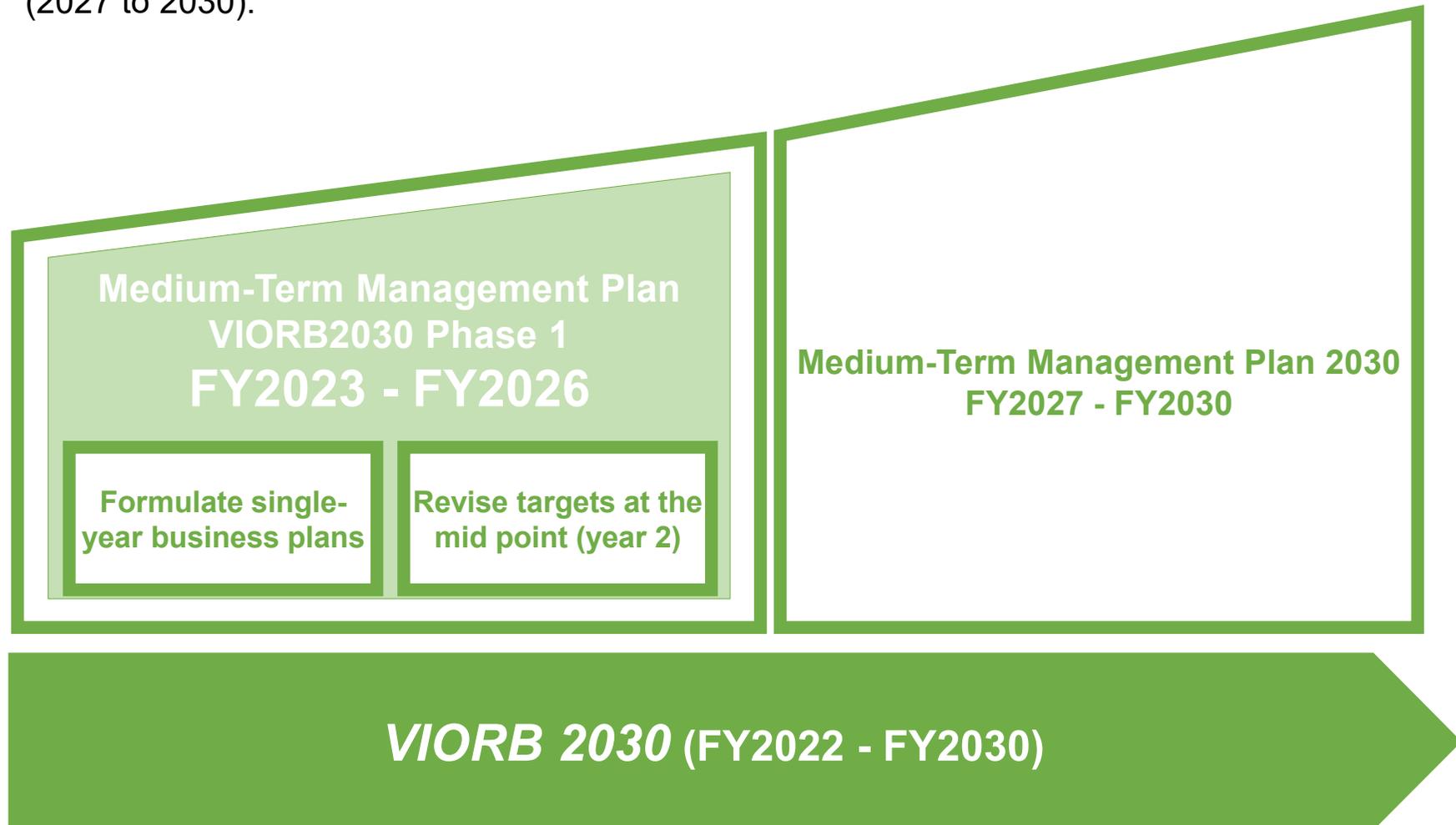
	FY2020 Results	Numerical targets	FY2021 Results	Numerical targets	FY2022 Results	Numerical targets
Operating income	2.58 billion yen	2.55 billion yen	3.82 billion yen	3.25 billion yen	4.64 billion yen	3.70 billion yen
Profit attributable to owners of parent	2.72 billion yen	1.90 billion yen	2.25 billion yen	2.30 billion yen	5.00 billion yen	2.50 billion yen
Assessment	Achieved		Partly achieved - Achieved		Achieved	

Including negative goodwill of 1.71 billion yen

Positioning of **VIORB2030 Phase 1**, the **2026 Medium-term Management Plan**

The new medium-term management plan corresponds to the first half (2023 to 2026) of VIORB 2030, our long-term management vision formulated in light of the business environment surrounding Seika.

We will lay the foundations to achieve exponential growth in the second half of the vision (2027 to 2030).



Growth Strategy for the 2026 Medium-term Management Plan

VIORB2030 Phase 1

Pillars of Sales Strategy

- Strengthen business foundations based on the energy business
- Solve social issue and expand business across four priority domains, decarbonization, energy and resource conservation, circular economy and DX
- Strategic business investment (envision a path toward growth together with business partners, make business investments whose main purpose is to secure commercial rights and commercial products, create innovative businesses, and develop new revenue sources)

Establish a sustainable earnings structure

Human resources strategy

- Introduction of personnel systems that champion the success of diverse individuals and provide job fulfillment to all employees
- Career personnel, area specialists, career returnees
Promote a wide range of recruitment activities including professional staff
- Level up human resources with enhanced education and training

Rebuilding of the business portfolio

- Engage in selection and concentration based on careful examination of each business entity's growth potential, and implement asset replacement

Toughening the Seika Group

Main Measures of **VIORB2030 Phase 1**, the 2026 Medium-term Management Plan

Business

Three Segment Measures

- Shift to a three-segment structure and formulate highly effective business strategies for each
- Establish a structure that enables long-term stable business operation in the nuclear energy business

Invest around **10 billion yen** in businesses

- Create new businesses in the fast-growing Southeast Asia region
- Promote the development of new products related to green innovation
- Acquire new pillars through M&A actions that secure new revenue bases
- Prepare a 1 billion yen fund to support the SDGs

Strengthen Business Coordination with Overseas Sites

- Strengthen the business foundations of coordinated Group companies under leadership of the Sales Headquarters
- Develop the four business domains established in VIORB 2030

Corporate

Reforms to **Personnel Systems**

- Implement a wide range of recruitment activities to recruit professional human resources including career personnel, area specialists and career returnees
Enhanced education and training
- Implement reforms to personnel systems enabling all employees to experience job fulfillment

Promotion of Strategic **BPO**

- Instead of simply slimming down the corporate division, aim to maximize the use of human resources as the most important resource of the organization, developing more sophisticated operations on a Group basis, developing optimum personnel allocations, and engaging in outsourcing as appropriate

Conclusion

Promoting dialogue with shareholders and taking action on disclosure

On March 31, 2023, a notice about "Better Dialogue with Shareholders and Related Disclosure" was received from the Tokyo Stock Exchange. For its part, Seika will develop systems to encourage constructive dialogue with shareholders and step up related efforts.

Conducting briefings for individual investors (six briefings per year planned)

In addition to planning six online investor seminars aimed at individual investors (three in the first half and three in the second half), we are also considering inviting individual investors to in-person briefings in major Japanese cities (Tokyo, Osaka and Fukuoka, etc.).

Through these efforts, we will promote a more in-depth understanding of the Seika Group and encourage dialogue with shareholders.

Cautionary Note: Forward-Looking Statements:

All forward-looking statements contained herein are based on information available to SEIKA CORPORATION as of the date hereof and actual results may differ materially from those in the forward-looking statements due to unforeseeable factors or uncertainties.

Figures in billions of yen or millions of yen presented herein are rounded down to the nearest billion yen or to the nearest million yen respectively and numbers may not add up due to rounding.

IR Contact

Corporate Planning Dept., Tel: +81-3-5221-7117
E-mail: SMB076@jp.seika.com



Reference Materials

Fiscal Year Ended March 31, 2023

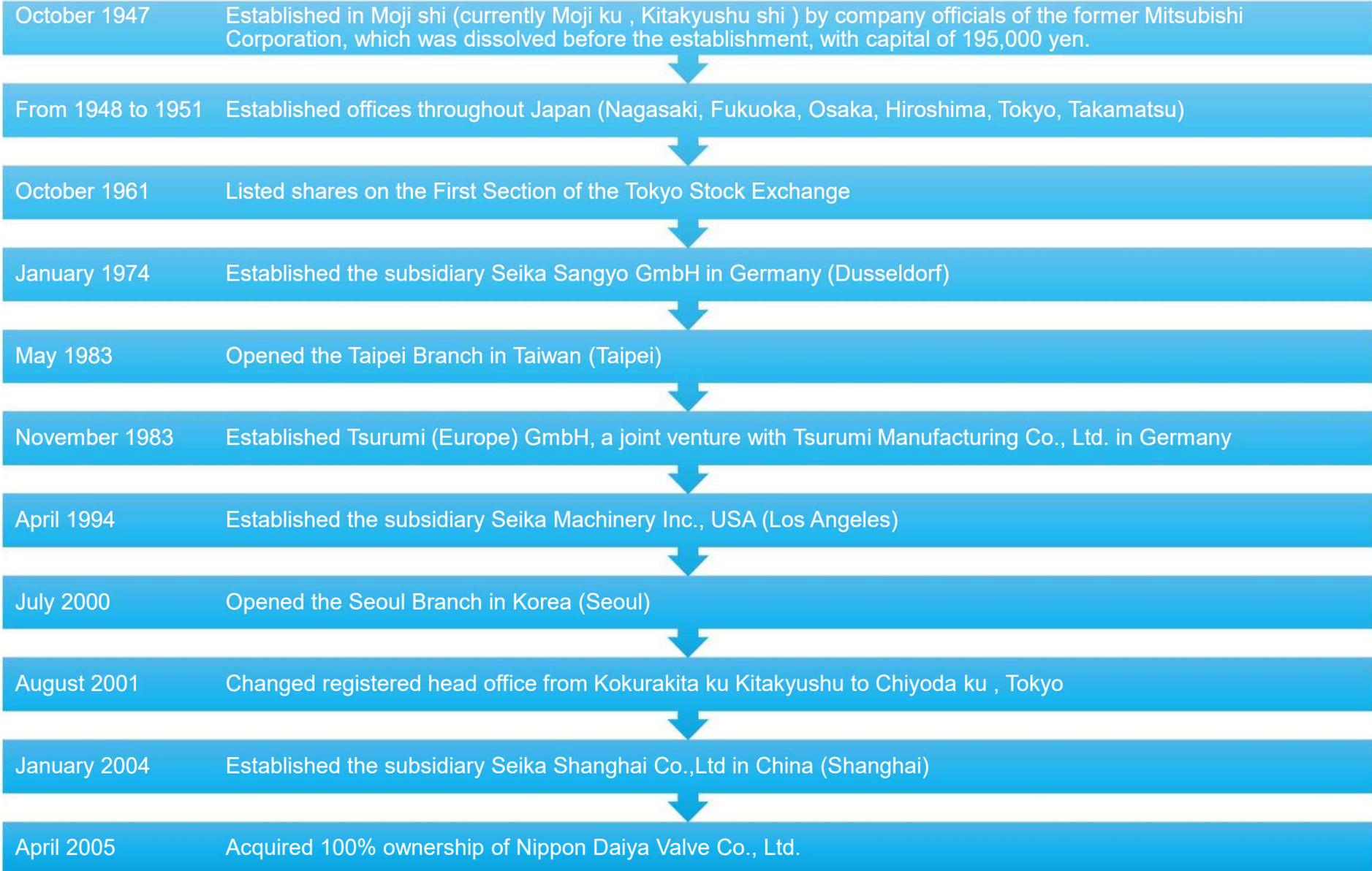
Reference Materials

1. **Company Profile**
2. **History of SEIKA CORPORATION**
3. **Domestic Network**
4. **Overseas Network**
5. **Introduction to Each Business**
6. **Performance Trend**
7. **Changes in Consolidated Financial Results**
8. **Trend of Management Indicators**
9. **Long-Term Vision VIORB 2030**
10. **Sustainability Initiatives**

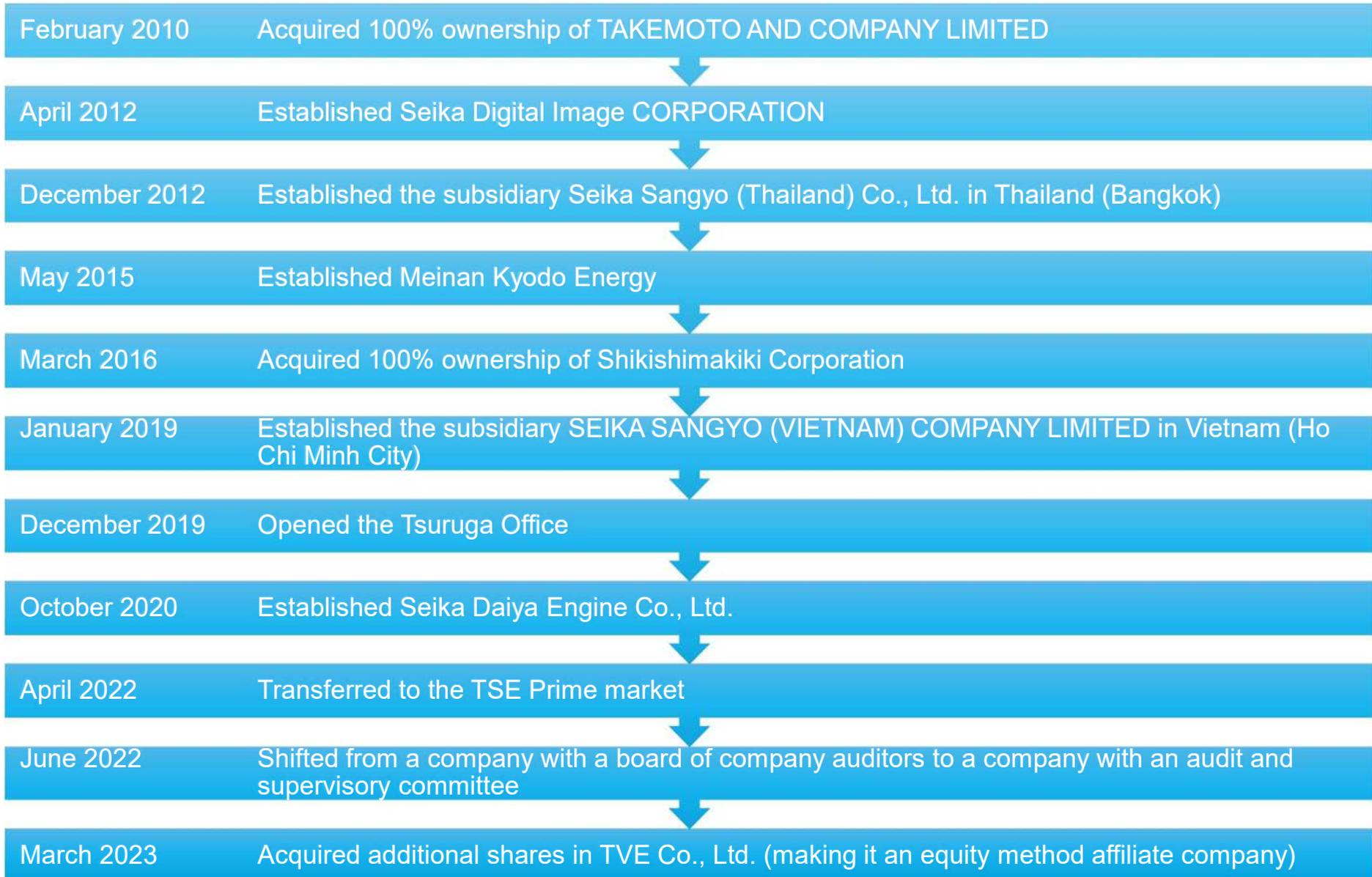
1. Company Profile

Trading name	SEIKA CORPORATION	 <p>Head office: Shin-Tokyo Bldg., Marunouchi</p>
Head office	Shin - Tokyo Bldg, 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-0005	
Establishment	October 1, 1947	
Representative	Akihiko Sakurai, President	
Capital	6,728 million yen	
Number of employees	Non-consolidated: 316 / Consolidated: 1,012 (As of March 2023)	
Core business	Plants, machinery and equipment, environmental protection equipment, sale, import and export of electronic information system equipment	
Offices	20 offices in Japan, including head office, Osaka branch, Fukuoka branch and Hiroshima branch 3 offices overseas including Taipei branch, Seoul branch and Viet Nam Office	
Affiliated companies and bases	12 affiliated companies in Japan and 16 affiliated companies overseas 94 bases in Japan and 26 bases overseas	

2. History of SEIKA CORPORATION (1)



2. History of SEIKA CORPORATION (2)



3. Domestic Network



● Subsidiaries and Affiliates

Nippon Daiya Valve Co., Ltd.

Tokyo, Osaka, Nagoya, Okayama, Kita Kyushu

TAKEMOTO AND COMPANY LIMITED.

Kobe, Takasago, Mihara, Tokuyama

Seika Digital Image CORPORATION. Tokyo

Shikishimakiki Corporation

Head Office in Sapporo, Hokkaido and ten other offices in Hokkaido

Seika Daiya Engine Co., Ltd.

Tokyo Head Office
Tohoku, Kanto, Chubu, Kinki, Kyushu areas
26 offices nationwide

MEINAN KYODO ENERGY Co., Ltd. Chita

Seiwa Polymer Tsukuba

S TEC Co., Ltd. Tokyo, Osaka, Tsukuba

TEN FEET WRIGHT INC.

Tokyo, Osaka, Takamatsu, Fukuoka

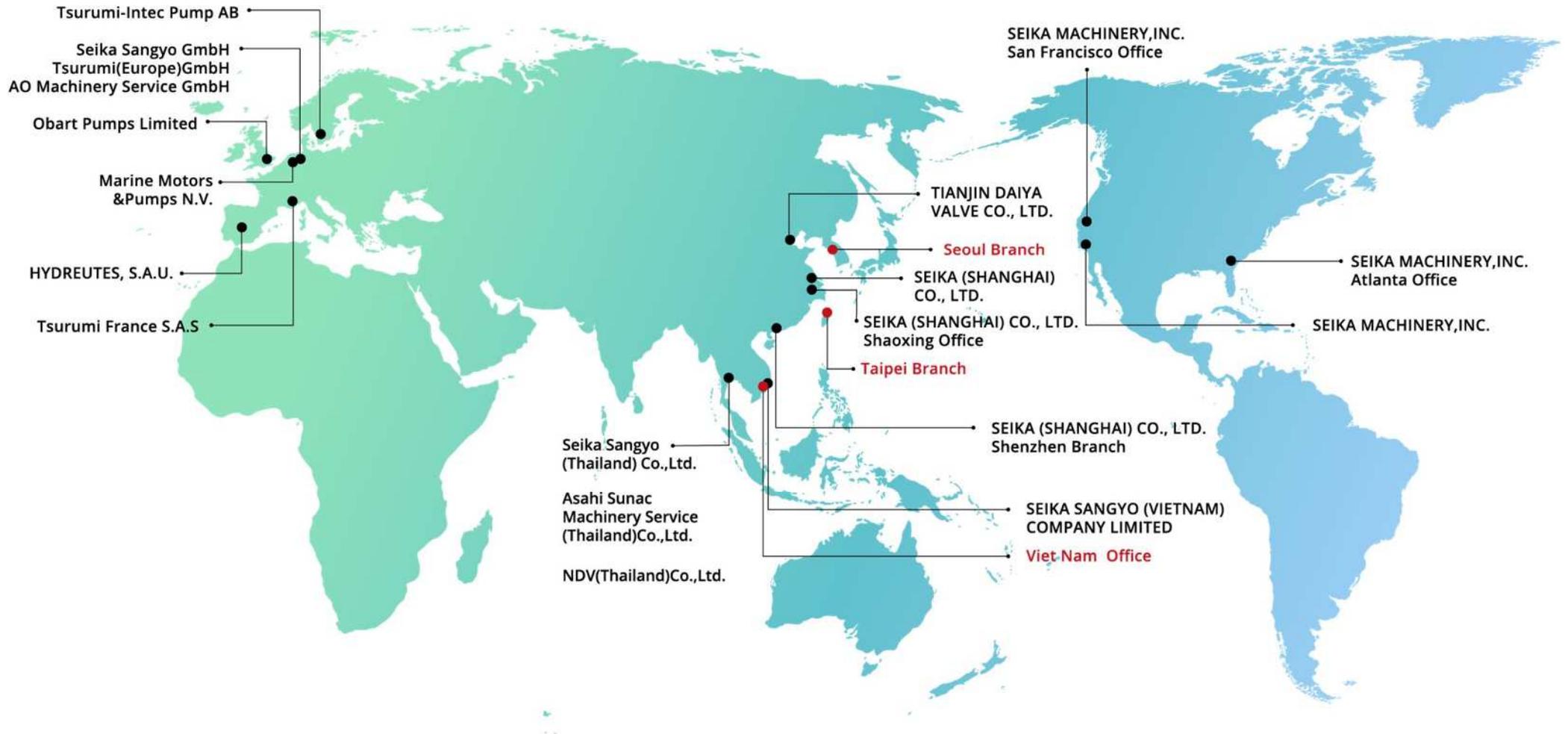
JAPAN EJECTOR ENGINEERING Co., Ltd.

Osaka, Wakayama

TVE Co., Ltd.

Head Office in Hyogo, Tokyo and 15 other offices

4. Overseas Network



5. Introduction to Each Business

Energy Business

- Business negotiations related to the new construction of domestic power plants including thermal, nuclear, hydroelectric and biomass
- Sales activities as part of after-sales service including period inspections and repair work

[Medium-Term Management Plan: Action Policy]

Carrying out our mission to support the stable supply of electricity and following the accelerating pace of GX

Nuclear power generation

In connection with the launch of a nuclear power generation distributor business

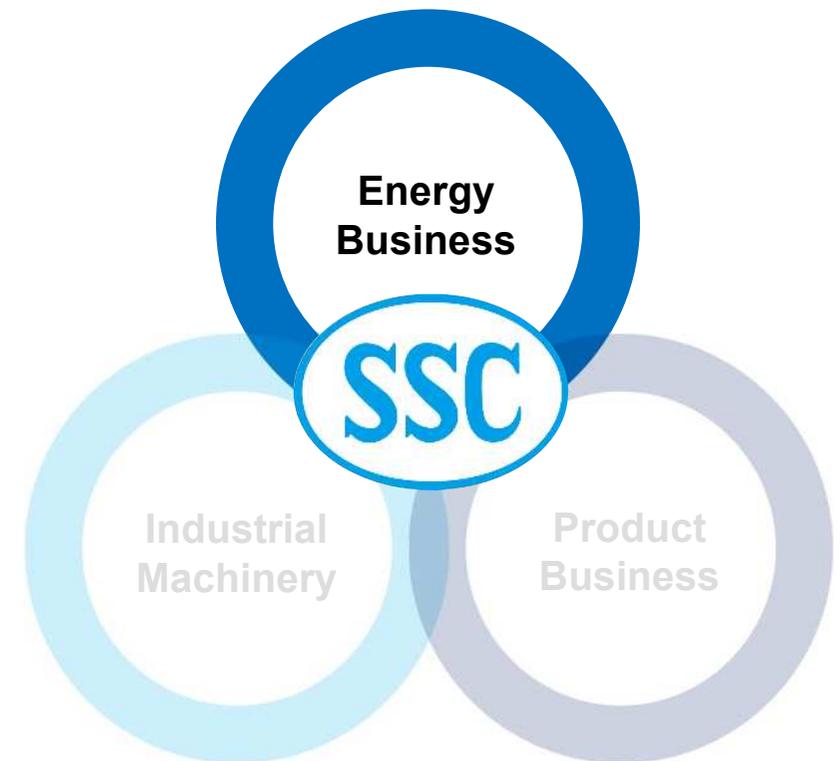
- Smooth transfer of operations
- Establishment of a stable and long-term business structure
- Coexistence with local communities and regional contribution

Thermal power generation

- Effective utilization of hydrogen and ammonia
- Focusing on extending the service life of equipment (Reliable maintenance)

Renewable energy

- Solar, biomass, hydroelectric power generation, etc.
Expanded sales of energy-related equipment and entry into the business



5. Introduction to Each Business

Industrial Machinery

- Various machinery and equipment, etc. for a wide range of general industries including textiles, film, food and beverages
- Machinery and equipment, etc. for plant engineering

[Medium-Term Management Plan: Action Policy]

Development of comprehensive proposals responding to social and environmental needs

Energy and labor savings, DX

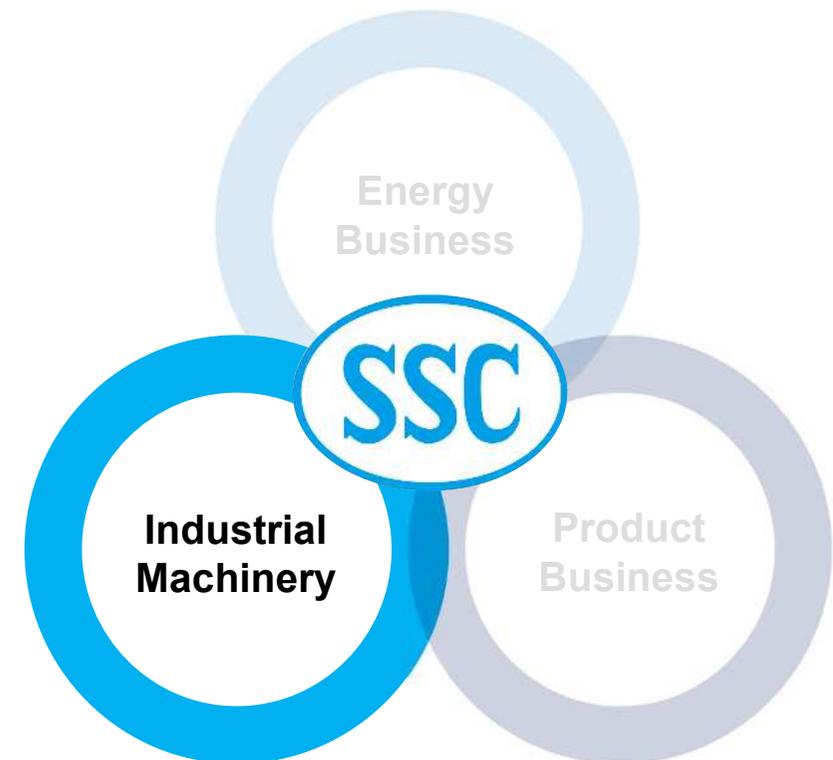
- Promotion of plant process automation and labor savings
- Remote monitoring utilizing AI and robots, etc. (promotion of DX)

Circular economy

- Achieving the recycling and reuse of plastics and other resources
- Discovery and proposal of new technologies and commercial products that contribute to the recycling-based economy

Solution Business

- Actively expanding from the sale of standalone equipment to a sales style that comprehensively responds to customer needs
- Creating businesses utilizing relationships with partners



5. Introduction to Each Business

Product Business

- Equipment used for a wide range of purposes including engines, valves, pumps and measurement instruments
- Other businesses

[Medium-Term Management Plan: Action Policy]

Strengthening product competitiveness and the supply chain with the aim of becoming the one-and-only

NDV

- Active capital investment to strengthen production and supply capacity
- Development to ensure the technical superiority of valve products

TEG

- Maintaining and expanding sales distributors in Europe
- Winning infrastructure projects in Europe and strengthening sales

SDE, Shikishimakiki

- Development of peripheral equipment utilizing experience handling marine engines that expands nationwide

SEIKA CORPORATION

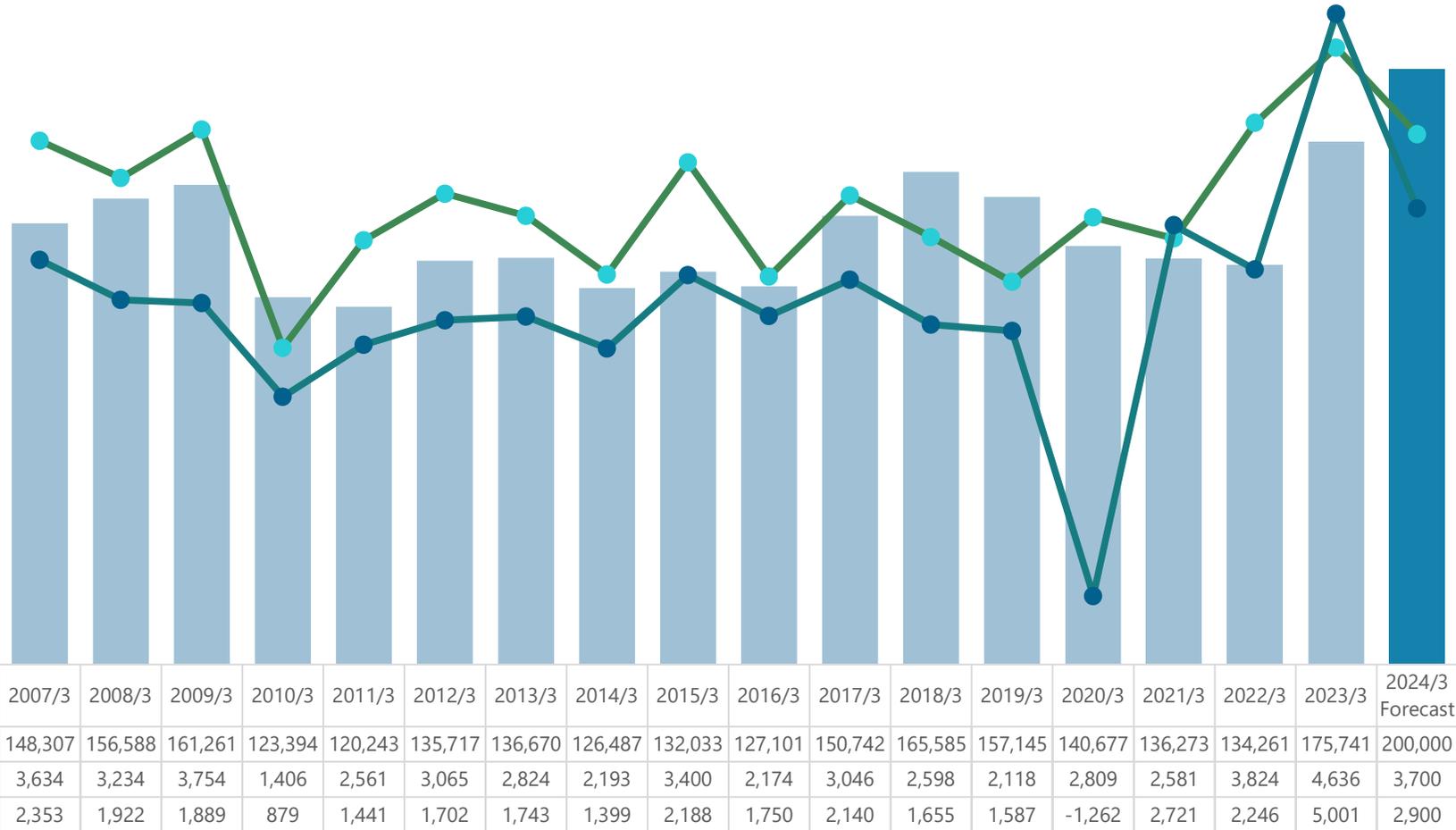
- Uncovering strong commercial products that will become pillars of our business from domestic and overseas markets
- Expansion of the drone-based inspection business
- Strengthening of the semiconductor business



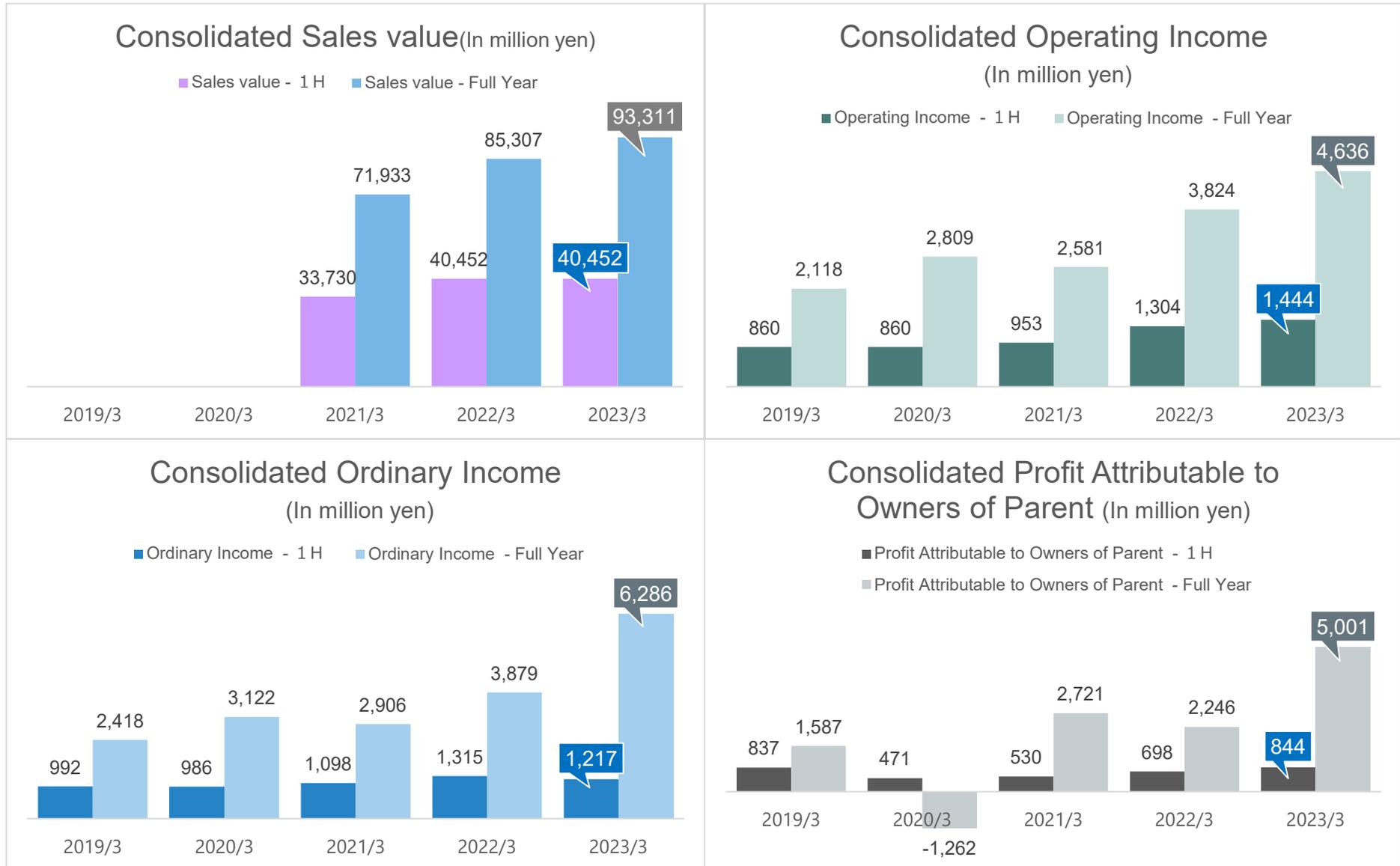
6. Performance Trend

Consolidated Transaction value, Operating Income and Profit
(in million yen)

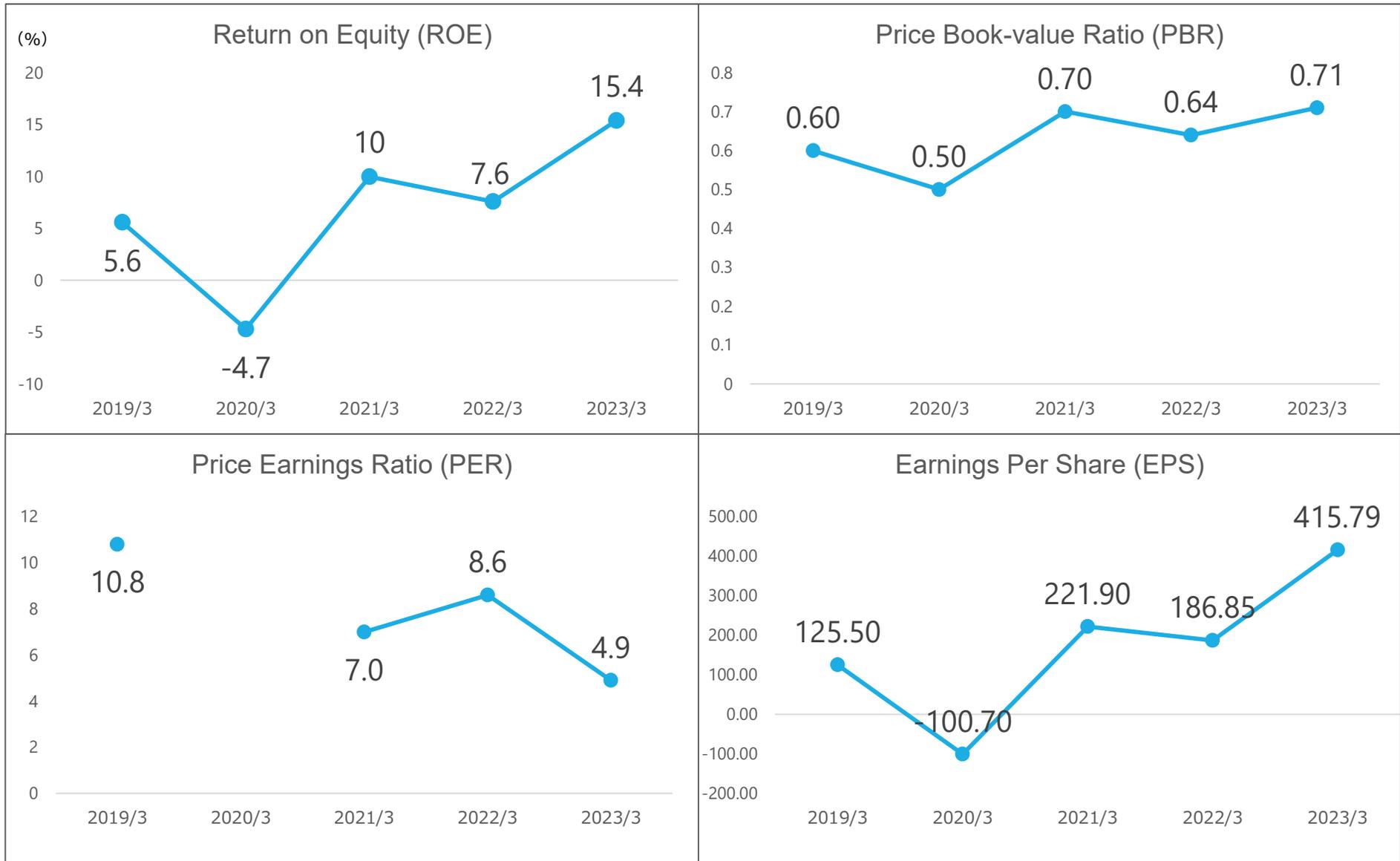
Transaction value Operating income Profit



7. Changes in Consolidated Financial Results



8. Trend of Management Indicators





9. Long-Term Vision VIORB 2030

Long-Term Vision

VIORB 2030

Supporting the sustainable generation of energy and industrial activities in harmony with the global environment

For the purpose defined above and to help realize a fulfilling society, we have formulated the VIORB 2030 long-term vision for 2030.

Our Purpose

Supporting the sustainable generation of energy and industrial activities in harmony with the global environment as a corporate group centered on a trading company with strengths in the areas of energy and industrial infrastructure

Long-Term Vision

VIORB 2030

Priority business domains

Decarbonization

Quickly develop insight into users' needs related to decarbonization and technological innovation to commercialize solutions

Energy and Resources conservation

Expand support to the permanent needs of the industrial circles for energy and resources conservation

Circular economy

Accelerate progress and actions towards a circular economy

DX

View digital transformation from a broad perspective to seek business opportunities

Long-Term Vision

VIORB 2030

Key management measures

Improve **cash management** mechanisms to maximize funding capacity

Invest around 10 billion yen in businesses
to deepen existing businesses and expand business domains

Establish **1 billion yen fund** to support businesses and activities
working to achieve the **SDGs**

Streamline the organization and increase productivity
to introduce human resources in priority domains

Clarify strengths based on the unique characteristics of **individual group companies**
and **concentrate company resources**

Long-Term Vision

VIORB 2030

Indicator of results

Transaction value
related to green innovation
for the fiscal year ending
March 31, 2031

200 billion yen

Consolidated profit target

Consolidated profit target
for the fiscal year ending
March 31, 2031

4.5 billion yen

10. Sustainability Initiatives

Environment Expansion of green-innovation products

Green Innovation related commercial products	Result		Target	
	FY2022		FY2026	FY2030
	Number of products handled	Transaction value	Transaction value	Transaction value
Energy-saving, resource-saving, high efficiency products	12,207	85.7 billion yen	180 billion yen	200 billion yen
Pollution-preventing products	1,082	9.7 billion yen		
Recycled/Reused products	385	1.0 billion yen		
Total	13,674	96.4 billion yen		

Social

Human resources strategy

- Various tiered and purpose-build training
- In-house commendation system
- Promotion of a wide range of recruitment activities

Diversity

- Promoting the active participation of women
- Providing support enabling employees to balance work with childcare and caregiving responsibilities
- Support to empower senior employees

- Flextime system
- Premium Friday system
- Tumor marker tests and influenza vaccinations at the expense of the Company



Governance

Measures based on the Corporate Governance Code

Conducted evaluation of effectiveness of Board of Directors (Third-party evaluation)
 Established the Nomination Review Committee and the Compensation Review Committee
 Outside director (3 people in total, Outside director rate: More than 1/3 of the board)
 Provision of information in English
 (Part of convocation notice, financial results briefing, materials, FACT BOOK)

