

Translation

Notice: This is a translation of part of the original document in Japanese and is only for reference purposes. In the event of any discrepancies between this translated document and the original Japanese document, the latter shall prevail.



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To whom it may concern:

Company name: Seika Corporation
Representative: Akihiko Sakurai, President and Chief Executive Officer
(Code number: 8061; Prime Market, Tokyo Stock Exchange)
Contact: Yasumasa Kawana, Director, Senior Managing Executive Officer in charge of planning
(Phone: +81-3-5221-7117)

Notice Concerning Revisions to Targets for the Final Years of the Long-Term Management Vision and Medium-Term Management Plan

Seika Corporation (the “Company”) hereby announces that it revised upward the targets to be achieved in the final years of its Long-Term Management Vision “VIORB 2030,” published on April 22, 2022 and partially revised on April 20, 2023, and Medium-Term Management Plan “VIORB2030 Phase 1,” published on May 26, 2023, as detailed below.

1. Revisions to financial results forecast

(1) Targets to be achieved in the final year of the Long-Term Management Vision

	FY2030		
	Before revision	After revision	Change
	Billion yen	Billion yen	Billion yen
Net sales	130.0	180.0	+50.0
Operating profit	6.5	12.0	+5.5
Ordinary profit	7.2	12.5	+5.3

(2) Targets to be achieved in the final year of the Medium-Term Management Plan

	FY2026		
	Before revision	After revision	Change
	Billion yen	Billion yen	Billion yen
Net sales	110.0	120.0	+ 10.0
Operating profit	5.2	7.0	+1.8
Ordinary profit	5.2	7.6	+2.4

2. Reason for revisions

Based on the Long-Term Management Vision “VIORB 2030,” formulated in FY2022, the Company had studied a Medium-Term Management Plan “VIORB2030 Phase 1,” which covers the first half of the VIORB 2030, with FY2026 as the final year, and published its basic strategy, numerical targets, and other matters in May 2023.

In the course of carrying out its business based on the Medium-Term Management Plan, the Company’s basic earning capacity has improved, mainly due to the Company’s having become a primary distributor for Mitsubishi Heavy Industries in thermal and nuclear power business. In addition, the performance of its consolidated subsidiaries has been strong. As a result, the target figures to be achieved in the final year of the Medium-Term Management Plan were achieved in FY2023, the first year of the Plan, and, as announced today, the targets are expected to be achieved in FY2024 as well.

Based on the abovementioned results, the Company has revised upward the targets to be achieved for net sales, operating profit, and ordinary profit in the final years of its Long-Term Management Vision and Medium-Term Management Plan, aiming for further business expansion and growth in the future. The Company will promptly announce specific initiatives, cash allocation, and other matters to achieve the targets, in the next fiscal year.

*With respect to the plans and targets, they are based on information available to the Company as of the date of disclosure of this document, and the Company does not in any way guarantee the achievement of the projections or future performance. Actual results may differ significantly from the forecasts due to various factors in the future.

Medium-Term Management Plan of the Long-Term Management Vision and Their Numerical Targets

- ✓ Improvement of basic profitability by starting operations as a primary distributor for MHI's thermal and nuclear power businesses
- ✓ Stable growth of consolidated subsidiaries*
(*Tsurumi(Europe)GmbH, NIPPON DAIYA VALVE CO, LTD., Seika Daiya Engine Co., LTD.)
- ✓ Made TVE and Fenwal Controls of Japan equity-method affiliates

- ✓ Growth in organic businesses (Energy Business, Industrial Machinery, and Product Business)
- ✓ Initiatives for non-organic businesses (business investment, M&A)

[FY23 Result]
 Net sales
 86.78 billion yen
 Operating profit
 5.58 billion yen
 Ordinary profit
 6.25 billion yen

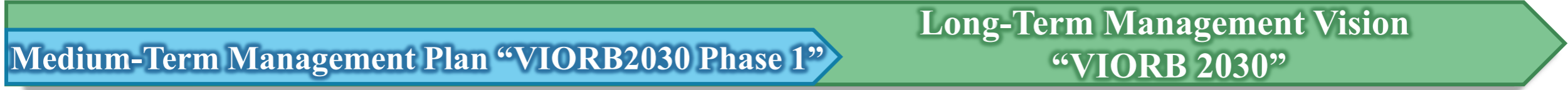
[FY24 Forecast]
 Net sales
 94.0 billion yen
 Operating profit
 6.2 billion yen
 Ordinary profit
 8.0 billion yen

Tarjgets for the final year of the Medium-Term Management Plan

[Initial Target]	[Revised Target]
Net sales 110.0 billion yen	Net sales 120.0 billion yen
Operating profit 5.2 billion yen	Operating profit 7.0 billion yen
Ordinary profit 5.2 billion yen	Ordinary profit 7.6 billion yen

Tarjgets for the final year of the Long-Term Management Vision

[Initial Target]	[Revised Target]
Net sales 130.0 billion yen	Net sales 180.0 billion yen
Operating profit 6.5 billion yen	Operating profit 12.0 billion yen
Ordinary profit 7.2 billion yen	Ordinary profit 12.5 billion yen



101st term
FY2023

102nd term
FY2024

104th term
FY2026

108th term
FY2030

Aim to further enhance corporate value through the following strategies, continuously based on the basic policies of the Medium-Term Management Plan

Business Strategy



Management Strategy

Improve profitability



Efficient operation of invested capital



Expand businesses in growth area (Energy Business and Product Business)

Accelerate complementary M&As for existing businesses

Implement structural reforms in low-growth and low-profit businesses

Flexibly invest necessary management resources to improve profitability

Strengthen the resilience of Group companies

Formulate and implement measures to mitigate risks of changes in the business environment in Group companies

Examine cash allocation

Optimize business investment, human capital investment, and shareholder returns

Advance human capital management

Make efforts to improve labor productivity by securing human resources and promoting DX and BPO for non-core operations

Strengthen initiatives to be recognized as a Certified Health & Productivity Management Outstanding Organization, and to promote employee health and improve workplace environment