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(Stock Exchange Code 8061)
June 4, 2021

To Shareholders with Voting Rights:

Akihiko Sakurai
President and Chief Executive Officer
Seika Corporation
3-3-1 Marunouchi, Chiyoda-ku, Tokyo

**NOTICE OF
THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 98th Annual General Meeting of Shareholders of Seika Corporation (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. In such case, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Wednesday, June 23, 2021, Japan time.

- 1. Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. Japan time
- 2. Place:** LEVEL XXI Tokyo Kaikan Star Room at Urbannet Otemachi Building 21F
located at
2-2-2 Otemachi, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 98th Fiscal Year (April 1, 2020 - March 31, 2021)
 - Proposals to be resolved:**
 - Proposal 1:** Dividend of Surplus
 - Proposal 2:** Election of eight (8) Directors
 - Proposal 3:** Election of one (1) Substitute Auditor

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- ⊙ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ⊙ Any amendments to the Reference Documents for the General Meeting of Shareholders or the attached documents will be posted on the Company’s website (<https://seika.com>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Dividend of Surplus

Matters related to year-end dividends

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%.

Although the Company recorded a substantial increase in profit attributable to owners of parent for the fiscal year ended March 31, 2021, the Company recognizes that this is caused by the transfer of shares in Seika YKC Circuit (Thailand) Co., Ltd., which is specific to that fiscal year. Bearing the consolidated dividend payout ratio of 35% in mind, the Company proposes to pay a year-end dividend of 25 yen per share as shown below, given factors such as the future demand for investment funds.

The annual dividend for the fiscal year ended March 31, 2021 will be 45 yen per share including the interim dividend of 20 yen already paid.

<Matters related to the year-end dividend>

- (1) Matters related to allocation of dividend property to shareholders and total amount thereof
25 yen per share of the Company's common stock and total 307,004,300 yen
- (2) Effective date of dividends from surplus
June 25, 2021

Proposal 2: Election of eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors including three (3) Outside Directors is proposed.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Akihiko Sakurai (January 10, 1959)	<p>February 1989 Joined the Company</p> <p>April 2005 General Manager, Machinery Department II, Osaka Operations Division II</p> <p>April 2009 President, Seika Shanghai Co., Ltd.</p> <p>April 2011 General Manager, Strategical Planning Department, Corporate Planning Division and General Manager, Asian Market Department, the Company</p> <p>April 2013 Executive Officer; General Manager, Tokyo Operations Division I</p> <p>April 2014 Executive Officer; Deputy General Manager, Business Control Division, Industrial Machinery Region</p> <p>June 2014 Director; Senior Executive Officer; Deputy General Manager, Business Control Division, Industrial Machinery Region</p> <p>April 2015 Director; Senior Managing Executive Officer; General Manager, Business Control Division, Industrial Machinery Region</p> <p>April 2016 Director; Senior Managing Executive Officer; General Manager, Business Control Division</p> <p>April 2018 Representative Director; President and CEO (to present)</p>	15,692
		<p>[Reason for nomination as candidate for Director]</p> <p>After serving as President of an overseas Group company, General Manager of the Strategical Planning Department, Director and General Manager of the Business Control Division, Mr. Akihiko Sakurai has been in charge of the management as Representative Director, President and CEO since April 2018. Based on his outstanding achievements in business and management, and strong leadership, the Company judges that Mr. Sakurai can decide on important matters, appropriately supervise management, and further promote building a more transparent organization, and thus nominated him again as a Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
2	Masanori Takahashi (May 25, 1957)	March 1990	13,940	
		April 2007		Joined the Company General Manager, Takamatsu Branch, Osaka Operations Division I
		April 2009		General Manager, Hiroshima Branch, Chugoku Operations Division
		April 2012		Deputy General Manager, Osaka Operations Division I and General Manager, Osaka Power Systems Department
		April 2013		General Manager, Osaka Operations Division I and General Manager, Osaka Power Systems Department
		April 2014		Executive Officer; Deputy General Manager, Business Control Division, Power Plant Region
		April 2015		Executive Officer; Deputy General Manager, Business Control Division, Power Plant Region
		June 2015		Director; Senior Executive Officer; Deputy General Manager, Business Control Division, Power Plant Region
		April 2016		Director; Senior Managing Executive Officer; Deputy General Manager, Business Control Division, Power Plant Region and General Manager, Osaka Branch
		April 2017		Director; Senior Managing Executive Officer; General Manager, Corporate Planning Division
		April 2018		Director; Senior Managing Executive Officer; General Manager, Business Control Division
		October 2018		Director; Senior Managing Executive Officer; General Manager, Business Control Division, Advanced Materials and Measuring Instruments Region
		April 2019		Director; Senior Managing Executive Officer; General Manager, Business Control Division
		April 2020		Director; Senior Managing Executive Officer; General Manager, Business Control Division, Chemical and Energy Plant Region
		June 2020		Director; Senior Managing Executive Officer; General Manager, Business Control Division
		April 2021		Director; Senior Managing Executive Officer; General Manager, Business Control Division, Chemical and Energy Plant Region (to present)
		[Reason for nomination as candidate for Director] Mr. Masanori Takahashi has fulfilled his accountability to the Board of Directors as Director and General Manager of the Business Control Division, primarily in relation to sales matters, decided on important matters and appropriately supervised management. Mr. Takahashi possesses outstanding management achievements and extensive knowledge of operations, and the Company judges that he can contribute to rebuilding the Company's revenue base. Thus, the Company has nominated him again as a Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yasumasa Kawana (September 29, 1960)	April 1984 Joined the Company	7,181
		April 2010 General Manager, Strategic Planning Department, Corporate Planning Division and Deputy General Manager, Internal Audit Division and Deputy General Manager, Affiliated Company Supervision Division	
		April 2011 General Manager, Nagoya Branch, Osaka Operations Division II	
		April 2013 Director and Deputy President, Nippon Daiya Valve Co., Ltd. (seconded)	
		July 2013 President and CEO (seconded)	
		April 2015 Executive Officer, the Company President and CEO, Nippon Daiya Valve Co., Ltd. (seconded)	
		April 2016 Senior Executive Officer, the Company President and CEO, Nippon Daiya Valve Co., Ltd. (seconded)	
		April 2017 Senior Executive Officer, the Company; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Subsidiary and Affiliate Administration Department	
		June 2017 Director; Senior Executive Officer, the Company; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Subsidiary and Affiliate Administration Department	
		April 2019 Director; Senior Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division	
		October 2020 Director; Senior Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division and General Manager, Business Strategy Department	
November 2020 Director; Senior Managing Executive Officer; General Manager, Subsidiary and Affiliate Business Strategy Division (to present)			
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yasumasa Kawana has fulfilled his accountability to the Board of Directors as Director and General Manager of the Subsidiary and Affiliate Business Strategy Division, primarily in relation to matters concerning subsidiaries and affiliates in Japan and overseas, decided on important matters and appropriately supervised management. The Company judges that, in particular, he can lead the Company's subsidiaries and affiliates in Japan and overseas from a global perspective, and contribute to expanding the Group's earnings. Thus, the Company has nominated him again as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Hajime Goto (August 28, 1960)	April 1984	
		April 2008	
		April 2013	
		April 2014	
		April 2015	
		April 2016	7,124
		April 2017	
		April 2018	
		June 2018	
		<p data-bbox="400 891 1275 925">[Reason for nomination as candidate for Director]</p> <p data-bbox="400 925 1275 1128">Mr. Hajime Goto has decided on important matters and supervised management appropriately as Director and General Manager of the Corporate Planning Division, primarily in relation to business strategy and internal controls. Mr. Goto has served as General Manager of the Power Plant Department and General Manager of the Business Administration Department, and the Company judges that he can contribute to enhancing the corporate value that the Company aims for, through his extensive experience across all facets of sales operations. Thus, the Company has nominated him again as a Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
*5	Tomoaki Hasegawa (June 1, 1963)	<p>April 1986 Joined the Company</p> <p>April 2011 General Manager, Accounting Department, General Administration Division and Deputy General Manager, Affiliated Company Supervision Division</p> <p>April 2013 General Manager, Accounting Department, General Administration Division; President, Seika Sangyo GmbH and President, Tsurumi (Europe) GmbH</p> <p>April 2016 General Manager, Accounting Department, General Administration Division and President, Seika Sangyo GmbH</p> <p>April 2019 Executive Officer; Deputy General Manager, General Administration Division and General Manager, Accounting Department, General Administration Division</p> <p>April 2021 Senior Executive Officer; General Manager, General Administration Division (to present)</p>	3,521
		<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Tomoaki Hasegawa has been involved in all aspects of management, as Executive Officer, Deputy General Manager of the General Administration Division and General Manager of the Accounting Department since April 2019, as well as a member of the Corporate Management Meeting. He has served as President of the Company's overseas subsidiaries Seika Sangyo GmbH and Tsurumi (Europe) GmbH, and possesses business and management experience and outstanding insight. The Company judges that he can contribute to enhancing the Company's corporate value and its sustainable development. Thus, the Company has nominated him as a Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Yuko Shirai (February 11, 1954)	<p>April 1986 Registered as attorney (Tokyo Bar Association)</p> <p>April 1991 Established Wing Law Office (formerly Shin-Yotsuya Law Office) (Partner) (to present)</p> <p>April 2004 Director, Kanto Federation of Bar Associations</p> <p>April 2005 Expert Committee Member and Conciliation Committee Member, Tokyo District Court</p> <p>May 2009 Chair, Shinjuku Ward Board of Education</p> <p>April 2010 Auditor, Japan Federation of Bar Associations</p> <p>April 2011 Auditor, Japan Intellectual Property Arbitration Center</p> <p>April 2012 Vice-President, Tokyo Bar Association</p> <p>October 2013 Chair, Shinjuku Ward Board of Education</p> <p>June 2015 Outside Director, the Company (to present)</p> <p>April 2016 Audit Commissioner, Shinjuku Ward, Tokyo (Part-time)</p> <p>April 2019 Chief Audit Commissioner (Part-time) (to present)</p>	2,327
		<p>[Reason for nomination as candidate for Outside Director and expected roles] Ms. Yuko Shirai has monitored and supervised the Company's management from an independent perspective as an Outside Director since June 2015. She has also been active as Chairperson of the Nomination Examination Committee, fulfilling her duties appropriately. She has specialized knowledge and insight as an attorney, mainly relating to corporate legal affairs, as well as an objective perspective overlooking society in general. The Company judges that she will continue to contribute to ensuring the transparency and fairness of the Board of Directors and enhancing the Company's corporate value, and thus nominated her again as an Outside Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Takahisa Fukao (July 15, 1949)	<p>April 1973 Joined Mitsubishi Kasei Corporation (currently Mitsubishi Chemical Corporation)</p> <p>October 2000 Director and Chief Technology Officer, Advanced Colortech, Inc.</p> <p>July 2002 General Manager, Planning & Coordination Section, Engineering Division, Mitsubishi Chemical Engineering Corporation</p> <p>June 2005 Managing Director</p> <p>April 2008 President and Chief Executive Officer</p> <p>April 2014 Counsel</p> <p>April 2015 Visiting Researcher, National Institute of Advanced Industrial Science and Technology</p> <p>June 2016 Outside Director, the Company (to present)</p> <p>October 2018 Special Counsel, CNJ Partners Inc. (to present)</p> <p>April 2020 Visiting Researcher and Chairman of the Research Promotion Committee, National Institute of Advanced Industrial Science and Technology (to present)</p>	1,814
<p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Takahisa Fukao has monitored and supervised the Company's management from an independent perspective as an Outside Director since June 2016. He has also been active as Chairperson of the Remuneration Examination Committee, fulfilling his duties appropriately. Mr. Fukao has successively held important posts such as President and Chief Executive Officer of Mitsubishi Chemical Engineering Corporation. The Company judges that he will leverage this experience to provide substantial and practical advice on matters ranging from overall management to issues related to individual businesses, and contribute to enhancing the Company's corporate value. Thus, the Company has nominated him again as an Outside Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Kiyomi Miyata (March 14, 1947)	<p>April 1969 Joined HOSOKAWA MICRON CORPORATION</p> <p>December 1998 Director</p> <p>December 2003 Vice President</p> <p>December 2008 Representative Director, President</p> <p>February 2009 Director, The Japan Society Of Industrial Machinery Manufacturers</p> <p>June 2012 Vice Chairman, Hosokawa Powder Technology Foundation</p> <p>October 2014 Chairman, HOSOKAWA MICRON CORPORATION</p> <p>December 2017 Full-time Adviser</p> <p>January 2019 Adviser (Part-time)</p> <p>June 2020 Outside Director, the Company (to present)</p>	1,289
		<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>Mr. Kiyomi Miyata has monitored and supervised the Company's management from an independent perspective as an Outside Director since June 2020. He has also been active in both the Nomination Examination Committee and the Remuneration Examination Committee, fulfilling his duties appropriately. Mr. Miyata has successively held important posts such as Representative Director and President of HOSOKAWA MICRON CORPORATION. The Company expects him to express accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight, and contribute to enhancing the Company's corporate value. Thus, the Company has nominated him again as an Outside Director.</p>	

(Notes)

1. There are no special interests between the candidates and the Company.
2. * indicates a new candidate for Director.
3. Ms. Yuko Shirai, Mr. Takahisa Fukao and Mr. Kiyomi Miyata are candidates for Outside Director.
4. Ms. Yuko Shirai, Mr. Takahisa Fukao and Mr. Kiyomi Miyata are currently Outside Directors of the Company.
5. The term of office of Ms. Yuko Shirai as Outside Director will be six years at the conclusion of this Annual General Meeting of Shareholders.
6. The term of office of Mr. Takahisa Fukao as Outside Director will be five years at the conclusion of this Annual General Meeting of Shareholders.
7. The term of office of Mr. Kiyomi Miyata as Outside Director will be one year at the conclusion of this Annual General Meeting of Shareholders.
8. The Company has entered into an agreement with Ms. Yuko Shirai, Mr. Takahisa Fukao and Mr. Kiyomi Miyata to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
9. The Company has registered Ms. Yuko Shirai, Mr. Takahisa Fukao and Mr. Kiyomi Miyata as Independent Officers with the Tokyo Stock Exchange.
10. The Company has entered into a directors and officers liability insurance contract with an insurance company, which covers legal damages and litigation expenses borne by the insured. All candidates are insured parties under the contract. The Company intends to renew the contract under the same terms when it comes due for renewal.

Proposal 3: Election of one (1) Substitute Auditor

In order to prepare for cases where a vacancy results in a shortfall in the number of Auditors prescribed by laws and regulations, the election of Mr. Katsuki Ishino as Substitute Outside Auditor is proposed.

Furthermore, prior to the appointment of Mr. Katsuki Ishino, this resolution may be canceled by resolution of the Board of Directors with the consent of the Board of Auditors.

The Board of Auditors has previously given its consent to this proposal.

The candidate for Substitute Auditor is as follows:

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Katsuki Ishino (June 16, 1962)	October 1986 Joined Former Minato Audit Corporation (currently Ernst & Young ShinNihon LLC) August 2002 Established Ishino CPA Office December 2003 UNITED PARTNERS (JAPAN) INC. April 2008 Established NXT Accounting Ltd. June 2013 Appointed as Representative Director, President (to present) June 2014 Established Nozomy Audit Corporation Managing Partner (to present) June 2014 Civil Conciliation Commissioner of Tokyo Summary Court April 2020 Outside Auditor, Joto Lyprone Co., Ltd. (to present)	-

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Katsuki Ishino is a candidate for Substitute Outside Auditor, and if he is appointed as an Auditor, the Company plans to register him as an Independent Officer with the Tokyo Stock Exchange.
3. Mr. Katsuki Ishino has been engaged in accounting and auditing as a certified public accountant for many listed companies. In addition, as the Representative Director and President of NXT Accounting Ltd., he has provided consulting services in various fields, including business strategies, legal affairs, tax affairs, accounting, auditing, evaluation, personnel and labor matters, and information technologies. The Company has judged that Mr. Ishino can utilize his high insight based on such experience to strengthen the auditing structure of the Company, and thus nominated him as a Substitute Outside Auditor.
4. If Mr. Katsuki Ishino is appointed as an Outside Auditor, the Company plans to enter into an agreement with him to limit his liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act.
5. The Company has entered into a directors and officers liability insurance contract with an insurance company, which covers legal damages and litigation expenses borne by the insured. If Mr. Katsuki Ishino is appointed as an Outside Auditor, then he will be an insured party under the contract.

Reference

1. Selection of candidates for Director

The candidates for Director are determined by resolution of the Board of Directors, after the Nomination Examination Committee, which is composed entirely of Independent Officers, engages in fair, objective timely and transparent deliberation and the reports the results of this deliberation to the Board of Directors.

<Selection Criteria>

Directors: Possesses outstanding character and insight, advanced management ability, specialized business knowledge and extensive experience, and is capable of appropriate judgment and supervision as a member of senior management.

Outside Directors: In addition to the qualities above, possesses operational experience and achievements at another company or organization, and is capable of providing appropriate judgement, suggestions and supervision of all aspects of management from an independent standpoint.

2. Diversity of the Board of Directors (if Proposal 2 is approved)

Director candidate No.	Name	Independent	Skills expected by the Company (knowledge, experience, abilities)					
			Corporate management / business management	Finance / Accounting	Legal affairs / compliance	Market trends / technology	Trading company sales	International
1	Akihiko Sakurai		●		●	●	●	●
2	Masanori Takahashi					●	●	
3	Yasumasa Kawana		●				●	●
4	Hajime Goto				●		●	
5	Tomoaki Hasegawa		●	●				●
6	Yuko Shirai	●		●	●			
7	Takahisa Fukao	●	●			●		●
8	Kiyomi Miyata	●	●			●		●

Note: The table above does not present all skills possessed by each candidate.

Business Report

(April 1, 2020 - March 31, 2021)

1. Overview of the Corporate Group

(1) Business Progress and Results

During the fiscal year under review, the Group faced an extremely adverse business environment due to the impact of the spread of the global COVID-19 pandemic, with restrictions on economic and social activities including lockdowns overseas and the declaration of a state of emergency twice in Japan.

In this environment, the Group came together as one to strive to secure revenue and deal with the impact of COVID-19, including by securing the safety of its employees and cooperating with social demands. The Group recorded net sales of 136,273 million yen (down 3.1% year on year), operating income of 2,581 million yen (down 8.1% year on year) and ordinary income of 2,906 million yen (down 6.9% year on year).

Under the Medium-Term Management Plan Re-SEIKA 2023, which commenced from the fiscal year under review, the Group proceeded with the optimization of its business portfolio, transferred the shares of its printed circuit board manufacturing subsidiary Seika YKC Circuit (Thailand) Co., Ltd., and withdrew from the business. As a result, profit attributable to owners of parent was 2,721 million yen (compared to loss attributable to owners of parent of 1,262 million yen in the previous fiscal year).

The results by segment are as follows.

From the fiscal year under review, reportable segments and the method used to calculate segment profit have changed as described below.

The reportable segments “Industrial Machinery Business” and “Advanced Materials and Measuring Instruments Business” have been combined, resulting in four reportable segments – “Power Plant Business,” “Chemicals and Energy Plant Business,” “Industrial Machinery Business” and “Global Business” – to reflect actual business operations.

Regarding the method used to calculate segment profit, the amortization of goodwill and company-wide expenses, which were previously presented as adjustments for the difference between the sum of segment profits and operating income, are distributed to each segment in accordance with a reasonable standard.

Comparisons with the previous fiscal year are presented after applying the changes to reportable segments and the method used to calculate segment profit.

[Power Plant Business]

Net sales were 52,494 million yen (up 31.3% year on year) as a result of an increase in sales for large projects, such as generation equipment renewal works.

Segment profit was 1,325 million yen (down 6.4% year on year) due to a decrease in medium and small projects for thermal power generation equipment, despite an increase in projects such as safety countermeasure works, based on new regulatory standards for nuclear power plants.

[Chemicals and Energy Plant Business]

Net sales were 28,494 million yen (down 33.7% year on year) in the absence of large-scale sales of new power generation equipment for general industry.

Segment profit was 84 million yen (down 84.0% year on year) partly due to an additional expense burden in some of the Company’s transactions.

[Industrial Machinery Business]

Net sales were 43,677 million yen (down 5.7% year on year) as a result of a decline in sales of lithium-ion battery-related equipment to China, despite an increase in sales of industrial machinery to plant engineering companies.

Segment profit was 1,179 million yen (up 14.1% year on year) due to the contribution to earnings by steady business results of Nippon Daiya Valve Co., Ltd. and improvement in the business results of Seika Digital Image CORPORATION, in addition to large-scale sales from power distribution equipment works for semiconductor manufacturers.

[Global Business]

Net sales were 11,608 million yen (up 1.6% year on year) as a result of steady performances by subsidiaries in Europe, the United States and Southeast Asia, including the Tsurumi (Europe) GmbH Group, which handles submersible pumps for public works.

However, segment loss of 7 million yen was recorded (compared to segment loss of 207 million yen in the previous year) due to the poor performance of Seika YKC Circuit (Thailand) Co., Ltd.

Overseas sales of the Group were 14,575 million yen (up 9.5% year on year), and accounted for 10.7% of the total net sales of the Group.

The amount of orders received and net sales of the Group by segment are as follow:

Segment	97th fiscal year				98th fiscal year			
	Amount of orders received		Net sales		Amount of orders received		Net sales	
	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)
Power Plant	56,825	46.9	39,965	28.4	56,646	40.0	52,494	38.5
Chemicals and Energy Plant	35,622	29.4	42,970	30.5	27,409	19.3	28,494	20.9
Industrial Machinery	16,741	13.8	46,312	33.0	44,453	31.3	43,677	32.1
Global Business	11,974	9.9	11,428	8.1	13,330	9.4	11,608	8.5
Total	121,164	100.0	140,677	100.0	141,840	100.0	136,273	100.0

(2) Capital Investments

There are no special matters to be noted.

(3) Financing

Funds required for the fiscal year under review were self-financed or financed through borrowings and were not procured through capital increase or bond issue.

(4) Business Acquisitions from Other Companies

On October 1, 2020, the Company acquired from Mitsubishi Heavy Industries Engine & Turbocharger, Ltd. the marine engine sales and service business of its wholly-owned subsidiary, Mitsubishi Heavy Industries Engine Systems, Ltd. The name of the acquired subsidiary was changed to Seika Daiya Engine Co., Ltd.

(5) Issues to Be Addressed

The Group's business environment is changing at an unimagined pace, with the transformation of the management environment due to the COVID-19 pandemic, and the rise in social awareness and interest in sustainability. We aim to be a corporate group with a firm management base, able to adapt to these changes in the business environment. To this end, we launched our Medium-Term Management Plan Re-SEIKA 2023 from the fiscal year under review, with the basic policy of "evolving into a strong and valuable company through changes and challenges."

We will steadily implement the following basic policies set forth in our Medium-Term Management Plan, to enhance corporate value and achieve sustainable growth.

1) Increase the Group's revenue

The Group currently encompasses 27 subsidiaries and affiliates across 14 countries.

The digital revolution has brought about the sudden globalization of markets. In order to adapt to the changing environment, with increasingly diverse needs and technologies, we formulated a Group Policy, Code of Conduct and Group Mission, aiming to create shared value perceptions and decision standards. We will effectively leverage each Group company's function, founded on a heightened awareness at each company, to enhance our development capabilities for new products and services,

and our competitive strength. In this way, we aim to expand revenue across the entire Group.

On October 1, 2020, we acquired Seika Daiya Engine Co., Ltd., which engages in the sale and service of marine engines, as a subsidiary, striving to expand group revenue.

2) Strengthen the revenue base

We are developing the energy plant business, a base revenue business, to achieve the dual goals of maintaining a social environment without blackouts, and promoting decarbonization. In addition to actively engaging in renewable energies such as small-scale hydroelectric power generation and biomass, we are also taking the challenge to engage in new businesses, as a member of the Japan Hydrogen Association, which aims for social implementation of hydrogen technologies, regarded as a carbon-free energy source.

In the industrial machinery business, we managed to achieve some degree of performance as a result of widespread activities encompassing chemicals, synthetic fiber, plants, etc., despite the cancellation or postponement of capital investment in some industries due to the COVID-19 pandemic. This business is expected to achieve revenue expansion in the future, and we will strength our efforts to incorporate market needs into products, and actively inject management resources to engage in new, cutting-edge initiatives.

3) Develop new revenue sources

We will continually devote management resources to developing new revenue sources, with the object of driving the establishment of bases for the Group's sustainable growth. We have designated renewable energy, life sciences and mobility as businesses that will contribute to revenue in the future, and we are promoting projects on these business themes.

The pioneering of new fields and new businesses is vital to improve the Group's earnings capacity, and we will develop initiatives including business investment and alliances with strategic partners, including the establishment of new business models not limited to the sale of machinery.

4) Strengthen the management base

We have promoted various projects to utilize human resources and contribute to society, in order to be a strong and valuable corporate group. In addition to implementing a range of countermeasures to prevent the spread of COVID-19, we endeavored to enhance workplace environments, to respond flexibly to online meetings, seminars, and working from home. We will continue to strive to improve operational efficiency and productivity through greater use of IT and the promotion of DX, to strengthen our management base.

5) Enhance corporate governance

We will revise our corporate governance code, and build internal controls for the whole Group, including subsidiaries, to gain the trust of all our stakeholders. By enhancing these measures, we aim to achieve sound and highly transparent management.

(6) Trends in Assets and Income

(In million yen, unless otherwise specified.)

Item	95th fiscal year (FY2017)	96th fiscal year (FY2018)	97th fiscal year (FY2019)	98th fiscal year (FY2020)
Net sales	165,585	157,145	140,677	136,273
Operating income	2,598	2,118	2,809	2,581
Ordinary income	2,877	2,418	3,122	2,906
Profit (loss) attributable to owners of parent	1,655	1,587	(1,262)	2,721
Profit (loss) per share (yen)	128.38	125.50	(100.73)	221.87
Net assets	28,988	29,066	25,911	29,889
Net assets per share (yen)	2,245.33	2,246.34	2,058.12	2,365.06
Total assets	98,295	85,742	92,668	97,458

Notes: 1. The Company implemented a consolidation of shares at a ratio of one share for every five shares of its common stock with an effective date of October 1, 2017. Profit per share and net assets per share are calculated on the assumption that the said consolidation of shares was conducted at the beginning of the 95th fiscal year.

2. The “Ordinance Partially Amending the Regulation for Enforcement of the Companies Act and Regulation on Corporate Accounting” (Ministry of Justice Ordinance No. 5, March 26, 2018) issued in line with the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the 96th fiscal year, and total assets for the 95th fiscal year are the figures after the retroactive application of the said accounting standard.
3. The Company recorded loss attributable to owners of parent in the 97th fiscal year, due to impairment losses on non-current assets for Seika YKC Circuit (Thailand) Co., Ltd., which is engaged in the printed circuit board manufacturing business, and an adjustment payment as a result of reviewing the prices of certain past transactions conducted by the Company in Japan.

(7) Parent Company and Major Subsidiaries

1) Relations with parent company

Not applicable.

2) Major subsidiaries

Name	Capital	Capital investment ratio	Principal business
Nippon Daiya Valve Co., Ltd.	96 million (JPY)	100%	Manufacture and sale of valves
TAKEMOTO AND COMPANY LIMITED	10 million (JPY)	100%	Sales of secondary metal products and piping equipment
Seika Digital Image CORPORATION	95 million (JPY)	100%	Sales of advanced measuring instruments and software
Shikishimakiki Corporation	96 million (JPY)	100%	Sales and installation of ships, internal combustion engines, fishing equipment, power generation equipment, etc.
Seika Daiya Engine Co., Ltd.	96 million (JPY)	100%	Sales and servicing of marine engines in Japan, and sales of related products
Seika Sangyo GmbH	1,533 thousand (EUR)	100%	Sales of industrial machinery and electronic information system equipment
Tsurumi (Europe) GmbH	550 thousand (EUR)	95%	Sales of submersible pumps
Tsurumi France S.A.S.	375 thousand (EUR)	(95%)	Sales and rental of submersible pumps and wastewater treatment and other environmental equipment
HYDREUTES, S.A.U.	60 thousand (EUR)	(95%)	Sales of submersible pumps and wastewater treatment and other environment-related equipment
Marine Motors & Pumps N.V.	158 thousand (EUR)	(76%)	Sales and rental of submersible pumps
Obart Pumps (Holdings) Limited	100 (GBP)	(76%)	Holding company of Obart Pumps Limited
Obart Pumps Limited	50 thousand (GBP)	(76%)	Sales of submersible pumps
SEIKA MACHINERY, INC.	1,000 thousand (USD)	100%	Sales of industrial machinery and electronic information system equipment
SEIKA SHANGHAI CO., LTD.	47,744 thousand (CNY)	100%	Sales of industrial machinery and raw materials for synthetic fiber production
TIANJIN DAIYA VALVE CO., LTD.	16,175 thousand (CNY)	(100%)	Manufacture and sale of valves

Name	Capital	Capital investment ratio	Principal business
Seika Sangyo (Thailand) Co., Ltd.	20,000 thousand (THB)	49%	Sale of industrial machinery, electrical equipment and related materials, and after-sales service for these products
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	64,000 million (VDN)	100%	Sales of industrial machinery, electrical equipment and related materials, and after-sales service for these products

- Notes: 1. Figures in parentheses in the Company's "capital investment ratio" column indicate the indirect investment ratio.
2. Although the percentage of voting rights held by the Company in Seika Sangyo (Thailand) Co., Ltd. does not exceed 50%, the said company is included as a subsidiary because it is effectively controlled by the Company.
3. There are no subsidiaries that fall under the category of a specified wholly owned subsidiary.
4. Seika YKC Circuit (Thailand) Co., Ltd., which was a consolidated subsidiary at the end of the previous fiscal year, has been excluded from the scope of consolidation because the Company sold all shares that it held in Seika YKC Circuit (Thailand) Co., Ltd. during the fiscal year under review.
5. Seika Daiya Engine Co., Ltd. became a consolidated subsidiary of the Company from the fiscal year under review, as a result of the acquisition of 100% of its shares by the Company on October 1, 2020.

(8) Principal Business

The Group is engaged in the sale, maintenance, and servicing of machinery and equipment in the fields of power, chemicals and energy, and industrial machinery, as well as related equipment and ancillary products, both in Japan and overseas.

The main products and services of each business are as follows:

Segment	Main products and services
Power Plant	Power generation equipment, environmental protection equipment, and related equipment, etc.
Chemicals and Energy Plant	Power generation equipment, environmental protection equipment, and related equipment for general industries, and process manufacturing equipment, etc.
Industrial Machinery	Machinery and equipment for new materials and textiles, food and brewing, publishing and printing, plant engineering, various materials, raw materials (fibrous materials, printed circuit boards, etc.) and advanced measuring instruments, etc.
Global Business	Submersible pumps, wastewater treatment equipment, machinery and equipment for textile and chemical industries, raw materials (fibrous materials) and electronics packaging-related equipment, etc.

(9) Principal Business Locations

1) Principal offices of the Company

Head office: Chiyoda-ku, Tokyo

Branch office: Osaka

Other branches: Nagoya, Hiroshima, Fukuoka, and other major cities in Japan and overseas

2) Principal offices of major subsidiaries

Nippon Daiya Valve Co., Ltd. (Shinagawa-ku, Tokyo)

TAKEMOTO AND COMPANY LIMITED (Kobe, Hyogo Prefecture)

Seika Digital Image CORPORATION (Minato-ku, Tokyo)

Shikishimakiki Corporation (Sapporo, Hokkaido)

Seika Daiya Engine Co., Ltd. (Shinjuku-ku, Tokyo)

Seika Sangyo GmbH (Germany)
Tsurumi (Europe) GmbH (Germany)
Tsurumi France S.A.S. (France)
HYDREUTES, S.A.U. (Spain)
Marine Motors & Pumps N.V. (Belgium)
Obart Pumps (Holdings) Limited (U.K.)
Obart Pumps Limited (U.K.)
SEIKA MACHINERY, INC. (U.S.A.)
SEIKA SHANGHAI CO., LTD. (China)
TIANJIN DAIYA VALVE CO., LTD. (China)
Seika Sangyo (Thailand) Co., Ltd. (Thailand)
SEIKA SANGYO (VIETNAM) COMPANY LIMITED (Vietnam)

(10) Employees

Department category	Number of employees (persons)	YoY change (persons)
Power Plant	62	+1
Chemicals and Energy Plant	216	+110
Industrial Machinery	351	+6
Global Business	184	-130
Corporate (common)	156	+11
Total	969	-2

- Notes:
1. The number of employees excludes employees seconded from the Group to companies outside the Group but includes employees seconded from companies outside the Group to the Group.
 2. The number of employees in the “Corporate (common)” row is the number of those belonging to administrative departments that cannot be categorized into specific departments.
 3. From the fiscal year under review, the Company’s business segments have been reclassified into Power Plant, Chemicals and Energy Plant, Industrial Machinery, and Global Business. Figures for the previous fiscal year have been recalculated according to this new classification for the purpose of comparison.
 4. The increase in the number of employees in Chemicals and Energy Plant was mainly due to the acquisition of the marine engine sales and service business of Mitsubishi Heavy Industries Engine Systems, Ltd. which became a consolidated subsidiary of the Company under the name Seika Daiya Engine Co., Ltd.
 5. The decrease in the number of employees in Global Business was mainly due to the transfer of all shares in Seika YKC Circuit (Thailand) Co., Ltd., which was a printed circuit board manufacturing and sales subsidiary, to a third party, and its exclusion from the scope of consolidation.

(11) Main Lenders

Name of lender	Balance of borrowings
MUFG Bank, Ltd.	3,390 million yen

2. Status of Shares

- (1) Total Number of Authorized Shares 37,705,800 shares
- (2) Total Number of Outstanding Shares 12,280,172 shares
(excluding 540,478 treasury shares)
- (3) Number of Shareholders 7,957 persons
(a decrease of 377 from the previous fiscal year-end)

(4) Major Shareholders

Shareholder	Number of shares held (thousand shares)	Equity ownership (%)
Mitsubishi Power, Ltd.	826	6.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	676	5.51
Hikari Tsushin K.K.	654	5.33
MUFG Bank, Ltd.	400	3.26
Yamaguchi Bank, Ltd.	352	2.87
Custody Bank of Japan, Ltd. (Trust Account)	346	2.82
Nikkiso Co., Ltd.	318	2.59
Mitsubishi Electric Corporation	286	2.33
Tsurumi Manufacturing Co., Ltd.	267	2.17
Sumitomo Mitsui Banking Corporation	234	1.91

- Notes: 1. Quantities of less than one thousand shares are rounded down.
2. The Company holds 540,478 treasury shares, which are excluded from the above list of major shareholders. In addition, equity ownership is calculated excluding treasury shares.

(5) Other Important Matters Concerning Shares

At a meeting of the Board of Directors held on March 31, 2021, the Company resolved to repurchase its own shares in accordance with the provisions of Article 156 of the Companies Act as applied mutatis mutandis pursuant to Article 165, Paragraph 3 of the same Act, as follows:

Type of shares to be acquired:	Common stock of the Company
Total number of shares to be acquired:	400,000 shares (maximum)
Total cost of shares acquired:	700,000,000 yen (maximum)
Period of acquisition:	April 1, 2021 – June 30, 2021

3. Company's Stock Acquisition Rights, etc.

(1) Stock Acquisition Rights Held by the Company's Directors (as of March 31, 2021)

Name (date of resolution)	Exercise period	Number of stock acquisition rights and number of holders	Class and number of shares	Issue price (yen)	Amount to be paid in upon exercise
1st series of stock acquisition rights (June 24, 2016)	From August 10, 2016 to August 9, 2046	1,191 units 5 persons	23,820 shares of common stock	22,420 per unit	1 yen per share
2nd series of stock acquisition rights (June 27, 2017)	From July 15, 2017 to July 14, 2047	815 units 5 persons	16,300 shares of common stock	38,420 per unit	1 yen per share
3rd series of stock acquisition rights (June 26, 2018)	From July 14, 2018 to July 13, 2048	707 units 5 persons	14,140 shares of common stock	42,000 per unit	1 yen per share
4th series of stock acquisition rights (June 25, 2019)	From July 13, 2019 to July 12, 2049	1,569 units 5 persons	31,380 shares of common stock	24,180 per unit	1 yen per share
5th series of stock acquisition rights (June 24, 2020)	From July 23, 2020 to July 22, 2050	1,564 units 5 persons	31,280 shares of common stock	21,880 per unit	1 yen per share

- Notes: 1. Stock acquisition rights are granted to Directors (excluding Outside Directors) as stock compensation-type stock options.
2. Stock acquisition rights may be exercised only for a period of 10 days from the day immediately following the day on which the position of Director or Executive Officer of the Company was forfeited, and on a lump-sum basis.

(2) Stock Acquisition Rights Allotted to the Company's Executive Officers Who Are Not Directors during the Fiscal Year under Review

Name (date of resolution)	Exercise period	Number of stock acquisition rights and number of holders	Class and number of shares	Issue price (yen)	Amount to be paid in upon exercise
5th series of stock acquisition rights (June 24, 2020)	From July 23, 2020 to July 22, 2050	1,288 units 8 persons	25,760 shares of common stock	21,880 per unit	1 yen per share

- Notes: 1. Stock acquisition rights are granted to Executive Officers who are not Directors as stock compensation-type stock options.
2. Stock acquisition rights may be exercised only for a period of 10 days from the day immediately following the day on which the position of Director or Executive Officer of the Company was forfeited, and on a lump-sum basis.

The Company implemented a consolidation of shares at a ratio of one share for every five shares of its common stock with an effective date of October 1, 2017, and the number of shares for the purpose of stock acquisition rights have been adjusted accordingly.

4. Company Officers

(1) Names, etc. of Directors and Auditors.

Position	Name	Responsibilities and significant concurrent positions
President and Representative Director	Akihiko Sakurai	President and CEO Chairman of the Board of Directors Member of the Remuneration Examination Committee
Director	Masaaki Yamashita	Senior Managing Executive Officer General Manager, General Administration Division Member of the Remuneration Examination Committee
Director	Masanori Takahashi	Senior Managing Executive Officer General Manager, Business Control Division
Director	Yasumasa Kawana	Senior Managing Executive Officer General Manager, Subsidiary and Affiliate Business Strategy Division
Director	Hajime Goto	Senior Executive Officer General Manager, Corporate Planning Division
Outside Director	Yuko Shirai	Chairperson of the Nomination Examination Committee Member of the Remuneration Examination Committee Partner, Wing Law Office
Outside Director	Takahisa Fukao	Chairperson the Remuneration Examination Committee Member of the Nomination Examination Committee
Outside Director	Kiyomi Miyata	Member of the Remuneration Examination Committee Member of the Nomination Examination Committee
Full-time Auditor	Masashi Takahashi	Chairman of the Board of Auditors
Full-time Auditor	Masanori Abe	Member of the Nomination Examination Committee
Outside Auditor	Yasutaka Keno	Member of the Remuneration Examination Committee Partner, King & Wood Mallesons Law Offices (Foreign Law Joint Enterprise)
Outside Auditor	Yoshihiko Nakamura	Yoshihiko Nakamura, Certified Public Accountant, Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION

- Notes:
1. Auditor Mr. Tatsuhiko Hirayama retired by resignation at the conclusion of the 97th Annual General Meeting of Shareholders.
 2. Outside Director Ms. Yuko Shirai and Outside Auditor Mr. Yasutaka Keno are qualified attorneys.
 3. Outside Auditor Mr. Yoshihiko Nakamura is a certified public accountant and has considerable knowledge of finance and accounting.
 4. The Company has registered Outside Directors Ms. Yuko Shirai, Mr. Takahisa Fukao and Mr. Kiyomi Miyata, and Outside Auditors Mr. Yasutaka Keno and Mr. Yoshihiko Nakamura as Independent Officers with the Tokyo Stock Exchange.

5. The following personnel changes were made as of April 1, 2021.

Position	Name	Responsibilities and significant concurrent positions after changes
Director	Masanori Takahashi	Managing Executive Officer General Manager, Business Control Division Chemical and Energy Plant Region
Director	Masaaki Yamashita	Assistant to the President

(2) Summary of Agreement on Limitation of Liability

The Company has entered into an agreement with its Outside Directors and Outside Auditors to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Compensation, etc. of Directors and Auditors

1) Decision policy regarding the details of compensation, etc. for individual Directors

Compensation, etc. for Directors of the Company consists of basic compensation (fixed compensation) based on internal regulations, as well as (with the exception of Outside Directors) bonuses linked to short-term performance, and (with the exclusion of Outside Directors) stock compensation-type stock options linked to medium- to long-term performance. Bonuses are linked to consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes in order to encourage management focus on expanding Group revenue, and scaled by a factor depending on rank for payment.

Under the decision policy described above, compensation, etc. for Directors of the Company is paid based on regulations resolved by the Board of Directors after extensive discussions, and within the limit approved by resolution of the General Meeting of Shareholders.

Compensation, etc. for Directors for the fiscal year under review is therefore deemed to be in accordance with the decision policy described above.

In order to reinforce fairness, transparency and accountability, the Company has established the Remuneration Examination Committee as a voluntary body under the Board of Directors. A majority of the members of the Remuneration Examination Committee are Independent Officers (Outside Directors and Outside Auditors).

Compensation, etc. for individual Directors is decided by the Board of Directors after deliberation and recommendations by the Remuneration Examination Committee.

2) Resolutions of the General Meeting of Shareholders regarding compensation, etc. for Directors and Auditors

Compensation for Directors of the Company was limited to a maximum of 300 million yen per annum by resolution of the General Meeting of Shareholders held on June 29, 2006. At the time, seven (7) Directors were subject to this resolution, but the limit of 300 million yen per annum was calculated on the premise of a maximum of 11 Directors, which is the maximum number allowed under the Company's Articles of Incorporation.

Compensation in the form of stock compensation-type stock options was limited to a maximum of 60 million yen per annum by resolution of the General Meeting of Shareholders held on June 24, 2016. At the time, four (4) Directors (excluding Outside Directors) were subject to this resolution, but the limit of 60 million yen per annum was calculated on the premise of a maximum of 11 Directors, which is the maximum number allowed under the Company's Articles of Incorporation, reduced by the number of Outside Directors.

Compensation for Auditors of the Company was limited to a maximum of 51 million yen per annum by resolution of the General Meeting of Shareholders held on June 24, 2016. At the time, four (4) Auditors were subject to this resolution, and the limit of 51 million yen per annum was calculated on the premise of a maximum of four (4) Auditors, which is the maximum number allowed under the Company's Articles of Incorporation.

Individual amounts are determined through discussion between Auditors.

3) Total amounts of compensation, etc. for Directors and Auditors

Office	Total compensation (in million yen)	Total compensation by type (in million yen)			Number of eligible recipients
		Fixed compensation	Performance-linked compensation	Non-monetary compensation	
Directors (of whom, Outside Directors)	229 (16)	156 (16)	38 (-)	34 (-)	8 (3)
Auditors (of whom, Outside Auditors)	51 (10)	51 (10)	-	-	6 (3)

- Notes:
1. Bonuses are paid to Directors (excluding Outside Directors) as performance-linked compensation. Bonuses are linked to consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes in order to encourage management focus on expanding Group revenue, and scaled by a factor depending on rank for payment. The Company's result for this indicator during the fiscal year under review was 2,889 million yen.
 2. Stock compensation-type stock options are granted as non-monetary compensation to Directors (excluding Outside Directors).
Details of the stock compensation-type stock options and their granting are presented in
 3. Company's Stock Acquisition Rights, etc.

(4) Outside Directors and Outside Auditors

1) Significant concurrent positions and relationship with the Company

Category	Name	Significant concurrent positions
Director	Yuko Shirai	Partner, Wing Law Office
Auditor	Yasutaka Keno	Partner, King & Wood Mallesons Law Offices (Foreign Law Joint Enterprise)
Auditor	Yoshihiko Nakamura	Yoshihiko Nakamura, Certified Public Accountant, Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION

Note: The Company has business transactions with MITSUBISHI MOTORS CORPORATION, where Auditor Yoshihiko Nakamura holds a significant concurrent position.
There are no special relationships between the Company and any other companies where the Director and Auditors hold significant concurrent positions.

2) Main Activities

Category	Name	Main activities
Director	Yuko Shirai	<p>Ms. Yuko Shirai attended all of the meetings of the Board of Directors held during the fiscal year under review, and provided advice not only from her professional perspective as an attorney but also from an objective perspective overlooking society in general, to ensure the transparency and fairness of the decisions made by the Board of Directors.</p> <p>She also serves as the Chairperson of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors, and as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive compensation system.</p> <p>During the fiscal year under review, the Nomination Examination Committee met eight times and the Remuneration Examination Committee met eight times, and Ms. Yuko Shirai attended all of these meetings.</p>
Director	Takahisa Fukao	<p>Mr. Takahisa Fukao attended all of the meetings of the Board of Directors held during the fiscal year under review, and used his extensive experience to provide practical advice on matters ranging from overall management to issues related to individual businesses, and contribute to enhancing the Company's corporate value.</p> <p>He also serves as Chairperson of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive compensation system, and as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors.</p> <p>During the fiscal year under review, the Remuneration Examination Committee met eight times and the Nomination Examination Committee met eight times, and Mr. Takahisa Fukao attended all of these meetings.</p>

Category	Name	Main activities
Director	Kiyomi Miyata	<p>Mr. Miyata Kiyomi attended all of the meetings of the Board of Directors held after he assumed office, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value.</p> <p>He also serves as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors, as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive compensation system, and as Chairperson of the Internal Investigation Committee to investigate scandals at consolidated subsidiaries.</p> <p>During the fiscal year under review, the Nomination Examination Committee met eight times and the Remuneration Examination Committee met eight times, and Mr. Miyata Kiyomi attended all of these meetings.</p>
Auditor	Yasutaka Keno	<p>Mr. Yasutaka Keno attended all of the meetings of the Board of Directors and meetings of the Board of Auditors held during the fiscal year under review, and made comments from his professional perspective as an attorney, to ensure the legality and validity of the decisions made by the Board of Directors as an Auditor.</p> <p>He also serves as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors, and as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive compensation system.</p> <p>During the fiscal year under review, the Nomination Examination Committee met eight times and the Remuneration Examination Committee met eight times, and Mr. Yasutaka Keno attended all of these meetings.</p>
Auditor	Yoshihiko Nakamura	<p>Mr. Yoshihiko Nakamura attended all of the meetings of the Board of Directors and meetings of the Board of Auditors held after he assumed office, and made comments from his professional perspective as a certified public accountant, to ensure the legality and validity of the decisions made by the Board of Directors as an Auditor.</p>

5. Accounting Auditor

(1) Accounting Auditor's Name
Meiko Audit Corporation

(2) Summary of Agreement on Limitation of Liability
The Company has entered into an agreement with the Accounting Auditor to limit said firm's liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Accounting Auditor's Compensation, etc.

1) Amount of compensation, etc. for the fiscal year under review	49 million yen
2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor	49 million yen

Notes:

- The Board of Auditors, based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, confirmed the details of the audit, the status of execution of duties, and changes in audit compensation of the Accounting Auditor, and examined the appropriateness of the audit time by item and the amount of compensation for the fiscal year under review. As a result, the Board of Auditors has given its consent to the Accounting Auditor's compensation, etc. as prescribed in Article 399, Paragraph 1 of the Companies Act.
- In the audit contract between the Company and the Accounting Auditor, it is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the aggregate amount is shown in 1) above.

(4) Accounting Auditor's Compensation, etc.

Company name	Name of auditing firm, etc.
Seika Sangyo GmbH	PricewaterhouseCoopers
Tsurumi (Europe) GmbH	PricewaterhouseCoopers
Tsurumi France S.A.S.	Christian Davoult
HYDREUTES, S.A.U.	Iberica de Auditores S.L.
Marine Motors & Pumps N.V.	HLB Dodemont-Van Impe & Co BV CVBA
Obart Pumps (Holdings) Limited	Kreston Reeves LLP
Obart Pumps Limited	Kreston Reeves LLP
SEIKA MACHINERY, INC.	Century & Yanai
SEIKA SHANGHAI CO., LTD.	Shu Lun Pan CPAs LLP
Seika YKC Circuit (Thailand) Co., Ltd.	Professional Auditing Service Co., Ltd.
Seika Sangyo (Thailand) Co., Ltd.	Professional Auditing Service Co., Ltd.

(5) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor
When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Board of Auditors shall dismiss the Accounting Auditor subject to the consent of all Auditors.

In this case, the Auditor selected by the Board of Auditors shall report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be held after the dismissal.

In addition to the above, when it is recognized that there is a problem with the Accounting Auditor's execution of duties or that it is deemed reasonable to change the Accounting Auditor, the Board of Auditors shall decide the content of a proposal for dismissal or non-reappointment of the Accounting Auditor, and the Board of Directors shall, based on that decision, submit the said proposal to the General Meeting of Shareholders.

6. Company Systems and Policies

(1) Systems for Ensuring the Appropriateness of Business Operations

In order to ensure compliance with laws, regulations and the Articles of Incorporation, and to enhance corporate value through proper and efficient execution of business, under its corporate philosophy, “Contribute to Society Through the Expansion of Business,” the Company has established the following systems to ensure proper business operations by the corporate group (hereinafter the “Group”) comprising the Company and its subsidiaries, as stipulated in the Companies Act and the Regulation for the Enforcement of the Companies Act.

1) Systems to ensure that the execution of duties by Directors, Executive Officers and employees complies with laws, regulations and the Articles of Incorporation

i) Systems related to compliance

- The Company shall establish a Compliance Manual and related regulations as a code of conduct for Directors, Executive Officers and employees, and the President and other Directors and Executive Officers shall take the lead in practicing this code of conduct, while also establishing a Compliance Managing Office under the direct control of the President, and striving to enhance awareness and understanding among employees.
- The Company shall establish an Export Control Committee under the direct control of the President and Export Control Regulations, and appropriately implement security export controls.
- The Company shall construct an internal reporting system, to ensure early detection of any compliance violation by a Director, Executive Officer or employee. The Company shall also establish and appropriately operate Internal Reporting System Regulations, to ensure that whistleblowers are not treated disadvantageously.

ii) Systems related to internal audit

- The Company shall establish an Internal Audit Division under the direct control of the President, and Internal Controls and Audit Regulations, and conduct internal audits to evaluate the appropriateness of internal controls and their operation within the Group.

iii) Systems related to the elimination of antisocial forces

- The Company shall stipulate in its Compliance Manual that it shall confront antisocial activities or forces and have no relationship with them. Should it be contacted by such groups, the Company shall respond systematically in cooperation with attorneys, the police, and other pertinent parties.

iv) Systems related to ensuring proper financial reporting

- The Company shall establish a Basic Policy on Financial Reporting, and construct systems to ensure proper financial reporting in accordance with the requirements of the Financial Instruments and Exchange Act and other relevant laws and regulations.

2) System for the storage and management of information related to the execution of duties by Directors

i) System for the storage and management of information

- The Company record in documentary or electronic form, and shall appropriately store and manage information related to the execution of duties by Directors in accordance with the Regulations of the Board of Directors, the Corporate Management Meeting Regulations and the Document Management Regulations, and make them available for inspection by Directors and Auditors at all times.

3) Regulations and other systems for managing the risk of loss

i) Establishment of duties and authority

- The Company shall establish Regulations of the Board of Directors, Corporate Management Meeting Regulations and Regulations on Various Sales Requests, etc. clarify the duties and necessary authority of Directors, Executive Officers and employees, and appropriately manage the risk associated with the execution of these duties.

ii) Risk management systems in each division

- The Company shall establish an Organization Table, and construct systems to enable risk to be managed in accordance with the duties and responsibilities of each division.

- iii) Information security systems
 - The Company shall establish a Basic Policy on Information Security concerning its information assets, and construct systems to handle these assets correctly and safely.
- iv) Company-wide risk management systems
 - Company-wide risks and individual risks that affects the entire Company shall be comprehensively managed by the Corporate Management Meeting, including risk countermeasures and subsequent evaluation, etc.
- v) Auditing and monitoring systems
 - The Internal Audit Division, under the direct control of the President, shall provide advice and recommendations to improve management systems for company-wide risks and individual risks, through auditing and monitoring.
- 4) Systems to ensure the efficient execution of duties by Directors
 - i) Board of Directors
 - In accordance with the Regulations of the Board of Directors, a meeting of the Board of Directors shall be held once a month, in principle, and extraordinary meetings shall be held as necessary.
 - ii) Corporate Management Meeting
 - In order to expedite the decision-making, the Company shall establish a Corporate Management Meeting, which shall be held at least twice a month in principle, to deliberate and make decisions on matters determined by the Board of Directors.
 - iii) Executive Officer System
 - The Company shall promote efficient management by strengthening the decision-making and supervisory functions of the Board of Directors through the use of the Executive Officer System and the delegation of Directors' authority for business execution to Executive Officers.
- 5) Systems to ensure the appropriateness of operations in the Group
 - i) Systems for reporting to the Company on the execution of duties by Directors of subsidiaries
 - The Company shall establish Regulations for the Support and Operation of Subsidiaries and Affiliates, designating the responsibilities and authority of each subsidiary, to achieve smoother Group operation and promote business.
 - The Company shall require the supervisor in charge of each subsidiary to report to the Company on matters related to the execution of business, based on the Regulations for the Support and Operation of Subsidiaries.
 - ii) Regulations for managing the risk of loss at subsidiaries
 - The Company shall require subsidiaries to construct risk management systems based on their individual businesses forms, management environments, etc.
 - iii) Systems to ensure that the duties of Directors of subsidiaries are efficiently executed
 - The Company shall establish a Subsidiary and Affiliate Business Strategy Division for the purpose of supporting corporate management by the Directors of its subsidiaries. The Company shall designate through regulations the scope of authority that it retains over the execution of business by subsidiaries.
 - iv) Systems to ensure that the execution of duties by Directors and employees of subsidiaries complies with laws, regulations and the Articles of Incorporation
 - The Company shall establish compliance systems at each subsidiary, based on each country's laws and regulations, etc., and endeavor to ensure thorough compliance across the Group.
 - In addition to dispatching its Directors and Auditors to oversee compliance, the Company shall construct systems to report to the Company promptly and appropriately on any issues that might arise.
- 6) Matters concerning the system for employees to assist the duties of Auditors and the ensuring of independence of, and the effectiveness of instructions to, such employees
 - i) Assisting employees and their independence

- When requested by Auditors to assign employees to assist in their duties, the Company shall assign employees for this purpose, and the said employees shall follow the instructions of the Auditors.
- ii) Personnel decisions regarding assisting employees
 - The Company shall obtain the consent of the Board of Auditors for the appointment of employees to assist the Auditors in their duties.
- 7) System for reporting to Auditors, expenses incurred in the execution of duties by Auditors, and other systems to ensure that audits by Auditors are conducted effectively
 - i) Reporting systems
 - The Company shall secure systems so that, in the event that any Director, Executive Officer, employee or supervisor in charge of a subsidiary discovers any matter that may cause serious loss to the Company, or any compliance violation or improper act, the matter shall be reported to the Auditors.
 - ii) Audit expenses
 - Auditors shall have the ability to arrange and process advance payment and refund of expenses incurred in the execution of their duties.
 - iii) Other systems to ensure effective execution of duties by Auditors
 - The Company shall develop systems to enable Auditors to attend meetings of the Board of Directors and other important meetings to gain an understanding of the management decision-making process and the status of business execution.
 - Auditors may, as necessary, request access to documents concerning important matters, etc., and request explanations from Directors, Executive Officers and employees.
 - The Company shall endeavor to secure and strengthen an effective auditing system for the Auditors so that they can regularly exchange opinions with the President and Outside Directors, and regularly receive audit reports and cooperation from the Accounting Auditor and the Internal Audit Division.
- 8) Review of the basic policy on internal control systems
 - i) Revisions
 - The Company shall revise the basic policy on internal control systems as necessary.

- (2) Summary of the status of operation of the system to ensure the appropriateness of operations
The status of the development and operation of the Group's internal control system during the fiscal year under review is as described below. The Board of Directors of the Company makes efforts to develop and supervise an effective system.

In addition, the Company has established a system to ensure the appropriateness of operations of its subsidiaries by having them inquire in advance or report important matters of each company to the Company in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates.

1) Status of operations related to compliance

The Company's Compliance Managing Office conducted awareness building activities, mainly through education, to raise the compliance awareness of individuals and organizations belonging to the Group. The Internal Audit Division of the Company audited the status of compliance-related operations of the Group as appropriate, and provided guidance on any areas for improvement. In addition, the Company's Export Control Committee conducted appropriate security export control through prior examination of export projects based on laws and regulations, as well as internal education and audits for each of the Company's business departments.

As for the internal reporting system of the Group, in addition to the internal reporting contact point, we have established an external reporting contact point at an external law firm independent of the management team to ensure independence, and the system is operating appropriately.

2) Status of execution of duties by Directors and Executive Officers

The Company's Board of Directors comprises eight Directors, including three Outside Directors. During the fiscal year under review, the Board of Directors held 16 meetings attended by four Auditors, including two Outside Auditors, make decisions on important matters and supervised the execution of business by Directors and Executive Officers

In addition, based on the results of the evaluation of the effectiveness of the Board of Directors, we continued to hold the "Meeting of Directors and Auditors" from the previous fiscal year for intensive deliberations to further enhance the effectiveness of the Board of Directors, and continued to deepen discussions on the direction of management strategy.

The Nomination Examination Committee and Remuneration Examination Committee, established under the Board of Directors, deliberated on the selection process regarding candidates for positions of Representative Director, Director and Executive Officer with titles, and revisions to the executive compensation system. The results of these deliberations were reported to the Board of Directors.

In addition, the Corporate Management Meeting, participated by Directors and Executive Officers appointed by the Board of Directors, was held 24 times, mainly engaging in discussions on risks and other aspects of the Company's businesses, etc., and contributed to the promotion of business management.

3) Status of administration and promotion of business of Group companies

The Company's Subsidiary and Affiliate Administration Department played a central role in administrating and promoting the business of subsidiaries and affiliates in Japan and overseas. In addition, in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates, the Company required subsidiaries to report periodically on their operating results and financial position, and to inquire in advance important matters of the subsidiaries, which were implemented after deliberation and approval by the Company.

4) Status of internal control audits

As the management and supervision of subsidiaries in the Group is becoming increasingly important, the Company's Internal Audit Division conducted internal audits of all Company locations and major subsidiaries in Japan and overseas.

During the fiscal year under review, we focused on auditing the status of compliance and adherence to internal rules related to the work environment and sales management.

The results of the audits were compiled by the General Manager of the Internal Audit Division and reported to the President, who in turn reported them to the Board of Directors of the Company, which deliberated on the effectiveness of internal controls.

Regarding the incident of monetary fraud committed by an employee of the Company's consolidated subsidiary, Nippon Daiya Valve Co., Ltd., which the Company disclosed on December 28, 2020, the Company established a third-party committee chaired by an Outside Director and

composed of independent lawyers, etc. to investigate issues such as the cause of the incident.

5) Status of execution of duties by Auditors

In accordance with the Companies Act and the audit plan, the Company’s Auditors audited the execution of duties by the Directors by attending meetings of the Board of Directors and other important meetings, inspecting documents related to important matters, auditing the operations of the Company and its major subsidiaries, and periodically meeting with the Representative Director.

In addition, the Company’s Auditors worked in close cooperation with the Outside Directors, the Accounting Auditor, and the Internal Audit Division by regularly exchanging opinions and sharing information.



Note: Fractions less than the indicated unit are rounded down in the amounts and the number of shares presented in this business report.