

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

Financial Results Briefing for the Fiscal Year Ended March 31, 2021

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

SEIKA CORPORATION (TSE Section 1: 8061)



1

Hello, everyone.

I am Akihiko Sakurai, President of SEIKA CORPORATION.

First of all, I would like to express my sincere appreciation to you all for your continued interest in SEIKA CORPORATION.

We decided not to hold the usual financial results briefing for the fiscal year ended March 31, 2021 but rather to post a video of the briefing instead, in order to prevent the spread of COVID-19.

I hope that this video presentation will give you a better understanding of Seika Corporation.

I will now begin the financial results presentation for the fiscal year ended March 31, 2021.

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Reference Materials

In this financial results presentation, I plan to explain the matters shown here in this slide.



01

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

I will begin by presenting a summary of our consolidated financial results for the fiscal year ended March 31, 2021.



Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

	2021/3 Initial Forecast (May)	2021/3 Result	Change (vs. Initial Forecast)
Net sales	135,000 million yen	136,273 million yen	+1,273 million yen
Operating income	2,400 million yen	2,581 million yen	+181 million yen
Ordinary income	2,700 million yen	2,906 million yen	+206 million yen
Profit attributable to owners of parent	1,650 million yen	2,721 million yen	+1,071 million yen

	2020/3 Result	2021/3 Result	Change (YoY)
Amount of orders received	121,164 million yen	141,840 million yen	+20,676 million yen
Order backlog	140,597 million yen	146,163 million yen	+5,566 million yen

Please see and refer to slide 4.

This shows a summary of the consolidated financial results.

Last spring, many companies postponed the announcement of their earnings forecasts on the grounds that it was difficult to forecast earnings due to the COVID-19 pandemic.

Believing that the disclosure of earnings forecasts is an important responsibility to shareholders and investors, we endeavored to quickly obtain information about customer trends and other relevant factors from sales departments to estimate the impact of the stagnation of economic activities and we announced our earnings forecasts.

These forecasts were:

net sales of 135,000 million yen;

operating income of 2,400 million yen;

ordinary income of 2,700 million yen; and

profit attributable to owners of parent of 1,650 million yen.

With sales activities restricted, each business used web conferencing and other means to tailor sales to the situation. As a result, we exceeded all our forecasts, posting:

net sales of 136,273 million yen;

operating income of 2,581 million yen;

ordinary income of 2,906 million yen; and

profit attributable to owners of parent of 2,721 million yen.

Orders received also increased some 20 billion yen year on year, reaching 141,840 million yen.



Status of Balance Sheet and Cash Flows

(In million yen)	March 31, 2020	March 31, 2021	Change (YoY)
Total assets	92,668	97,458	+4,789
Total liabilities	66,757	67,568	+811
Total net assets	25,911	29,889	+3,978
Total liabilities and net assets	92,668	97,458	+4,789
Equity ratio	27.2%	29.8%	+2.6pt
Return on equity (ROE)	-4.7%	10.0%	+14.7pt

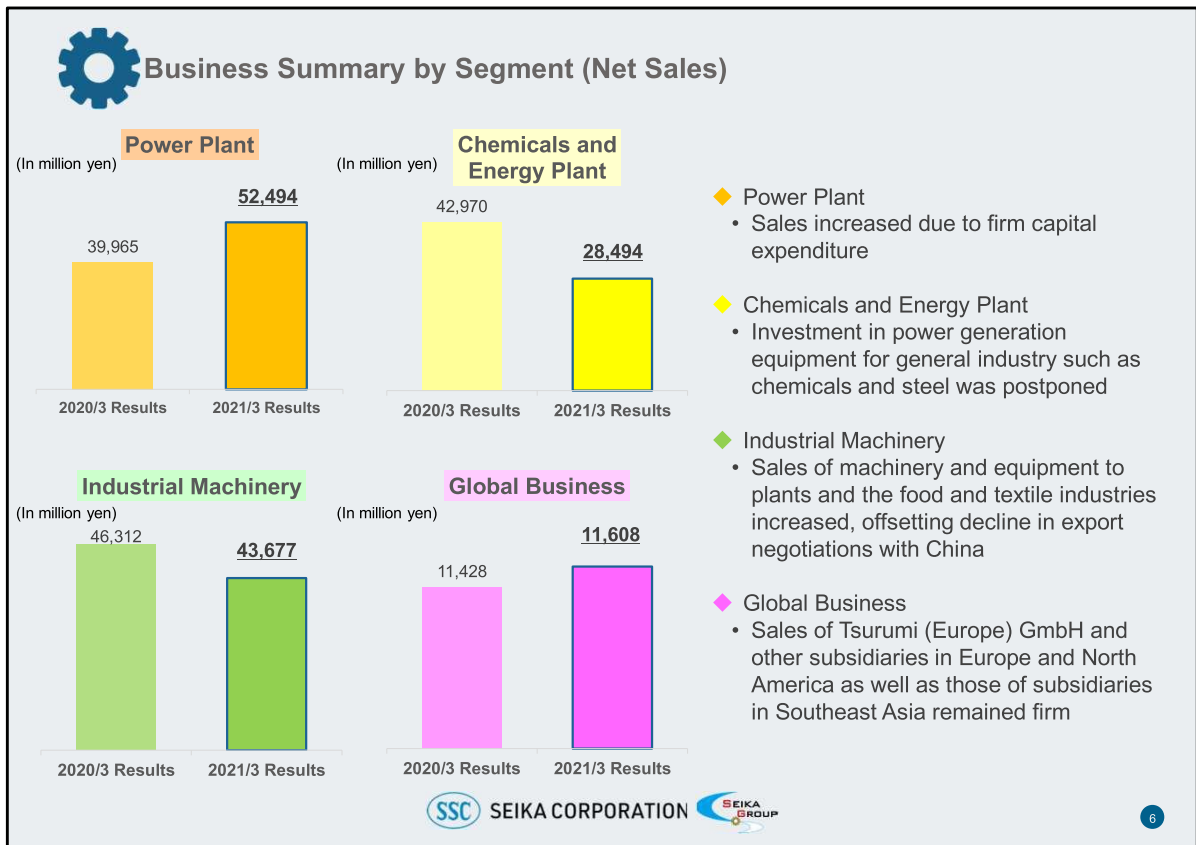
(In million yen)	2020/3 Result	2021/3 Result	Change (YoY)
Cash flows from operating activities	3,400	4,137	+737
Cash flows from investing activities	-299	-1,566	-1,267
Cash flows from financing activities	-1,211	-1,903	-692
Cash and cash equivalents at end of fiscal year	13,346	14,035	+689

Next, I will explain the status of the balance sheet and cash flows.

Assets and liabilities were as shown on the slide, and net assets reached 29.8 billion yen mainly due to an increase in net profit.

The Group's equity ratio was 29.8%, and return on equity (ROE) was 10%, improving from the previous fiscal year.

Meanwhile, consolidated cash flows were as shown on the slide.



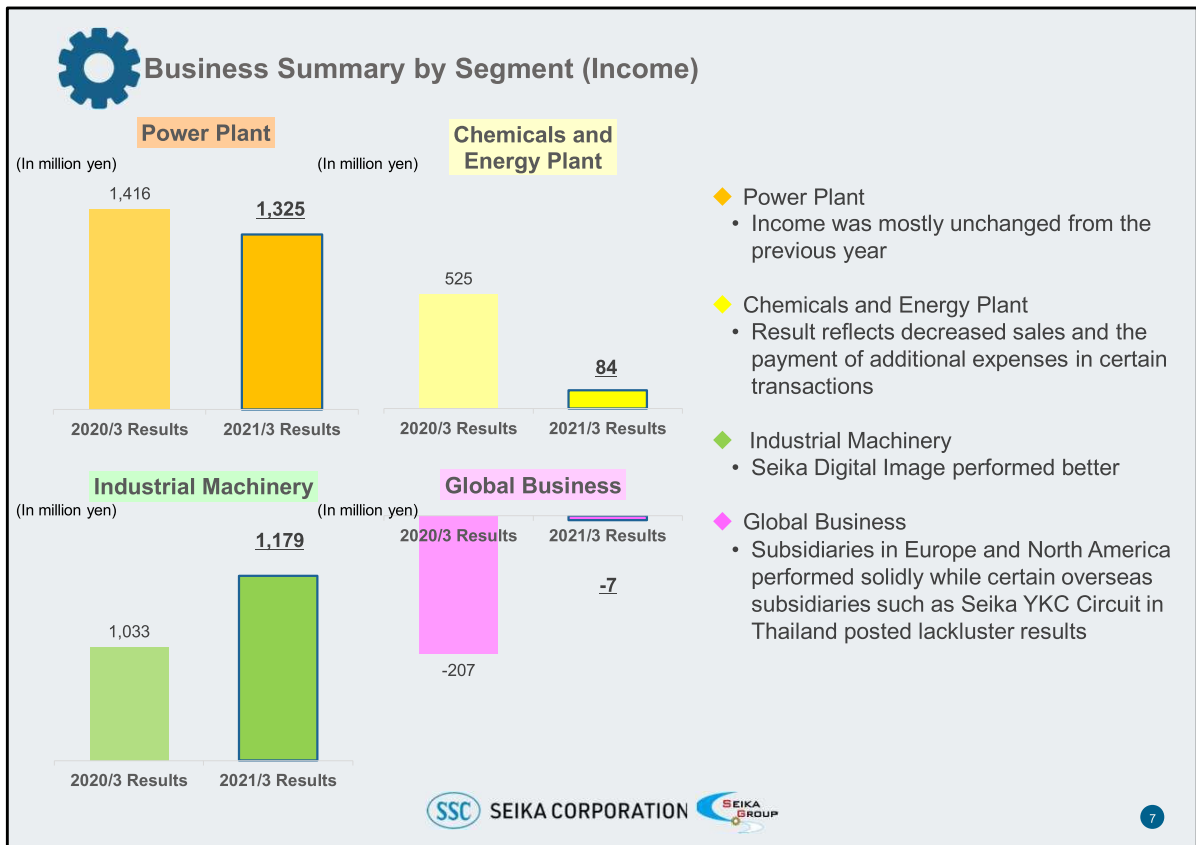
I will now explain net sales by segment in the fiscal year ended March 31, 2021.

In the Power Plant business, against a backdrop of efforts to maintain the social infrastructure and minimal impact from the COVID-19 pandemic, sales increased to 52.4 billion yen, underpinned by comparatively firm capital expenditure.

In the Chemicals and Energy Plant business, sales fell to 28.4 billion yen, reflecting postponement of investment in power generation equipment for general industry such as chemicals and steel due to the effects of the COVID-19 pandemic.

In the Industrial Machinery business, sales were 43.6 billion yen, mostly unchanged year on year, with increased sales of machinery and equipment to plants and the food and textile industries offsetting decline in export negotiations with China.

In the Global business, sales were 11.6 billion yen, reflecting solid sales of Tsurumi (Europe) GmbH and other subsidiaries in Europe and North America as well as subsidiaries in Southeast Asia.



Next, I will explain segment income.

In the fiscal year ended March 31, 2021, the Power Plant business posted income of 1,325 million yen, mostly unchanged from the previous year.

The Chemicals and Energy Plant business recorded income of 84 million yen, mainly due to decreased sales and the payment of additional expenses in certain transactions.

Income in the Industrial Machinery business increased to 1,179 million yen, reflecting improvement in the performance of Seika Digital Image.

In the Global business, subsidiaries in Europe and North America performed solidly but this was not enough to offset the lackluster results of certain overseas subsidiaries such as Seika YKC Circuit in Thailand, and the segment posted a loss of 7 million yen.



02

Consolidated Forecast for the Fiscal Year Ending March 31, 2022

I will now move on the consolidated forecast for the fiscal year ending March 31, 2022.



Adoption of Accounting Standard on Revenue Recognition and the Implementation Guidance on Accounting Standard on Revenue Recognition

Format of our transactions

General transactions

- Transactions in which we conclude a product sales contract with both the customer and the supplier
- Contractual liability to the customer is assumed primarily by us



Agent transactions

- Conclusion of contract with customer, delivery of product and collection of payment in our's name (as agent)
- Commission from the supplier (principal) is our revenue



Revenue relating to agent transactions

- We used to recognize the gross amount of consideration received from the customer as revenue (**recognition of gross amounts**) but, from now on, in transactions with specified suppliers, we will recognize only the commission as revenue (**recognition of net amounts**).
- The amount we used to recognize as "net sales" under the old standard will be disclosed as "**transaction value**" moving forward.
- There will be no impact on profit or loss.

Please refer to page 9.

Starting from the current fiscal year, we will adopt the Accounting Standard on Revenue Recognition and the Implementation Guidance in the Accounting Standard for Revenue Recognition.

Primarily this means that we will start recognizing only the net amount of profit as revenue relating to agent transaction contracts.

Business under agent transaction contracts includes negotiations for new power generation equipment in the Power Plant business and the Chemicals and Energy business.

Moving forward, to express the size of our business, we will disclose net sales according to the old standards as "transaction value".

Adoption of the Accounting Standard on Revenue Recognition will have no impact on profit or loss.



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.

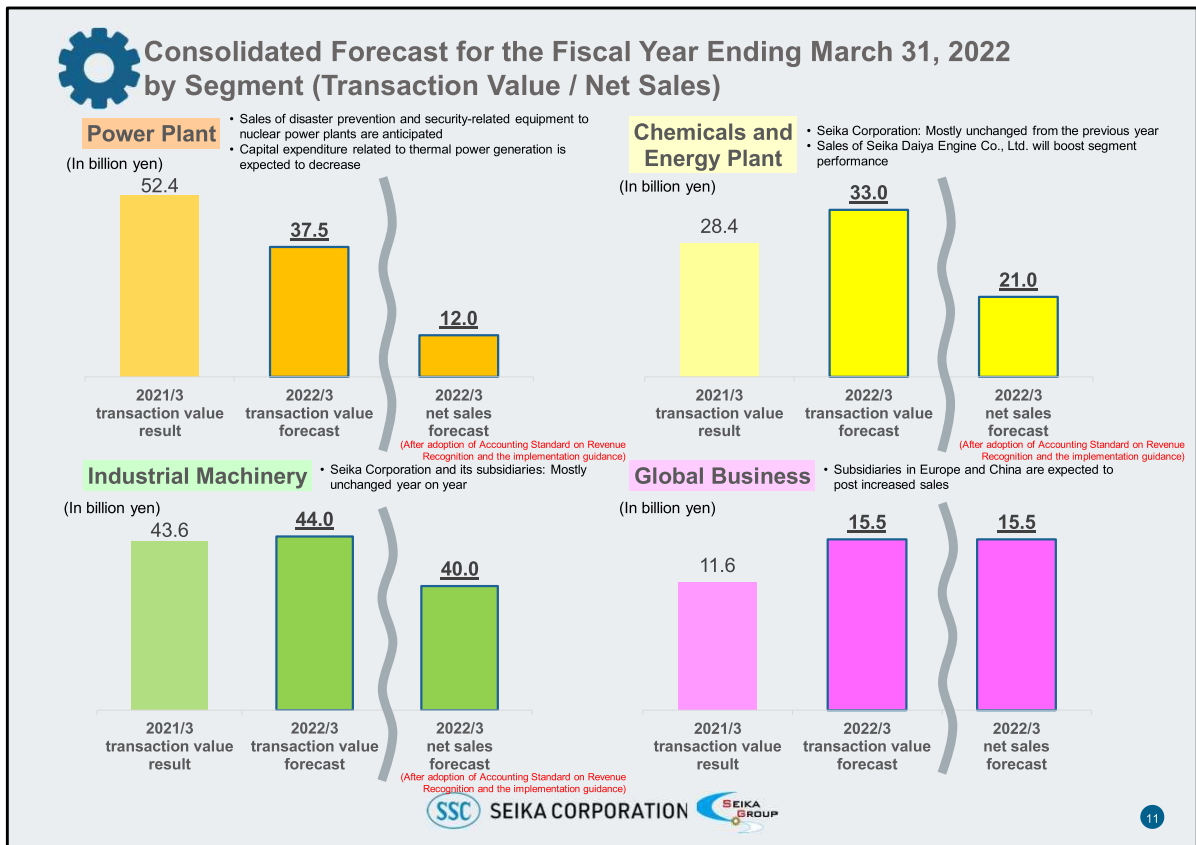
(Note) Since we will adopt the Accounting Standard on Revenue Recognition and the Implementation Guidance on Accounting Standard for Revenue Recognition from the beginning of the fiscal year ending March 31, 2022, net sales in the consolidated forecast is our forecast based on these accounting standards.
Net sales under the old standard i.e. if we did not adopt these accounting standards, are disclosed as "transaction value".

This slide gives an overview of the consolidated forecast for the fiscal year ending March 31, 2022.

Taking downside risks from the COVID-19 pandemic into consideration, we forecast transaction value of 130.0 billion yen and net sales of 88.5 billion yen.

We forecast operating income of 2.85 billion yen, bolstered by the performance of subsidiaries.

Profit attributable to owners of parent is expected to be 1.95 billion yen.



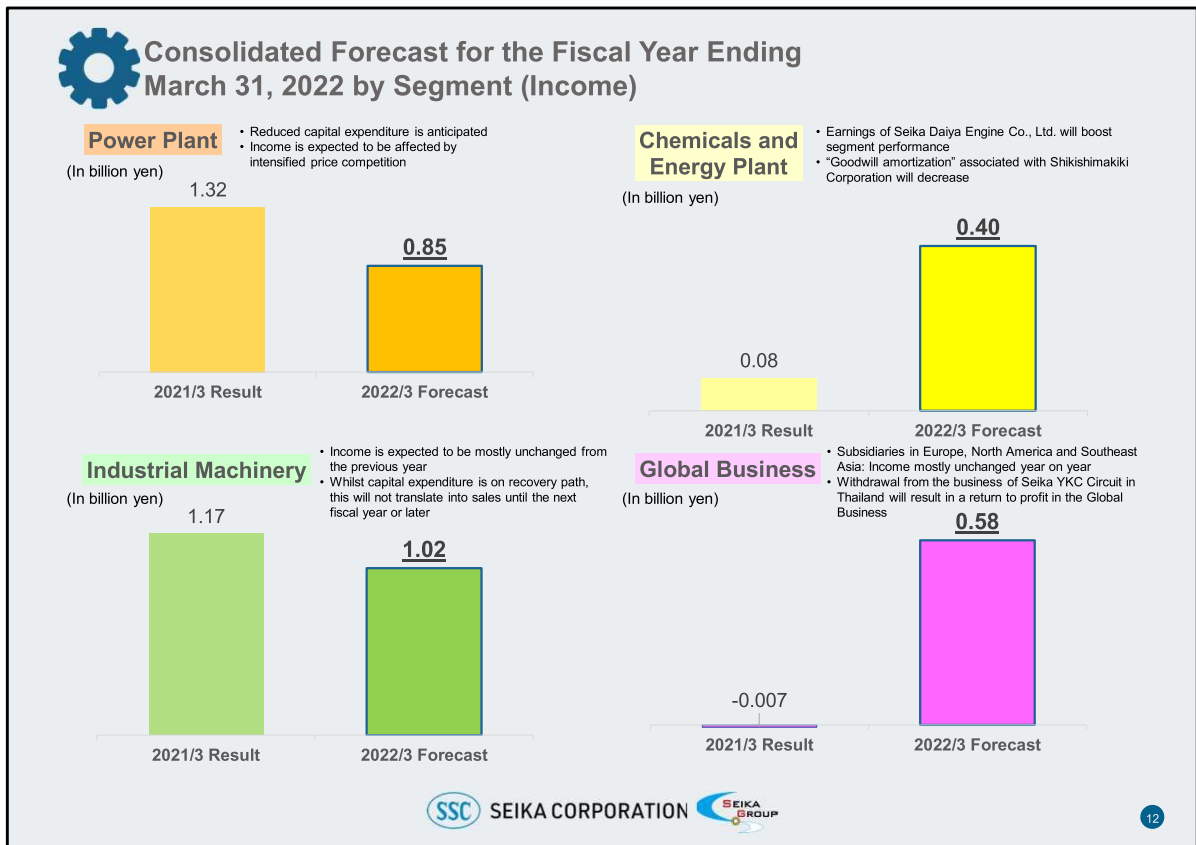
Next, I will explain the net sales forecasts for each segment.

In the Power Plant business, sales of disaster prevention and security-related equipment to nuclear power plants are anticipated but capital expenditure related to thermal power generation will decrease and we forecast transaction value of 37.5 billion yen and net sales of 12.0 billion yen.

In the Chemicals and Energy Plant business, Seika Corporation's performance will be mostly unchanged from the previous year and the sales of Seika Daiya Engine Co., Ltd. established in October last year will also give a big boost to segment performance, and we forecast transaction value of 33.0 billion yen and net sales of 21.0 billion yen.

In the Industrial Machinery business, the results of Seika Corporation and subsidiaries such as Nippon Daiya Valve Co., Ltd. will be mostly unchanged year on year, and we forecast transaction value of 44.0 billion yen and net sales of 40.0 billion yen.

In the Global business, the sales of Tsurumi (Europe) GmbH, which sells submersible pumps for construction, and Seika Shanghai Co., Ltd. will increase, and we forecast that transactions value and net sales will both reach 15.5 billion yen.



I will now move on to explain our forecasts for segment income.

In the Power Plant business, we forecast decline in segment income, to 0.85 billion yen due to reduced capital expenditure especially on thermal power generation, reflecting changes in the operating environment of power companies, as well as the impact of intensified price competition.

In the Chemicals and Energy Plant business, we forecast growth in segment income, to 0.40 billion yen, thanks to the earnings of Seika Daiya Engine Co., Ltd. as mentioned earlier and a decrease in "goodwill amortization" associated with Shikishimakiki Corporation.

Our segment forecast for the Industrial Machinery business is 1.02 billion yen, mostly unchanged year on year, because capital expenditure in lithium-ion battery related products and certain industries is on the recovery path and orders can be expected but these will not translate into sales until the next fiscal year or later.

Finally, our segment forecast for the Global business is 0.58 billion yen. We expect this business to return to profit, with the income of subsidiaries in Europe, North America and Southeast Asia remaining mostly unchanged year on year, and with our withdrawal from the business of Seika YKC Circuit in Thailand.



03

Topics

This section introduces various topics relating to the Seika Group.



Topics (1) Progress on Medium-Term Management Plan “Re-SEIKA 2023” in First Fiscal Year

April 2020 – March 2023

Re-SEIKA 2023 (98th Term – 100th Term)

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

Basic Policy under Re-SEIKA 2023

With the Medium-Term Management Plan Re-SEIKA 2023, we will

- change our traditional ways of thinking and behaviors (Re-form)
- untiringly challenge all kinds of difficulties (Re-challenge), and
- establish a cycle of continued growth (Re-gain)
to enter a new phase (Re-start) towards improving corporate value.

Re-
form

Re-
challenge

Re-
gain

Re-
start

I will explain the Medium-Term Management Plan Re-SEIKA 2023 that started last year.

In this Medium-Term Management Plan, we are promoting four strategies with the basic policy of “Evolving into a strong and valuable company through changes and challenges”.



Topics (1) Progress on Medium-Term Management Plan “Re-SEIKA 2023” in First Fiscal Year

● Increase the Group’s earnings

- Acquired marine engine sales and services business from Mitsubishi Heavy Industries Engine & Turbocharger, Ltd. Established Seika Daiya Engine Co., Ltd. ⇒ Plan to work with Shikishimakiki Corporation to expand business nationwide

● Solidify revenue base

- Optimized business portfolio ⇒ Withdrew from printed substrate business in Thailand

● Cultivate new sources of earnings

- Established renewable energy, life sciences and mobility as themes, positioning them as businesses that will contribute to future earnings, and implemented projects in these areas
⇒ Efforts in the renewable energy field are reaping rewards

● Strengthen business foundations

- Stabilized financial position
- Promoted utilization of human resources and work style reform
- Developed internal infrastructure, including using COVID-19 as opportunity to enhance remote working environments

This slide shows the four basic strategies under the Medium-Term Management Plan and the progress made during the first fiscal year. Under the first strategy to “Increase the Group’s earnings,” during the first fiscal year, we acquired the marine engine sales and services business from Mitsubishi Heavy Industries Engine & Turbocharger, Ltd. and established Seika Daiya Engine Co., Ltd. Moving forward, we plan to work with Shikishimakiki Corporation to expand the marine engine sales and services business across Japan.

The second strategy is “Solidify revenue base.” We have pushed ahead with the optimization of our business portfolio and withdrawn from the printed substrate business in Thailand.

The third strategy is “Cultivate new sources of earnings.” We established renewable energy, life sciences and mobility as themes and implemented sales projects in these areas. In the renewable energy field, our efforts are starting to reap rewards.

The final strategy is “Strengthen business foundations.” Besides maintaining a stable financial position, we implemented projects for the utilization of human resources and work style reform. We also focused on developing the internal infrastructure, including taking COVID-19 as an opportunity to enhance remote working environments.



Topics (1) Progress on Medium-Term Management Plan “Re-SEIKA 2023” in First Fiscal Year

Numerical Targets (Consolidated)

	2021/3 First year of plan (Results)	2022/3 Second year of plan (Forecast)	2023/3 Final year of plan (Target)
Operating income	2.58 billion yen	2.85 billion yen	3.7 billion yen
Profit attributable to owners of parent	(Note) 2.72 billion yen	1.95 billion yen	2.5 billion yen

(Note) Due to the withdrawal from the printed substrate business in Thailand and the transfer of shares, a decrease in tax expenses such as income taxes pushed up income in the fiscal year ended March 31, 2021.

This slide shows the numerical targets for the final fiscal year of the Medium-Term Management Plan and actual results for the first fiscal year and the forecasts for the second fiscal year.

We are still a way off the numerical targets for the final fiscal year but we believe that we are on track for their achievement given that Seika Corporation is putting effort into maintaining revenue in the energy business and expanding revenue in the Industrial Machinery business and that we are generally increasing the revenue of affiliates which are performing comparatively solidly.

Each company will implement each of the strategies set out in the Medium-Term Management Plan, and endeavor to achieve the targets.



Topics (2) Future Initiatives in the Energy Business

For the realization of a **low-carbon society**, we will develop energy business (Power Plant and Chemicals and Energy Plant businesses), which underpins our stable earnings, into a **business with growing revenue** and continue to fulfil our responsibility of maintaining a society without blackouts in the future.

➤ **Pursue optimal operations and increased efficiency**

- Promote the use of energy clouds using IoT and AI
- Propose remodelling into power plants that use ammonia and hydrogen as fuel by mixing them with other fuel

➤ **Step up renewable energy initiatives**

- Step up renewable energy initiatives such as small hydro and biomass power generation
- Expand low-carbon products such as fuel for biomass power generation

➤ **Take on challenge of realizing a hydrogen society**

- Join Japan Hydrogen Association (JH2A) for the realization of hydrogen-fired power generation



I would now like to explain our initiatives in the energy business as a second topic.

Criticism of coal-fired thermal power generation is increasing, amid growing interest in climate change, and the outlook for the energy business, which is our core business, is uncertain.

Since our foundation, we have prided ourselves in contributing to the stable supply of electricity and we believe it is our responsibility to continue maintaining a society without blackouts in the future.

Currently, calls to protect the environment and reduce CO2 emissions are intensifying and we hear that some users are worried about the operation and survival of power plants.

We will make a wide range of feasible proposals for balancing social issues and financial returns such as the utilization of energy clouds using IoT and AI at existing power plants or the remodeling of power plants to use ammonia and hydrogen by mixing them with other fuel. We will also accelerate renewable energy initiatives such as biomass and hydropower and work to maintain business revenue.

Furthermore, whilst there is a ton of problems to overcome in order to realize hydrogen-fueled power generation which would contribute to decarbonization, we will also actively focus on solving these issues, by joining the Japan Hydrogen Association (JH2A), among other measures.

We expect that, when the age of hydrogen-fueled power generation dawns through advances in technology, a new power generation business which can be expected to generate significant revenue will emerge.

We currently consider the energy business to be a business with stable revenue but we will steadily implement initiatives for the future to ensure that we transform the energy business into a business with growing revenue.



04

Shareholder Returns

Finally, I will explain our shareholder returns.



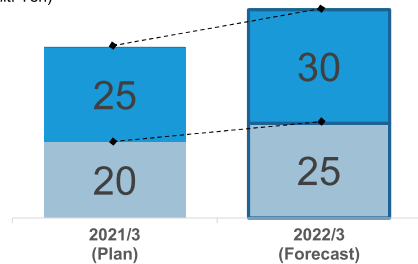
Shareholder Returns

Dividend Policy

The Company considers the return of profits to shareholders one of the most important management issues and has a basic policy of paying a stable dividend. While strengthening business foundations through efficient business operations across both an operational and financial perspective, and flexibly responding to funding needs for new business development, etc., the Company targets a consolidated dividend payout ratio of 35%.

Dividend (Forecast)

■ Interim dividend ■ Year-end dividend ■ Dividend payout ratio
(Unit: Yen)



Acquisition of Treasury Stock

- Acquisition period
April 1, 2021 to June 30, 2021
- Total number of shares to be acquired
400,000 shares
- Total acquisition value of shares
700 million yen

I will start by explaining our dividend policy.

We have a basic policy of paying a stable dividend, and we target a consolidated dividend pay-out ratio of 35%.

In the fiscal year ended March 31, 2021, consolidated profit attributable to owners of parent increased significantly but we recognize that this is attributable to transitory factors.

Whilst bearing a consolidated dividend pay-out ratio of 35% in mind, we took other factors such as future investment funding needs into consideration, and we decided to pay a year-end dividend for the fiscal year under review of 25 yen per share.

Including the interim dividend of 20 yen, the full-year dividend will be 45 yen.

Our dividend forecast for the fiscal year ending March 31, 2022, based on comprehensive consideration of business results, is an interim dividend of 25 yen and a year-end dividend of 30 yen, which bring the full-year dividend to 55 yen, which is an increase of 10 yen.

In the period from April 1, 2021 to June 30, 2021, we are also acquiring up to 400,000 shares with a total acquisition value of up to 700 million yen.

We will endeavour to improve our business results in order to meet the expectations of our shareholders.

We would also like to offer our sincere apologies for the deep concern and inconvenience caused to our shareholders and other stakeholders by the case of fraud that occurred at Nippon Daiya Valve Co., Ltd., which is one of our consolidated subsidiaries.

We take fraud extremely seriously and will do our utmost to regain your confidence.

We look forward to your continued support.



05

Reference Materials

Fiscal Year Ended March 31, 2021

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

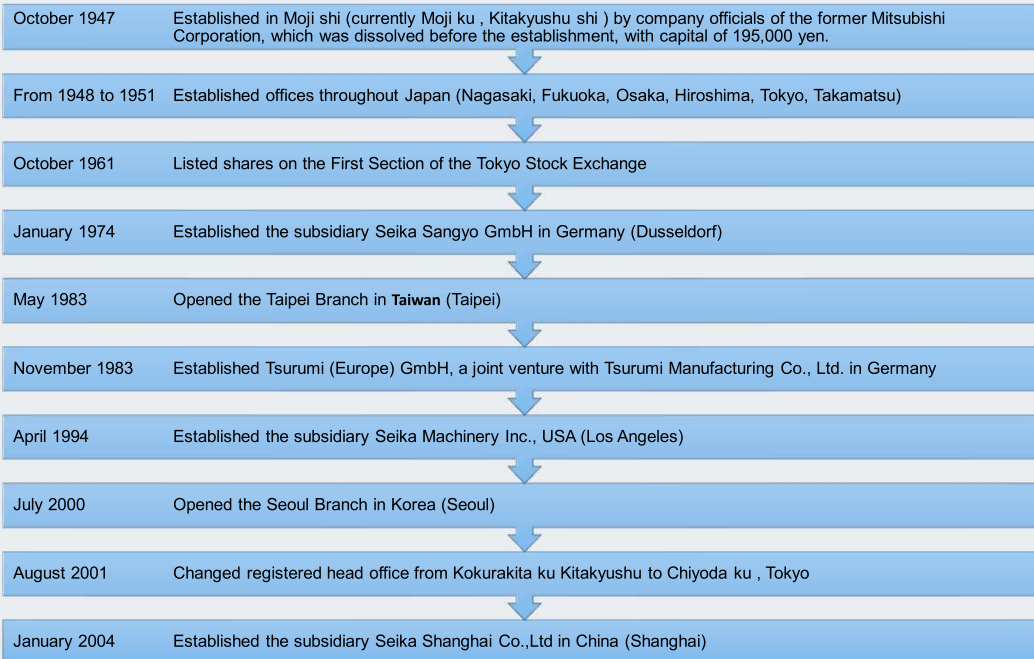


1. Company Profile

Trading name	SEIKA CORPORATION	 Head office: Shin-Tokyo Bldg., Marunouchi
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: 318 / Consolidated: 969 (As of March 2021)	
Core business	Plants, machinery and equipment, environmental protection equipment, sale, import and export of electronic information system equipment	
Offices	19 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 77 bases in Japan and 26 bases overseas	

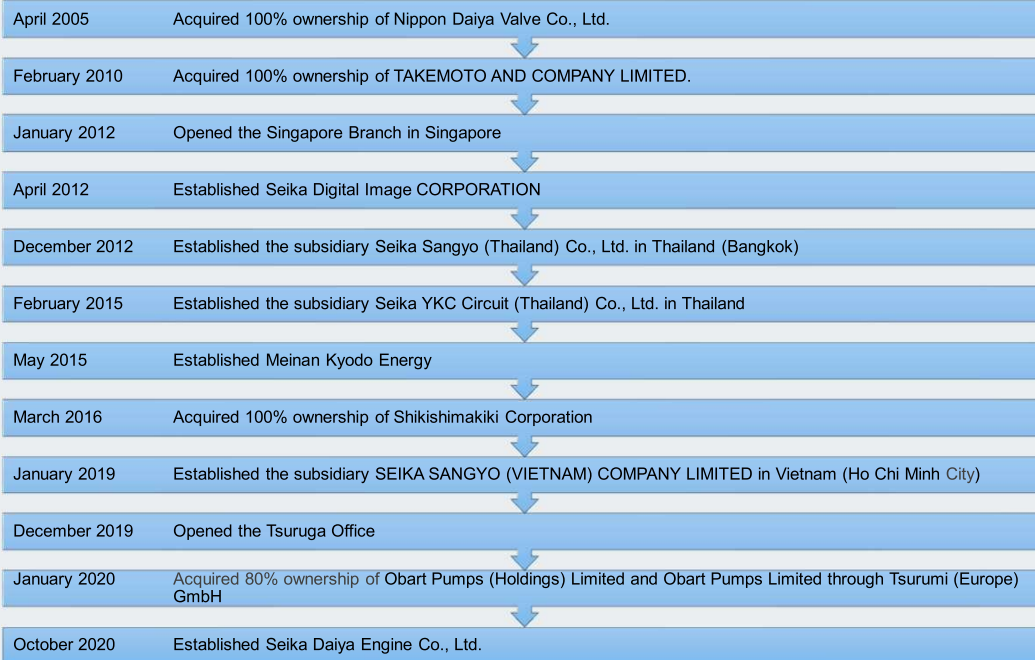


2. History of SEIKA CORPORATION (1)





2. History of SEIKA CORPORATION (2)





3. Domestic Network

● SEIKA CORPORATION

Tokyo, Osaka, Sapporo, Muroran, Yokohama, 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
25 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.

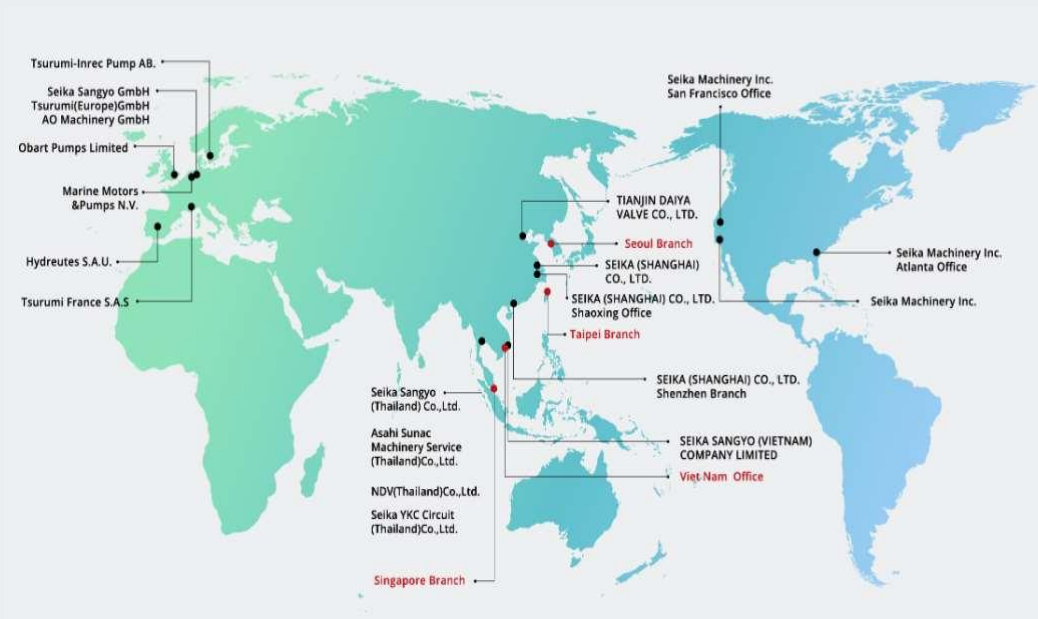
Tokyo, Osaka, Takamatsu, Fukuoka

JAPAN EJECTOR ENGINEERING Co., Ltd.

Osaka, Wakayama



4. Overseas Network





5. Introduction to Each Business (Power Plant)

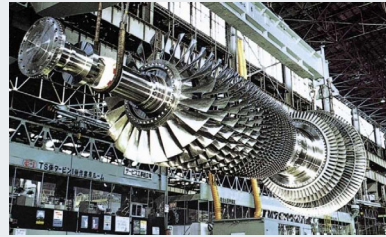
Energy-one of the most important themes for industry

[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] **Three-region structure**

- **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

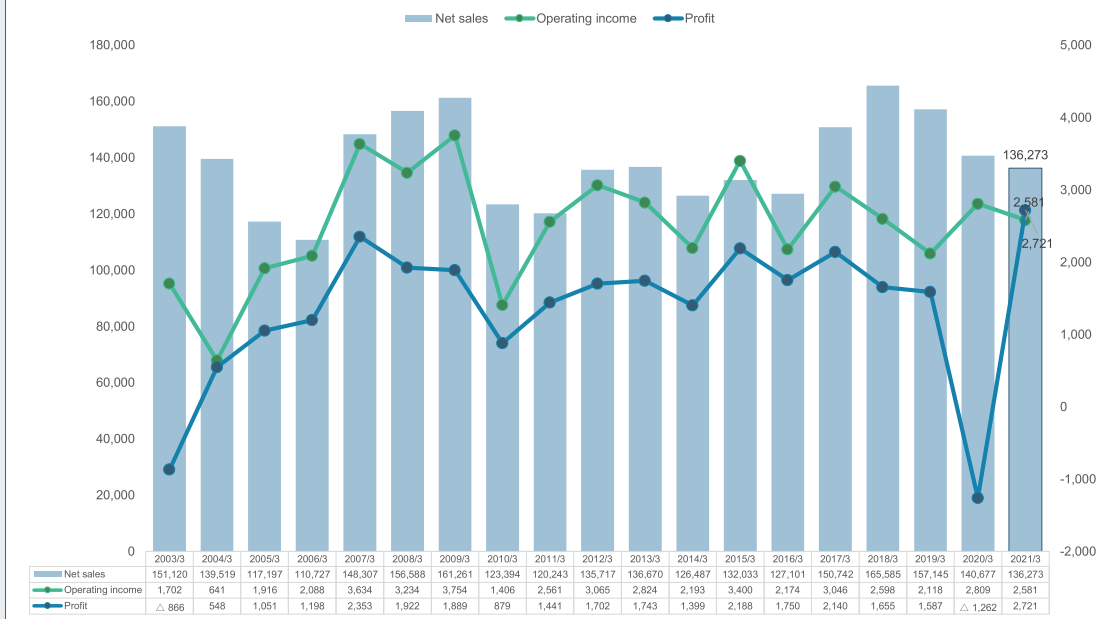


Seika Sangyo (Thailand) Co., Ltd.
Industrial machinery for the automobile, chemical and textile industries



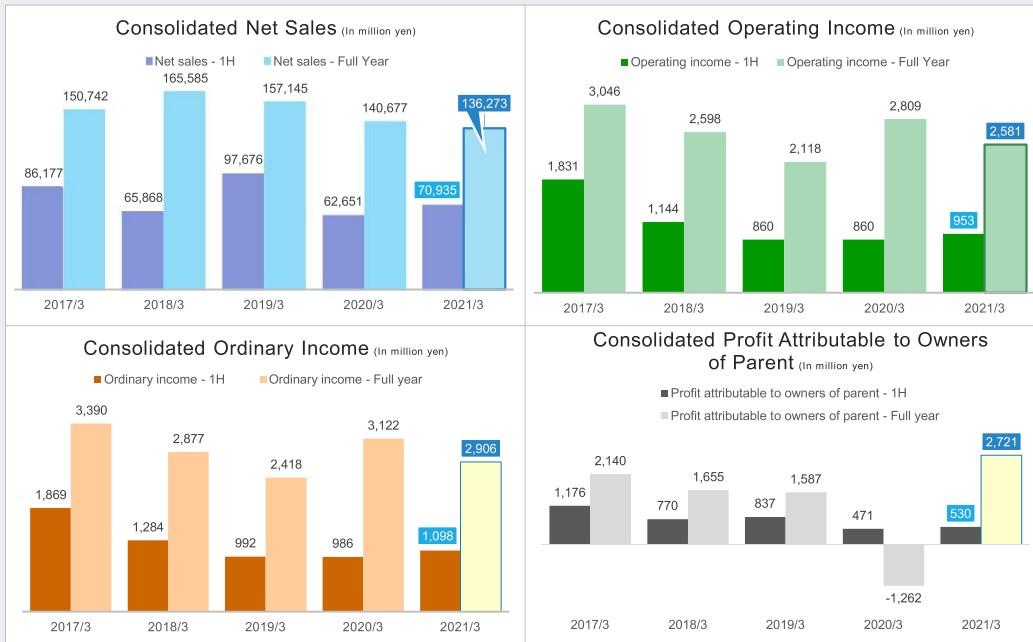
6. Performance Trend

Consolidated Net Sales, Operating Income and Profit (in million yen)



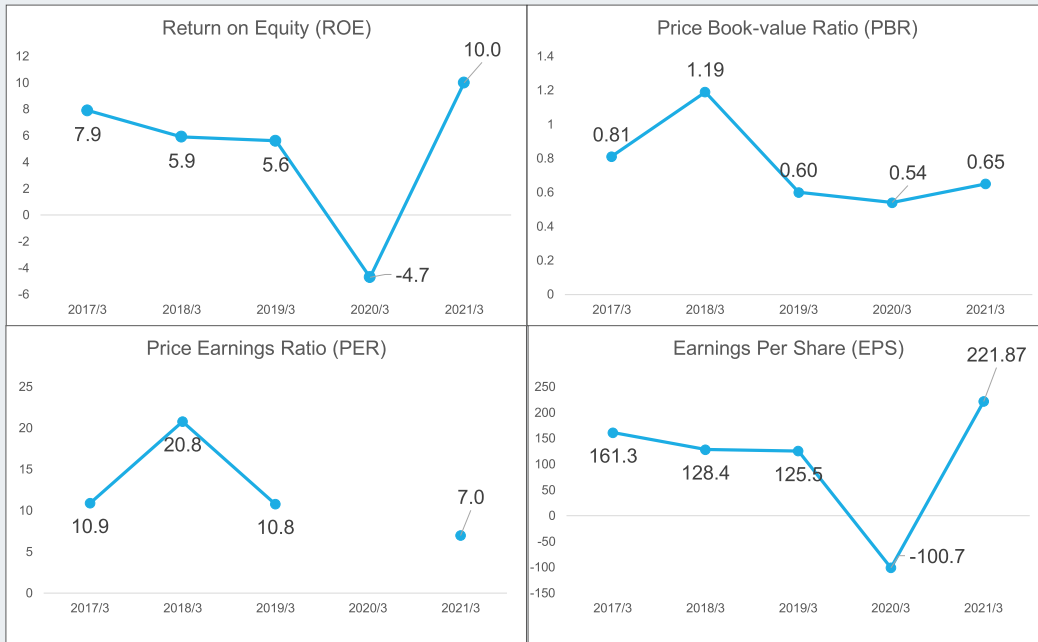


7. Changes in Consolidated Financial Results





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



Group Policy



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

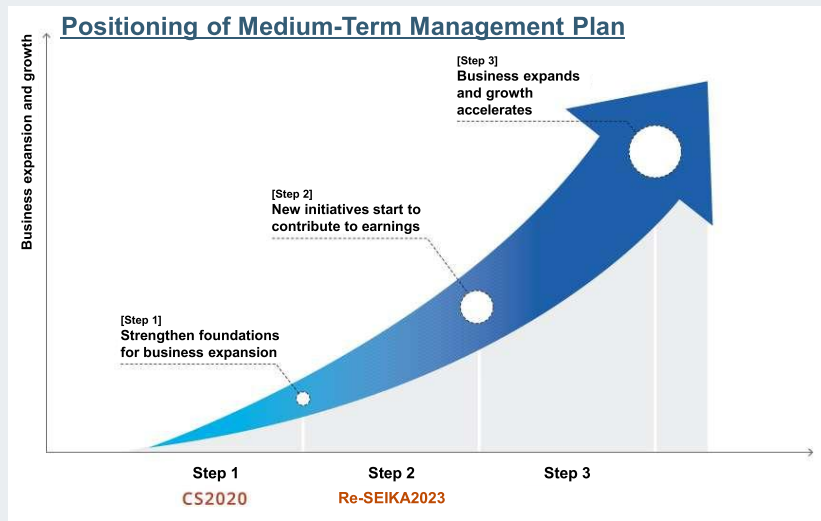
Press ahead with the reform and evolution of business models to continuously increase the Group's earning power

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





Basic Strategy under Medium-Term Management Plan Re-SEIKA 2023

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.

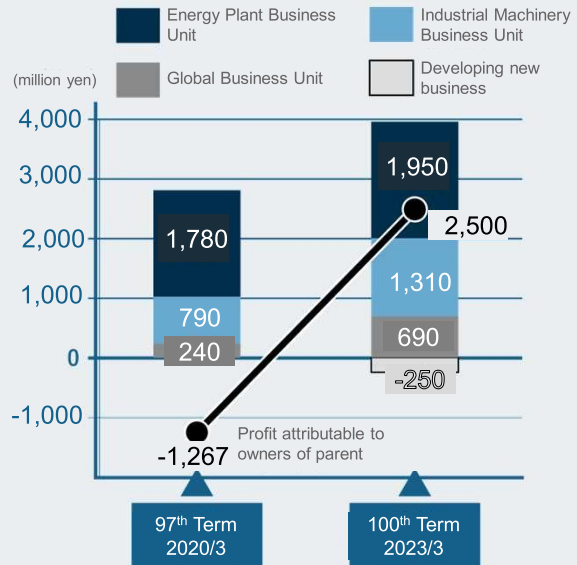


Numerical Targets under Medium-Term Management Plan Re-SEIKA 2023

Management Numerical Targets (consolidated)

	2023/3 (100 th Term)
Operating income	(Note 2) 3.7 billion yen
Profit attributable to owners of parent	(Note 2) 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.





10. ESG Initiatives



Expansion of eco-friendly products (Environment)

Result for orders received for eco-friendly products in the fiscal year ended March 31, 2021	Number of orders received	Amount of orders received (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



SEIKA CORPORATION



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

Strategical Planning Department,
Corporate Planning Division, SEIKA CORPORATION
Tel: +81-3-5221-7117
E-mail: SMB002@jp.seika.com

