

Our philosophy is to Contribute to Society Through the Expansion of Business.

Financial Results Briefing for the Second Quarter of the Fiscal Year Ending March 31, 2022

Evolving into a strong and valuable company through
changes and challenges.

SEIKA CORPORATION (TSE Section 1: 8061)



SEIKA CORPORATION



CONTENTS

01

**Summary of
Consolidated
Financial Results for
the Second Quarter of
the Fiscal Year
Ending March 31,
2022**

02

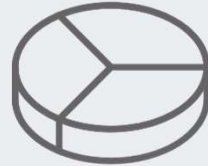
**Consolidated
Forecast for the
Fiscal Year
Ending March 31,
2022**

03

Topics

04

**Reference
Materials**



01

Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022



Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022

	2021/3 1H Result	2022/3 1H Result	Change (YoY)
Transaction value	70,935 million yen	69,027 million yen	-2.7%
Net sales	33,730 million yen	40,452 million yen	+19.9%
Operating income	953 million yen	1,304 million yen	+36.8%
Ordinary income	1,098 million yen	1,315 million yen	+19.8%
Profit attributable to owners of parent	530 million yen	698 million yen	+31.6%
	2021/3 1H Result	2022/3 1H Result	Change (YoY)
Amount of orders received	36,996 million yen	41,667 million yen	+12.6%
Order backlog	57,282 million yen	62,141 million yen	+8.5%

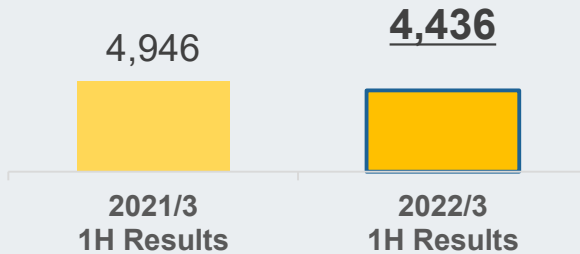




Business Summary by Segment (Net Sales)

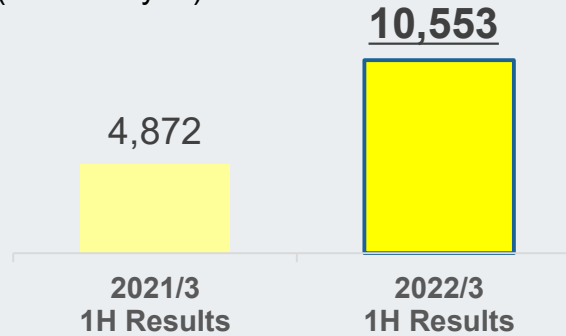
Power Plant

(In million yen)



Chemicals and Energy Plant

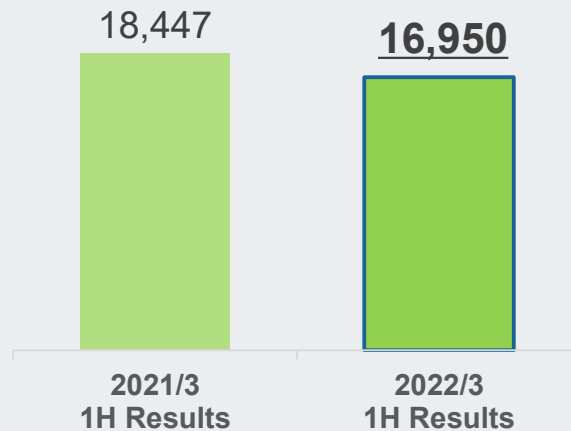
(In million yen)



- ◆ Power Plant
 - Sales were down due to regular inspection work, the postponed replacement of equipment and other matters concerning thermal power generation facilities.
- ◆ Chemicals and Energy Plant
 - Seika Daiya Engine Co., Ltd., which became a consolidated subsidiary in the previous fiscal year, helped increase sales.

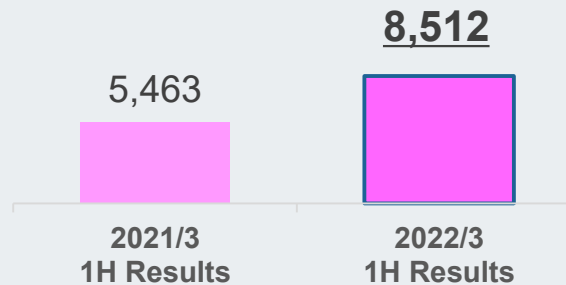
Industrial Machinery

(In million yen)



Global Business

(In million yen)



- ◆ Industrial Machinery
 - Sales rose driven by new biomass power generation equipment for a beverage manufacturer.
 - Sales slid due to the postponement of capital investment during the pandemic.
- ◆ Global Business
 - The selling prices of textile materials for China surged.
 - Sales grew with the help of the sale of a large wastewater treatment system by Seika (Shanghai) Co., Ltd.

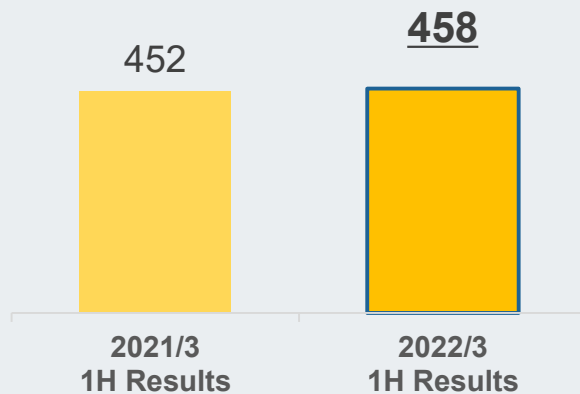




Business Summary by Segment (Income)

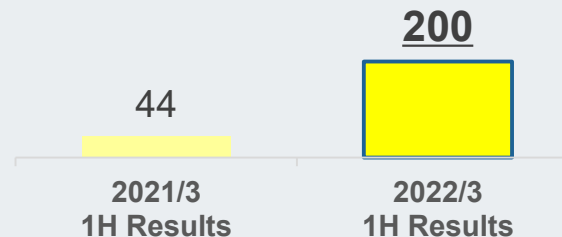
Power Plant

(In million yen)



Chemicals and Energy Plant

(In million yen)

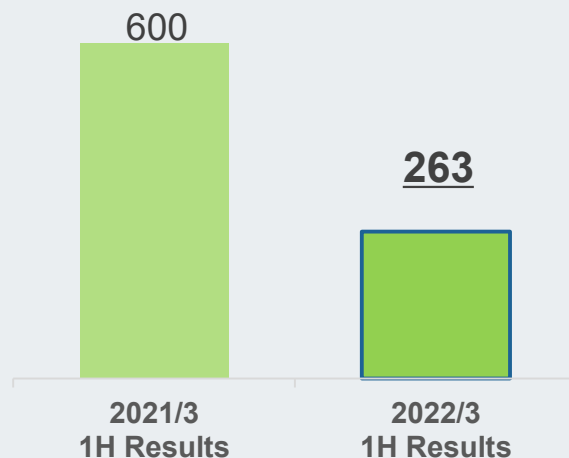


- ◆ Power Plant
 - Income was almost flat year on year.

- ◆ Chemicals and Energy Plant
 - Income rose, reflecting the strong performance of Seika Daiya Engine Co., Ltd., which became a consolidated subsidiary in the previous fiscal year.

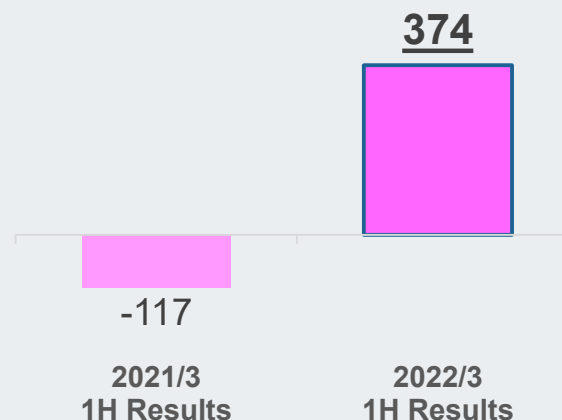
Industrial Machinery

(In million yen)



Global Business

(In million yen)



- ◆ Industrial Machinery
 - Results reflect the payment of expenses in some transactions for China.

- ◆ Global Business
 - Affiliates in the United States, Europe and China performed well to expand income.
 - The liquidation of one of the company's businesses manufacturing and selling printed circuit boards in Thailand finished in the previous fiscal year.





Business Summary by Segment

(In million yen)

	Net sales			Segment income		
	2021/3 1H Result	2022/3 1H Result	Change	2021/3 1H Result	2022/3 1H Result	Change
Power Plant	4,946	4,436	-510	452	458	+6
Chemicals and Energy Plant	4,872	10,553	+5,681	44	200	+156
Industrial Machinery	18,447	16,950	-1,496	600	263	-337
Global Business	5,463	8,512	+3,048	-117	374	+491
Total	33,730	40,452	+6,722	979	1,296	+316





02

Consolidated Forecast for the Fiscal Year Ending March 31, 2022



Consolidated Forecast for the Fiscal Year Ending March 31, 2022

	2021/3 Result	2022/3 Forecast	Change (YoY)
Transaction value	136,273 million yen	130,000 million yen	-4.6%
Net sales (Note)	- million yen	88,500 million yen	-
Operating income	2,581 million yen	2,850 million yen	+10.4%
Ordinary income	2,906 million yen	3,100 million yen	+6.6%
Profit attributable to owners of parent	2,721 million yen	1,950 million yen	-28.4%

Consolidated forecast is calculated based on the information available to the Company as of this moment.

Net sales in the consolidated forecast are in accordance with the Accounting Standard for Revenue Recognition and the Implementation Guidance.

Net sales under the old standard i.e. if we did not adopt these accounting standards, are disclosed as “transaction value.”

	2021/3 Result	2022/3 Forecast	YoY
Interim dividend	20.00 yen	25.00 yen	+5.00 yen
Year-end dividend	25.00 yen	30.00 yen	+5.00 yen
Full-year dividend	45.00 yen	55.00 yen	+10.00 yen

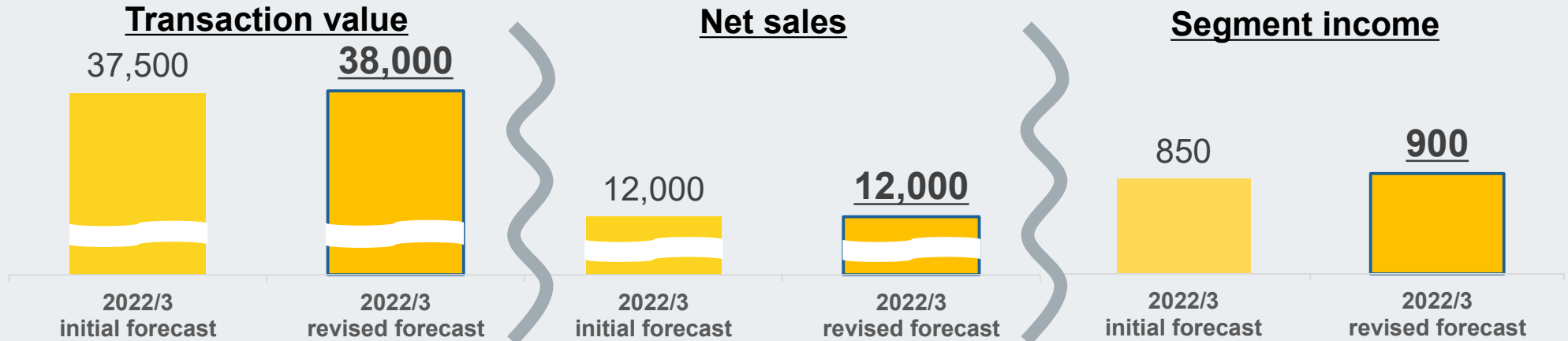


Consolidated Forecast for the Fiscal Year Ending March 31, 2022 by Segment (Transaction Value, Net Sales and Income)

Power Plant

- Capital expenditures related to thermal power generation are trending downward.
- Sales of disaster prevention and security-related equipment to nuclear power plants are anticipated.
- Performance will be as planned at the beginning of the fiscal year.

(In million yen)

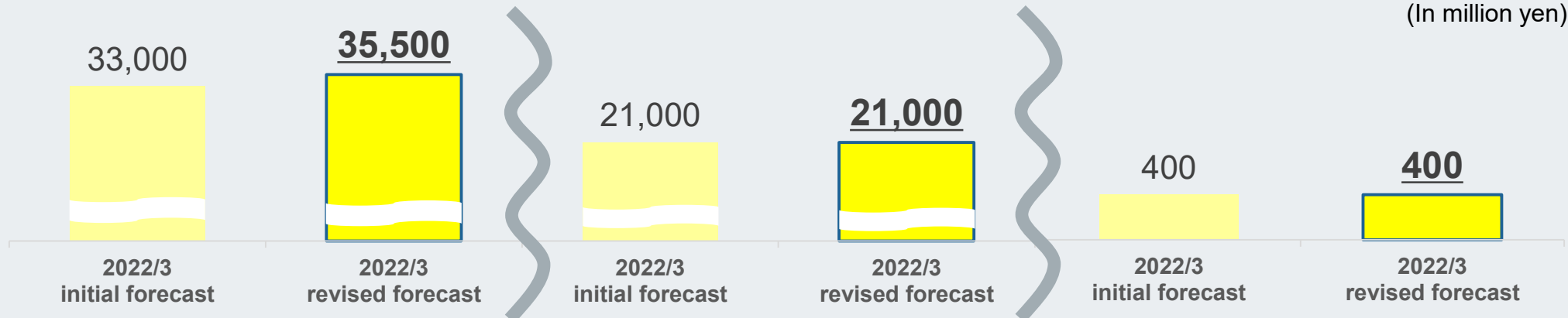


(After adoption of Accounting Standard on Revenue Recognition and the Implementation Guidance)

Chemicals and Energy Plant

- Seika Corporation and Shikishimakiki Corporation: Mostly unchanged from the previous fiscal year
- Seika Daiya Engine Co., Ltd. : Sales and earnings are positively effecting segment performance.

(In million yen)



(After adoption of Accounting Standard on Revenue Recognition and the Implementation Guidance)



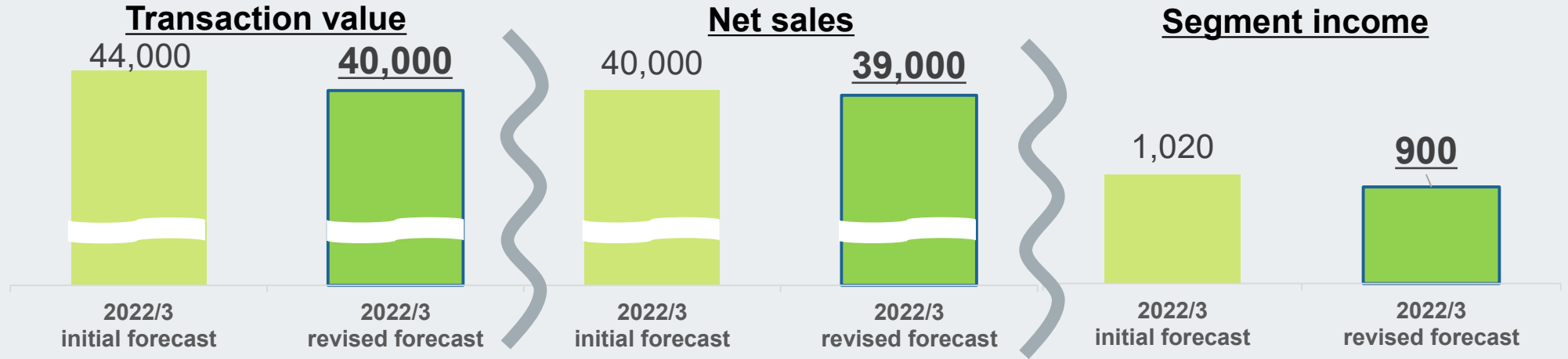


Consolidated Forecast for the Fiscal Year Ending March 31, 2022 by Segment (Transaction Value, Net Sales and Income)

Industrial Machinery

- Seika Corporation: Affected by the postponement of capital investment during the pandemic
- Nippon Daiya Valve Co., Ltd. and Seika Digital Image CORPORATION: Buoyant performance

(In million yen)

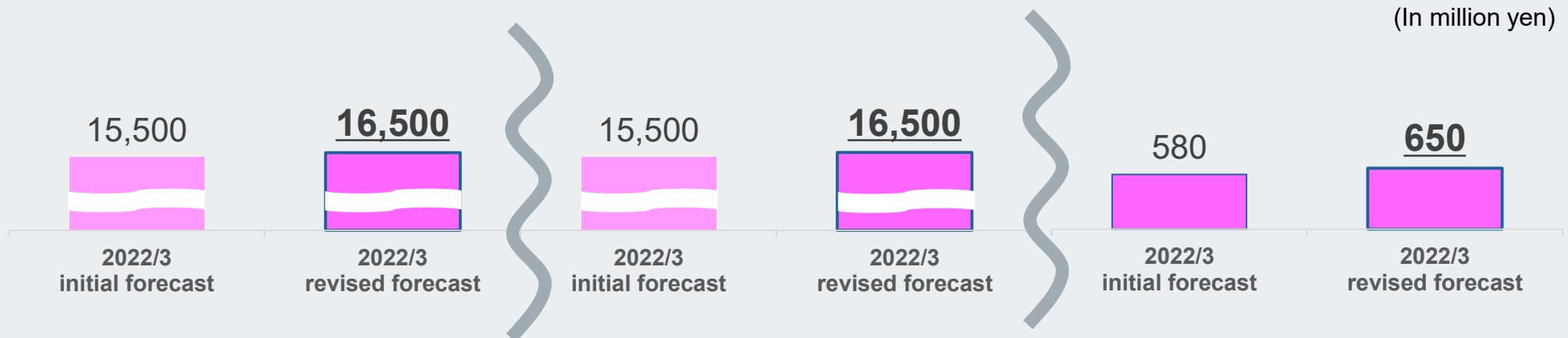


(After adoption of Accounting Standard on Revenue Recognition and the implementation guidance)

Global Business

- Performance will be as strong as projected at the beginning of fiscal year.
- The selling prices of textile materials are soaring

(In million yen)





Consolidated Forecast for the Fiscal Year Ending March 31, 2022 by Segment

(In billion yen)

	Transaction value			Net sales			Segment income		
	2021/3 Result	2022/3 Forecast	Change	2021/3 Result	2022/3 Forecast	Change	2021/3 Result	2022/3 Forecast	Change
Power Plant	52.4	38.0	-14.4	-	12.0	-	1.32	0.90	-0.42
Chemicals and Energy Plant	28.4	35.5	+7.1	-	21.0	-	0.08	0.40	+0.32
Industrial Machinery	43.6	40.0	-3.6	-	39.0	-	1.17	0.90	-0.27
Global Business	11.6	16.5	+4.9	-	16.5	-	-0.007	0.65	+0.65
Total	136.2	130.0	-6.2	-	88.5	-	2.58	2.85	+0.27

Note: Net sales figures are in accordance with the Accounting Standard for Revenue Recognition and the Implementation Guidance.

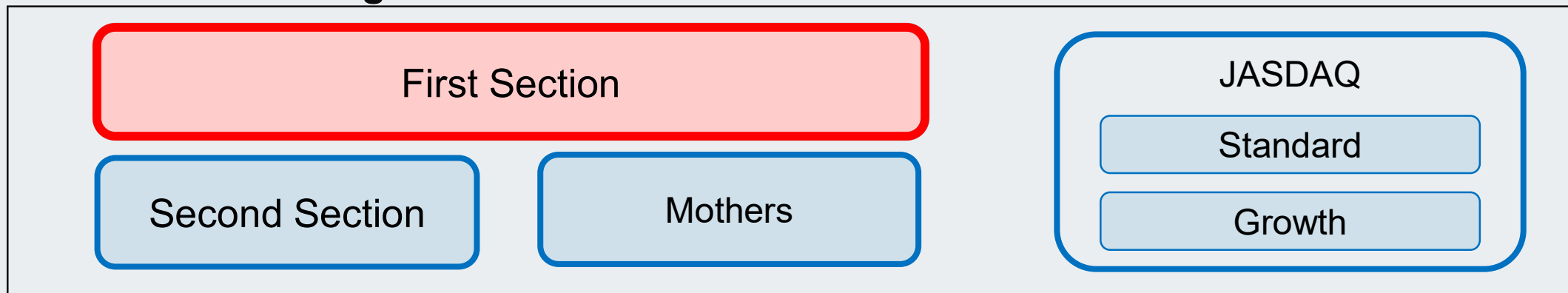


03 Topics



Selection of and Application for the Prime Market, a New Market Segment of the Tokyo Stock Exchange

Current market segments



New market segments (from April 4, 2022)



Source: Created by SEIKA CORPORATION based on materials from the Japan Exchange Group



SEIKA CORPORATION





Laser-based gas concentration meter

(Features)

- A laser is used for real-time measurement.
- No maintenance is required.

Measuring oxygen and carbon monoxide concentrations in exhaust gasses

- Optimal combustion in thermal power generation equipment and in waste incineration equipment to reduce CO₂ emissions
- Collaboration with Chugai Technos Corporation, a major measuring service operator

Measuring hydrogen sulfide and hydrogen fluoride

- Starting promotional actions in partnership with HORIBA, Ltd., a leading manufacturer of measuring instruments





Environmental Action at Seika Daiya Engine Co., Ltd.



Akita Local Office launched in July 2021



✓ Actions for the offshore wind power generation market

- Understand trends in the offshore wind power generation market in all of Akita Prefecture and share information
- Endeavor to win orders related to offshore wind power generation with a view towards the creation of a carbon-free society



Agreement reached for mutual partnership with Euglena Co., Ltd.

✓ **First supply of the SUSTEO next-generation biodiesel fuel for engines for fishing boats**

✓ **Build a cooperative relationship to collaborate for the active utilization of biofuel**



* What is the SUSTEO next-generation biodiesel fuel?
 It is an environmentally friendly biofuel produced mainly from used edible oils and microalgae such as Euglena.
 It is regarded as a carbon-neutral fuel because the plant absorbs carbon dioxide in the photosynthetic process when it grows.





Aiming to capture demand for research and development focusing on 3D integration technologies

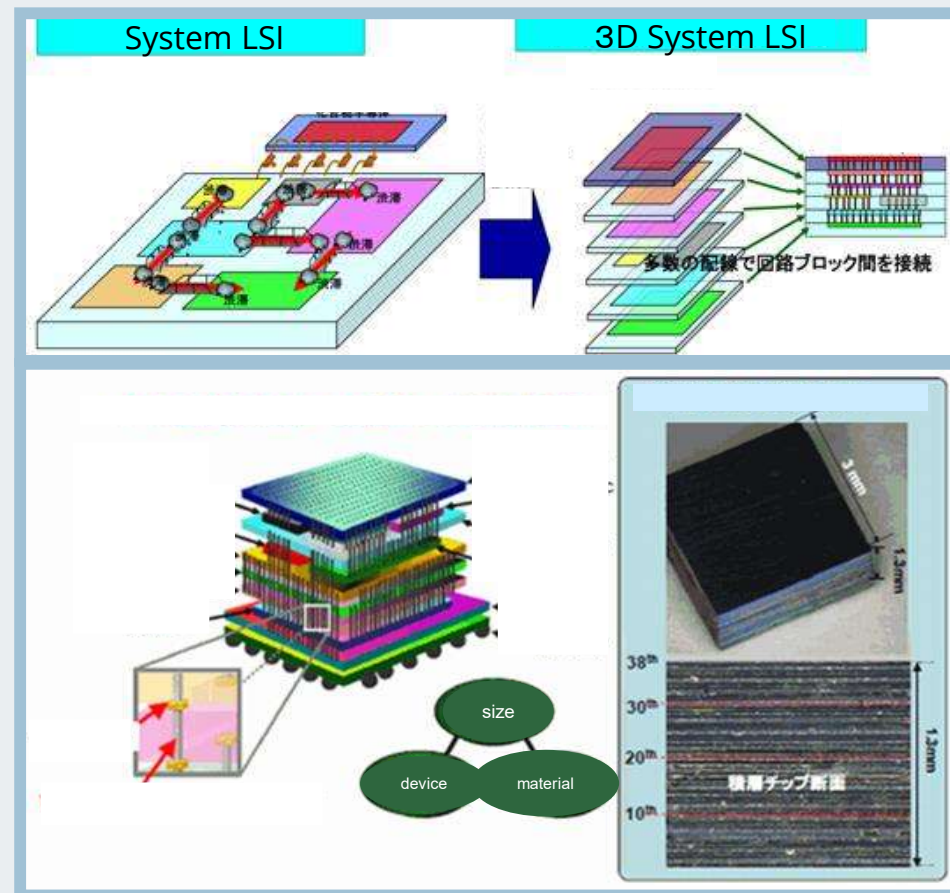
Demand for high-end semiconductor development



A trend towards the development of 3D integration technologies for vertically stacking different types of semiconductor chips

SEIKA CORPORATION

Undertaking the commissioned development of 3D integration technologies from a major semiconductor manufacturer





New action at SEIKA CORPORATION (Drone Business)

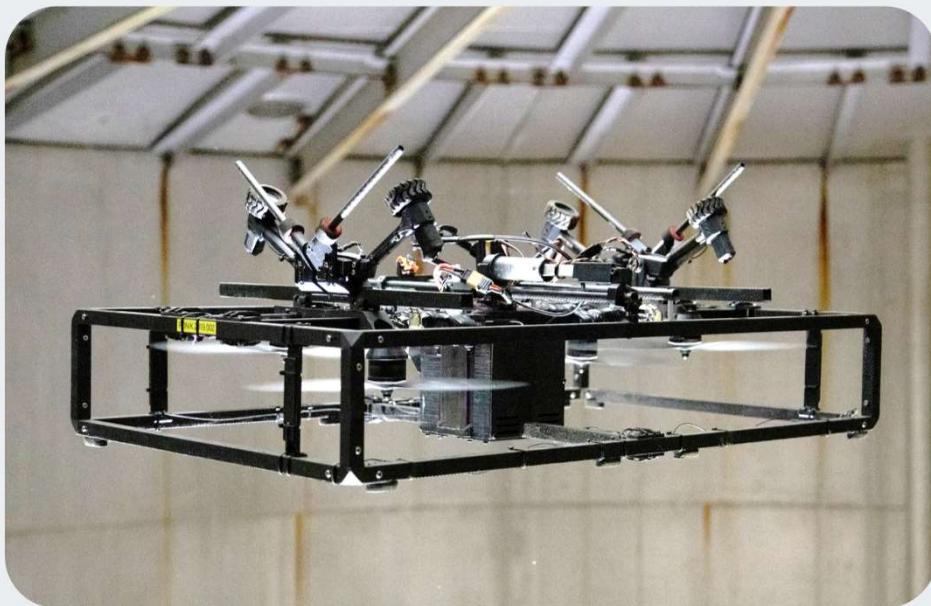


Plant equipment inspections using UT drones

Ultrasonic inspection feature

No scaffold required
Curtailing inspection time
and cost

Service launched in March 2021
**Both hope and demand
are increasing.**





04

Reference Materials

Fiscal Year Ending March 31, 2022

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. **Medium-Term Management Plan**
10. **ESG Initiatives**



1. Company Profile

Trading name	SEIKA CORPORATION
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: 321 / Consolidated: 987 (As of September 2021)
Core business	Plants, machinery and equipment, environmental protection equipment, sale, import and export of electronic information system equipment
Offices	18 offices in Japan, including head office, Osaka branch, Fukuoka branch and Hiroshima branch 4 offices overseas including Taipei branch, Seoul branch and Singapore branch
Affiliated companies and bases	11 affiliated companies in Japan and 16 affiliated companies overseas 58 bases in Japan and 22 bases overseas



Head office:
Shin-Tokyo Bldg., Marunouchi





2. History of SEIKA CORPORATION (1)

October 1947 Established in Moji shi (currently Moji ku , Kitakyushu shi) by company officials of the former Mitsubishi Corporation, which was dissolved before the establishment, with capital of 195,000 yen.

From 1948 to 1951 Established offices throughout Japan (Nagasaki, Fukuoka, Osaka, Hiroshima, Tokyo, Takamatsu)

October 1961 Listed shares on the First Section of the Tokyo Stock Exchange

January 1974 Established the subsidiary Seika Sangyo GmbH in Germany (Dusseldorf)

May 1983 Opened the Taipei Branch in Taiwan (Taipei)

November 1983 Established Tsurumi (Europe) GmbH, a joint venture with Tsurumi Manufacturing Co., Ltd. in Germany

April 1994 Established the subsidiary Seika Machinery Inc., USA (Los Angeles)

July 2000 Opened the Seoul Branch in Korea (Seoul)

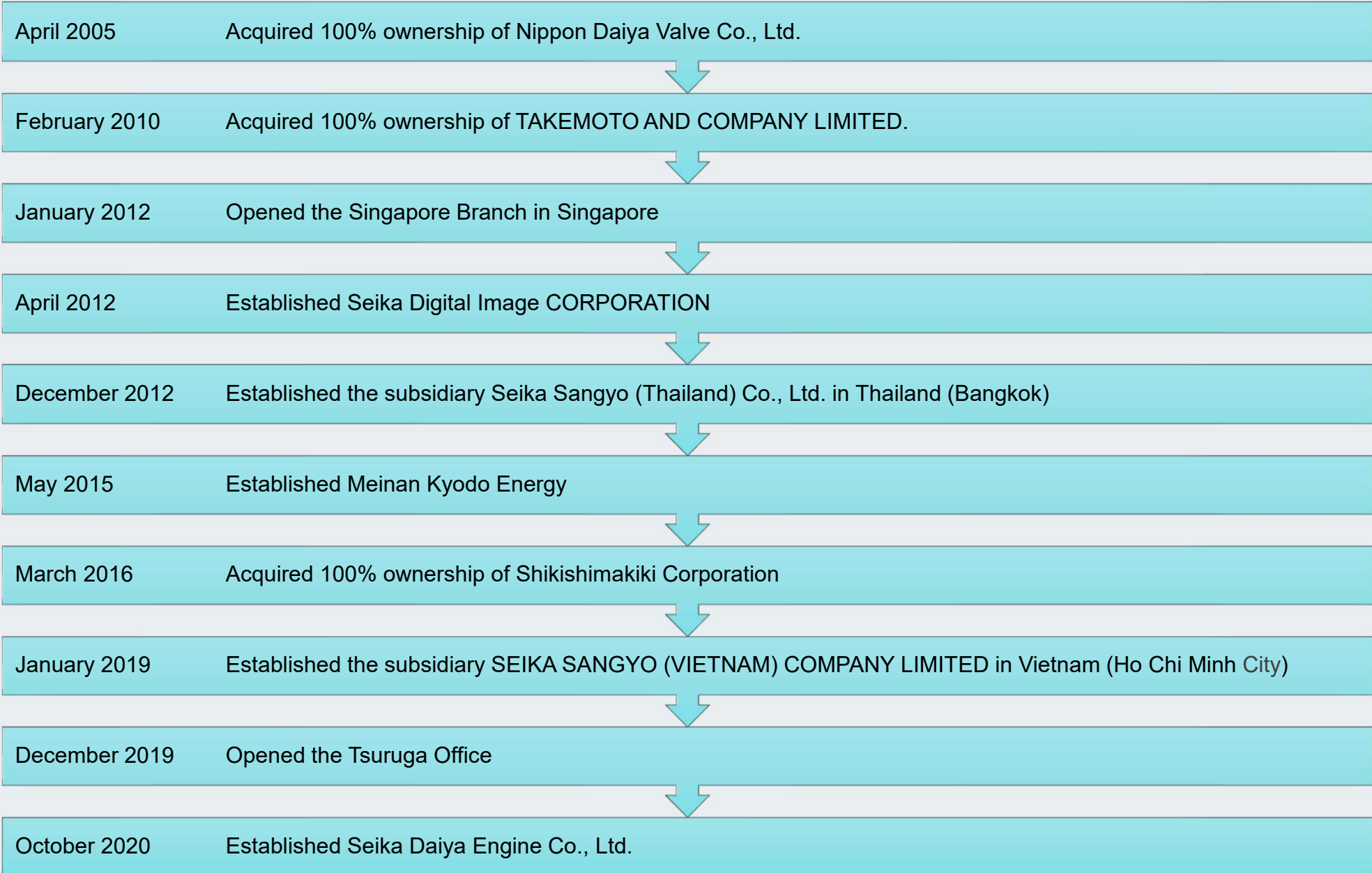
August 2001 Changed registered head office from Kokurakita ku Kitakyushu to Chiyoda ku , Tokyo

January 2004 Established the subsidiary Seika Shanghai Co.,Ltd in China (Shanghai)





2. History of SEIKA CORPORATION (2)

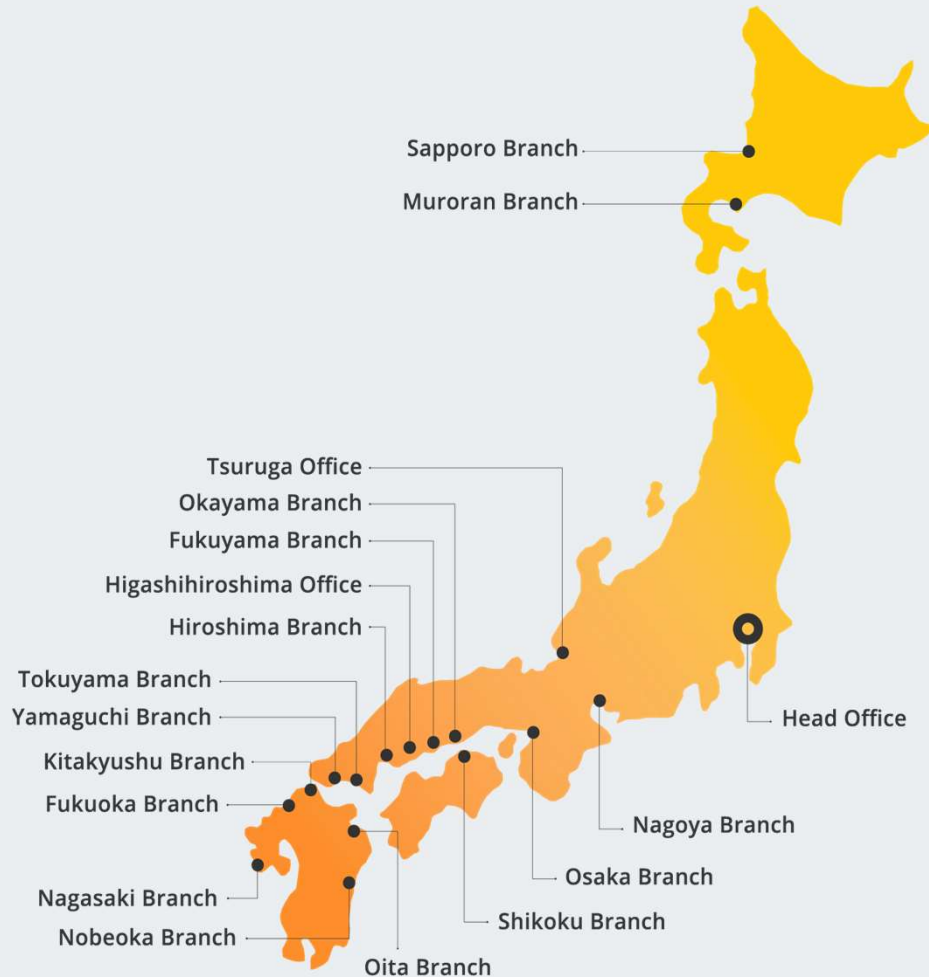




3. Domestic Network

● SEIKA CORPORATION

Tokyo, Osaka, Sapporo, Muroran, Nagoya, Shikoku, Okayama, Tsuruga, Fukuyama, Hiroshima, Higashi Hiroshima, Tokuyama, Yamaguchi, Fukuoka, Kita Kyushu, Oita, Nobeoka, Nagasaki



● Subsidiaries and Affiliates

Nippon Daiya Valve Co., Ltd.

Tokyo, Osaka, Nagoya, Okayama, Kita Kyushu

TAKEMOTO AND COMPANY LIMITED.

Kobe, Takasago, Mihara

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

Tozai Jitsugyo Co., Ltd. Tokyo

MEINAN KYODO ENERGY Co., Ltd. Chita

Seiwa Polymer Tsukuba

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

TEN FEET WRIGHT INC.

Tokyo, Osaka, Takamatsu, Fukuoka

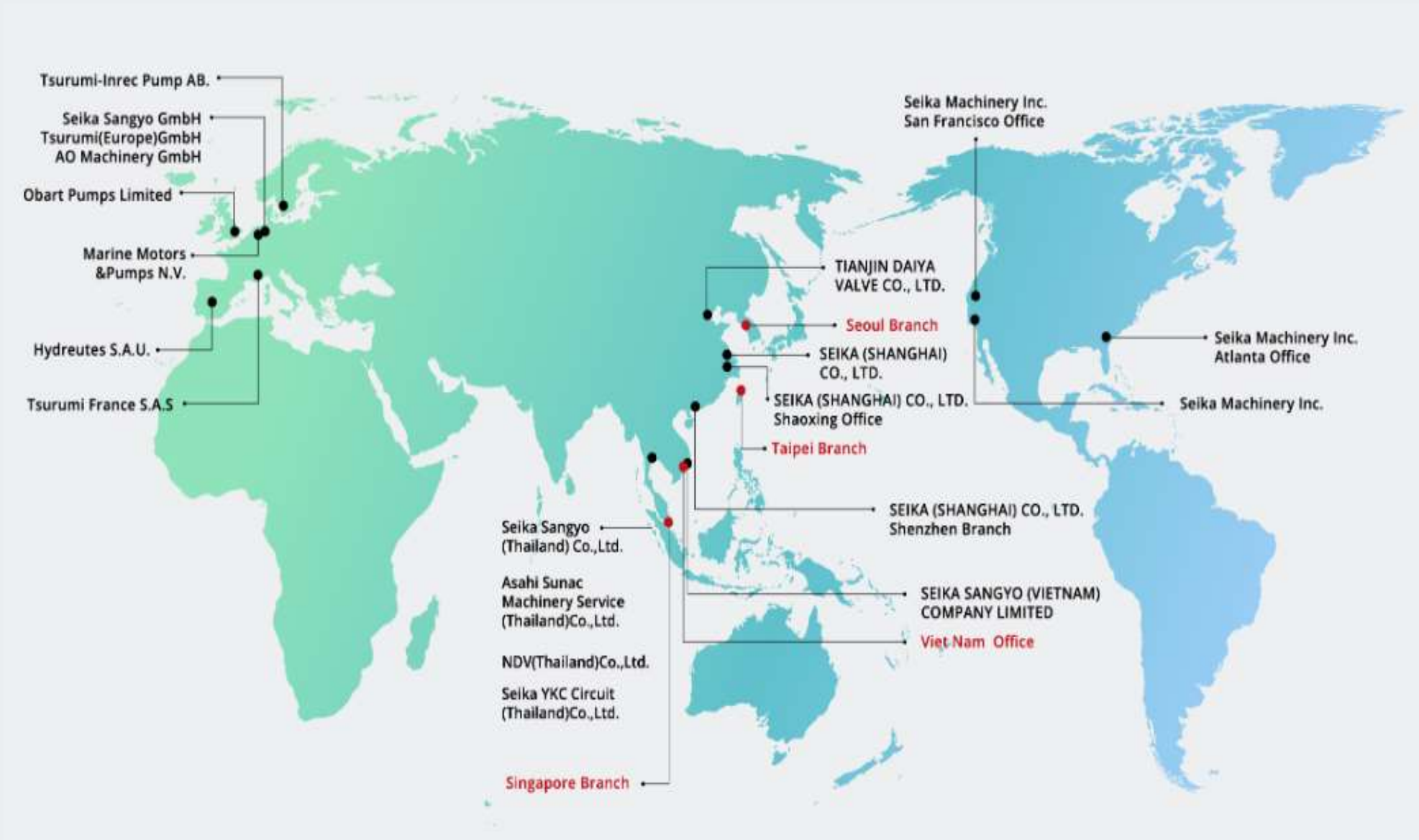
JAPAN EJECTOR ENGINEERING Co., Ltd.

Osaka, Wakayama





4. Overseas Network





5. Introduction to Each Business (Power Plant)

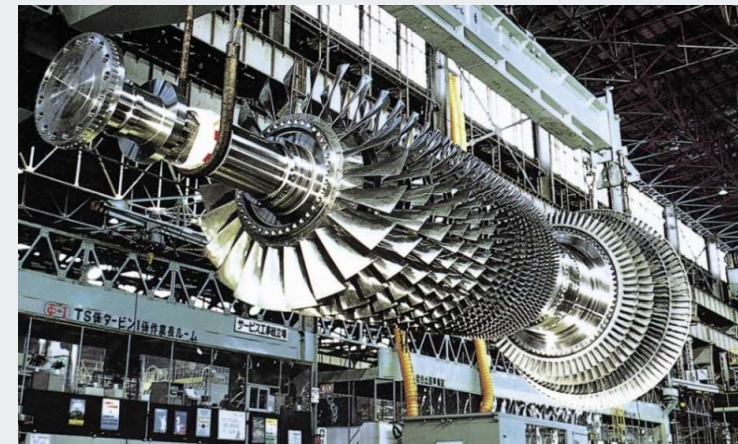
Energy-one of the most important themes for industry

[Business Activities]

- Sales of and after-the-sale services for power generation equipment such as boilers and gas turbines for thermal power plants for commercial use and environmental preservation equipment
- Sales of disaster prevention- and security-related equipment and various devices for nuclear power plants
- Sales of and after-sales services for renewable energy power generation equipment (small hydroelectric power, wind power, biomass, etc.)



<Power plant>



<Power generation equipment>



5. Introduction to Each Business (Chemicals and Energy Plant)

A wide range of products spanning energy generation and manufacturing processes

[Business Activities]

- Sales of and after-sales services for power generation equipment and environmental load-reducing products for companies such as petroleum refineries and chemicals, paper and steel plants
- Sales of equipment and fuels for biomass power generation
- Sales and maintenance of ship engines (Seika Daiya Engine Co., Ltd., Shikishimakiki Corporation)



<Fuels for biomass power generation equipment>



<Chemicals Plant>



<Environmental protection equipment>



5. Introduction to Each Business (Industrial Machinery)

High value-added products that support affluent and comfortable living environments

[Business Activities]

- Sales of manufacturing equipment for industries such as EV-related industries, new materials, textiles, films and beverages.
- Sales of machinery and equipment for plant engineering companies
- Sales of measuring instruments for environmental preservation for industrial machinery
- Manufacturing and sales of various industrial valves (Nippon Daiya Valve Co., Ltd.)
- Sales of advanced measuring instruments and software (Seika Digital Image Corporation)



<EV-related equipment such as lithium-ion battery manufacturing lines>



<Film-related equipment>



<Laser-based gas concentration meter>



5. Introduction to Each Business (Global Business)

[Business Activities]

- Europe

Automobile field:

Sale of in-vehicle-related industrial robots

Social infrastructure field:

Sale of water pumps for public works and development of rental business of them

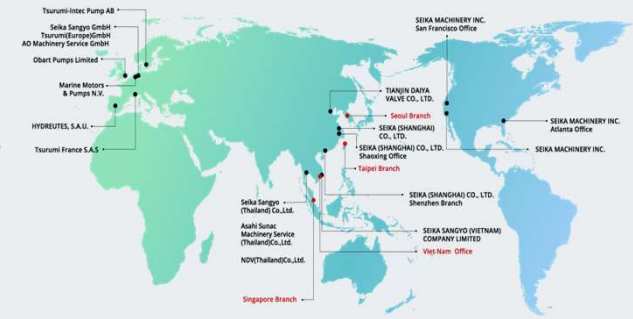
- North America

Automobile field:

Sale of SMT (Surface Mounting Technology) equipment mainly for the automotive parts industry

- Asia

Industrial machinery field: Sale of machinery and equipment mainly for the automobile, chemical and textile industries



Tsurumi (Europe) GmbH Group
Water pumps



Seika Machinery, Inc.
SMT (Surface Mounting Technology) equipment for the automotive parts industry

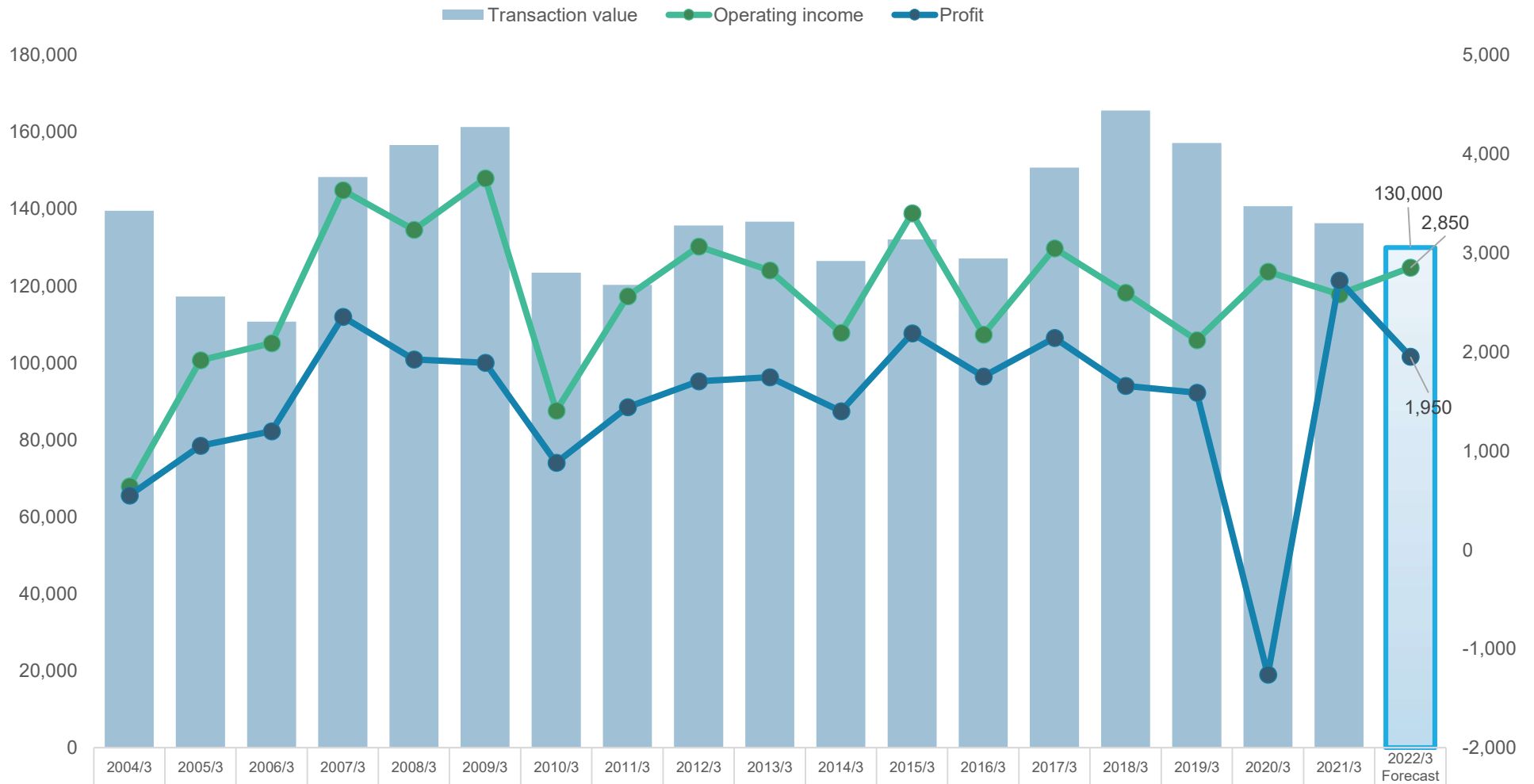


Seika Sangyo (Thailand) Co., Ltd.
Industrial machinery for the automobile, chemical and textile industries



6. Performance Trend

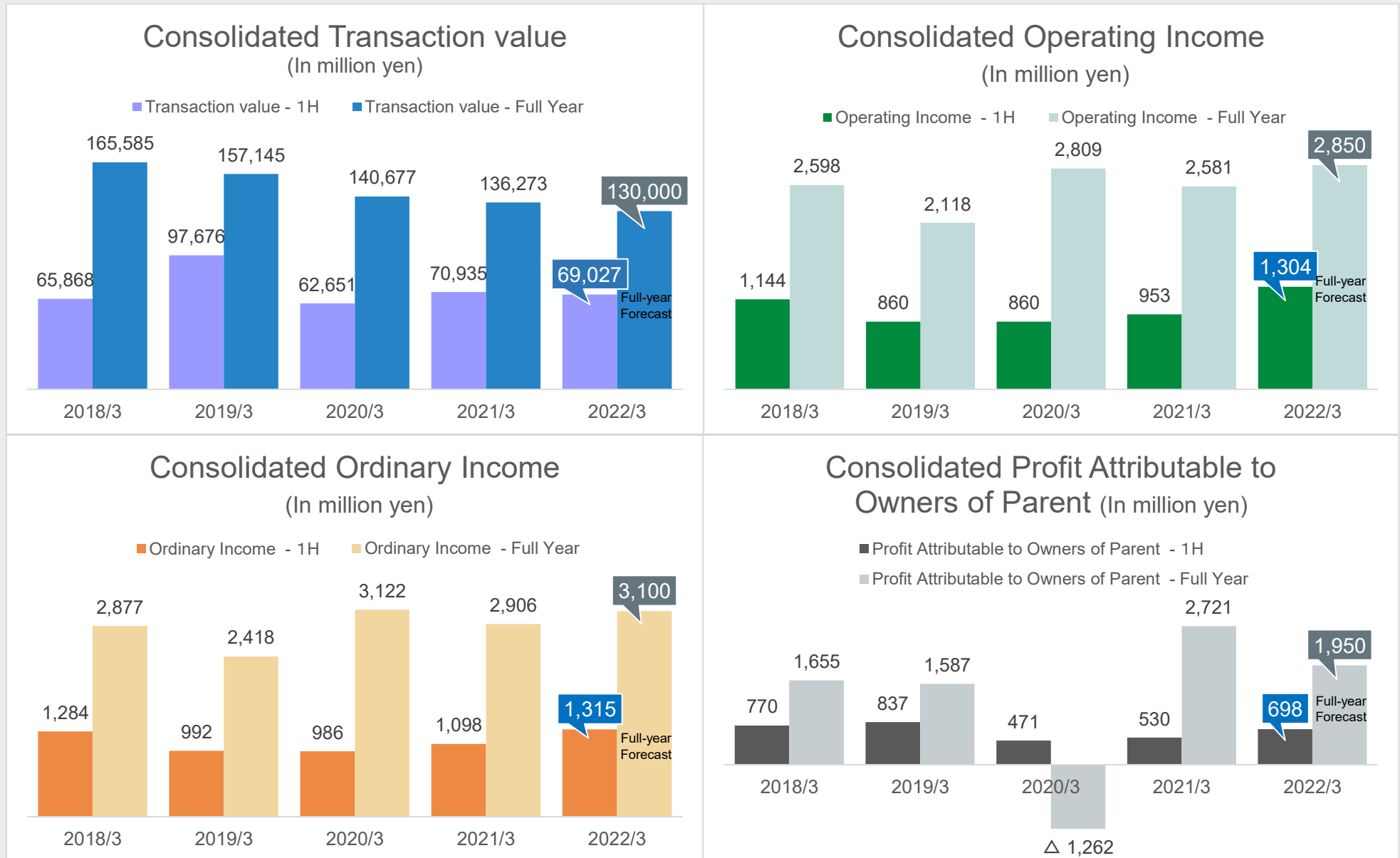
Consolidated Transaction value, Operating Income and Profit (in million yen)



Transaction value	139,519	117,197	110,727	148,307	156,588	161,261	123,394	120,243	135,717	136,670	126,487	132,033	127,101	150,742	165,585	157,145	140,677	136,273	130,000
Operating income	641	1,916	2,088	3,634	3,234	3,754	1,406	2,561	3,065	2,824	2,193	3,400	2,174	3,046	2,598	2,118	2,809	2,581	2,850
Profit	548	1,051	1,198	2,353	1,922	1,889	879	1,441	1,702	1,743	1,399	2,188	1,750	2,140	1,655	1,587	△ 1,262	2,721	1,950

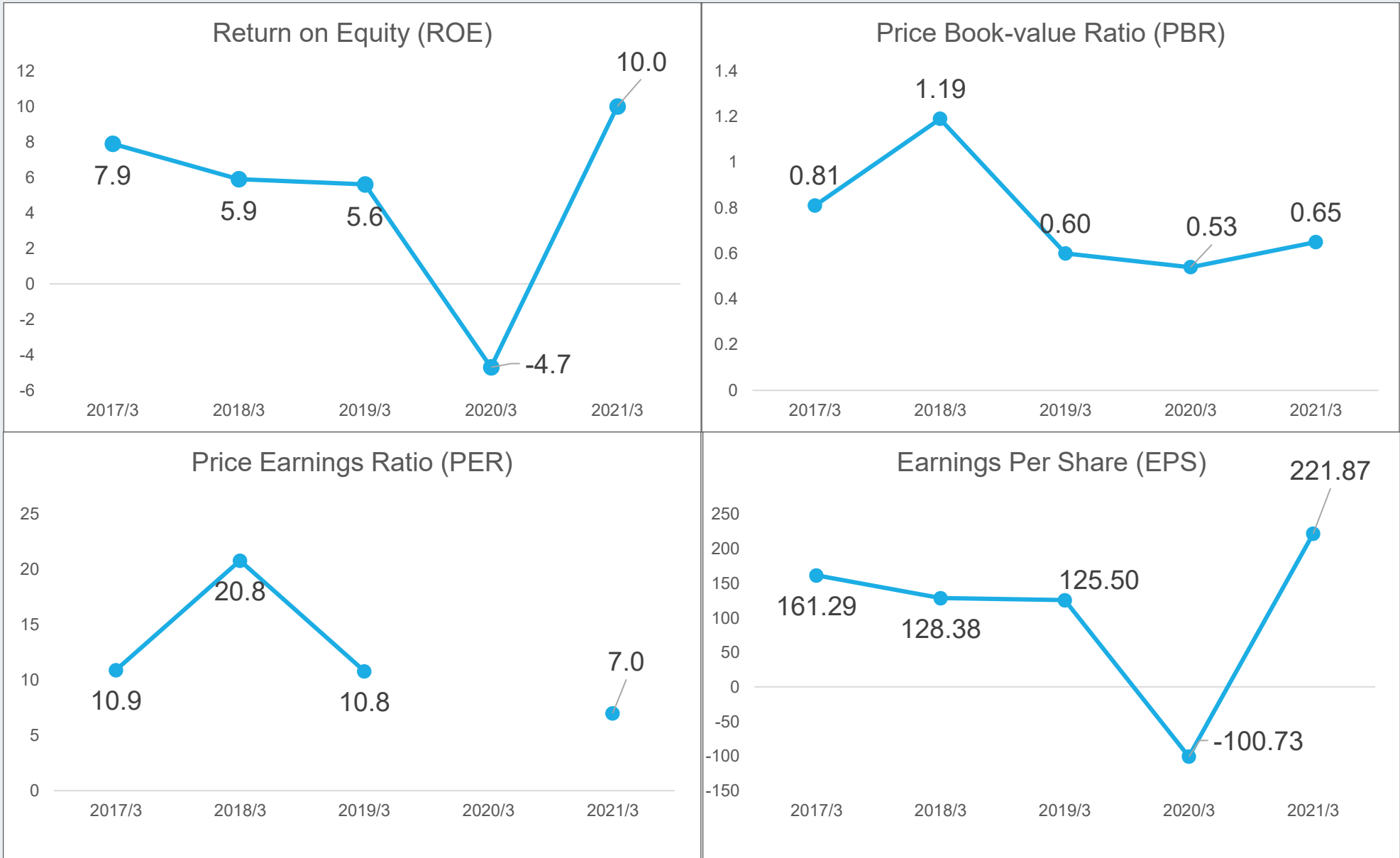


7. Changes in Consolidated Financial Results





8. Trend of Management Indicators





9. Medium-Term Management Plan Re-SEIKA 2023

**Evolving into a strong and valuable company
through changes and challenges.**

April 2020 – March 2023

We have established the Seika Corporation Group Policy, Code of Conduct, and Group Mission to strengthen solidarity and promote the group management of the Seika Group. We aim to improve our corporate value as a Group by having each Group company and each employee share these ideals and use them in their daily activities.

Group Policy

Strive for excellence and foster a sustainable society with corporate integrity.

Code of Conduct

Comply with laws and act with ethical standards to gain the trust of society.

Group Mission

Create a fulfilling society together.



Long-Term Management Vision (April 2017 – March 2027)

Long-Term Management Vision

In 10 years,
the Seika Group will be:

A global corporate group that will adapt to changes in the business environment and hold a solid business foundation and in which employees are full of vigor and a pioneering spirit, have job satisfaction at their respective companies and achieve growth

Long-Term Management Policy

01

Press ahead with the reform and evolution of business models to continuously increase the Group's earning power

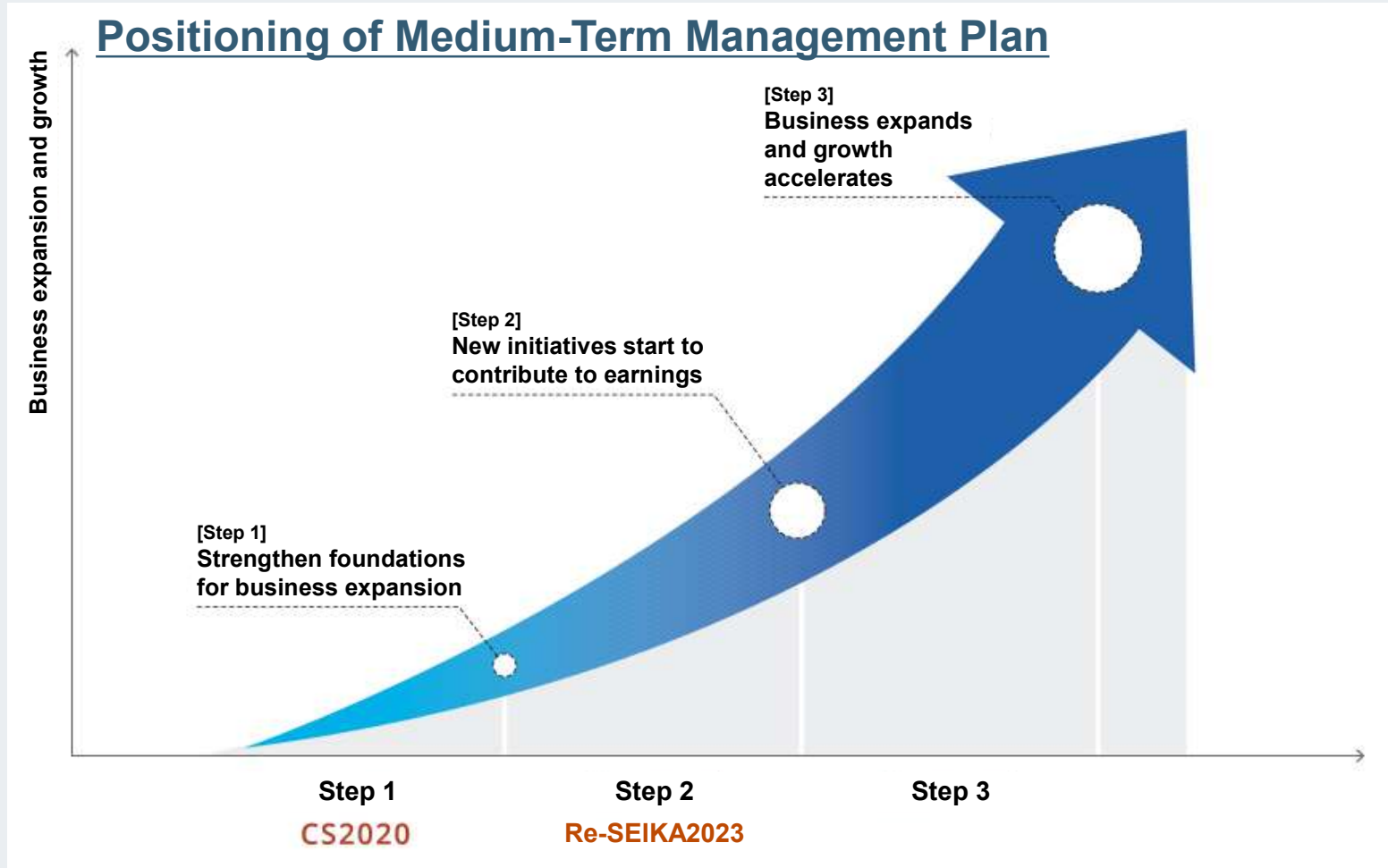
02

Discover and develop human resources capable of creating new businesses and playing significant roles in Japan and beyond, and implement optimal introduction of management resources in response to changes of the times

03

Create an attractive workplace environment that gives job satisfaction to employees to improve productivity







Re-SEIKA 2023

Evolving into a strong and valuable company through changes and challenges.

1

Increase the Group's Revenue

Reorganize Seika Corporation's individual businesses and the group companies by business details into business units to implement integrated business operations

2

Strengthen the revenue base

Divide the Group's businesses into base revenue and growth revenue. Push ahead with the optimization of the business portfolio and effectively introduce management resources as appropriate.

3

Develop new revenue sources

Continuously introduce management resources to the development of new sources of earnings to accelerate construction of foundations for the Group's continuous growth.

4

Strengthen the management base

Stabilize the Group's financial position. Streamline operations, enhance the workplace environment and develop human resources by introducing and accelerating the IT shift and digital transformation (DX) to boost organizational strength.





Numerical Targets under Medium-Term Management Plan Re-SEIKA 2023

Management Numerical Targets (consolidated)

	2023/3 (100 th Term)
Operating income	3.7 billion yen
Profit attributable to owners of parent	2.5 billion yen

(Reference) If profit attributable to owners of parent reaches the management numerical target of 2.5 billion yen for fiscal year ending March 31, 2023, ROE will be 8% or higher.

Expansion of eco-friendly products (Environment)

Result for orders received for eco-friendly products in the fiscal year ended March 31, 2021	Number of Transaction	Amount of Transaction value (In billion yen)
Energy-saving, resource-saving, high efficiency products	10,800	80.3
Pollution-preventing products	985	7.1
Recycled/Reused products	688	1.2
Total	12,473	88.6

Social responsibility (workstyle reform)

Promotion of the career advancement of women

Hiring of more women on the management career track, support for the career development of female employees, appointment of female managers

Promotion of employee health

Adoption of Premium Friday system, encouragement to take paid holidays, payment of cost of influenza vaccination by the Company

Development of human resources

Various types of rank-based training, system of sending employees overseas for training



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

Provision of information in English

Part of convocation notice, financial results briefing, materials, FACT BOOK

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

(For institutional investors)

Strategical Planning Dept., Corporate Planning Division

Phone: +81-3-5221-7117

E-mail: smb002@jp.seika.com

(For individual shareholders)

General Affairs & Personnel Dept., General Administration

Division Phone: +81-3-5221-7101

