

Summary

28-Oct-2010

Consolidated Financial Results for the Second Quarter of Fiscal Year 2010 (April 1, 2010- September 30, 2010)

Name of registrant: ShinMaywa Industries, Ltd.

Stock Exchange Listed: Tokyo, Osaka

Code number: 7224

(URL: <http://www.shinmaywa.co.jp>)

Representative: Tadashi Kaneki, President and Chief Executive Officer

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1. Financial Results for the Second Quarter of FY 2010 (April 1, 2010– September 30, 2010)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter of FY2010	48,143	4.8	293	-	(299)	-	(343)	-
Second Quarter of FY2009	45,944	(22.7)	(781)	-	(1,126)	-	(618)	-

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
Second Quarter of FY2010	yen (3.44)	yen -
Second Quarter of FY2009	(6.20)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)	Net assets per share
	million yen	million yen	%	yen
Second Quarter of FY2010	128,186	82,709	63.2	811.88
FY2009	134,459	83,574	61.0	821.67

2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
FY2009		yen 5		yen 5	yen 10
FY2010		5			
FY2010 (Forecast)				5	10

3. Financial Results Forecast for FY 2010 (April 1, 2010 – March 31, 2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	111,000	0.5	2,700	(12.1)	2,300	(26.3)	1,000	(67.7)	10.02

Consolidated Balance Sheets

	Millions of Yen			Millions of Yen	
	Second Quarter of FY2010	FY2009		Second Quarter of FY2010	FY2009
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	19,991	17,548	Notes and accounts payable-trade	12,868	14,935
Notes and accounts receivable-trade	35,782	42,578	Short-term loans payable	6,000	6,000
Merchandise and finished goods	2,246	2,131	Current portion of long-term loans payable	2,000	2,000
Work in process	22,162	23,383	Income taxes payable	210	568
Raw materials and supplies	9,721	10,305	Provision for product warranties	12	57
Real estate for sale	94	94	Provision for loss on construction contracts	1,048	953
Other	3,600	3,088	Other	8,060	9,527
Allowance for doubtful accounts	(88)	(102)	Total current liabilities	30,200	34,042
Total current assets	93,511	99,028	Noncurrent liabilities		
Noncurrent assets			Long-term loans payable	1,000	2,000
Property, plant and equipment			Provision for retirement benefits	7,870	7,840
Buildings and structures, net	10,620	10,986	Provision for directors' retirement benefits	433	540
Other, net	11,949	12,099	Deferred tax liabilities for land revaluation	62	62
Total property, plant and equipment	22,569	23,086	Negative goodwill	312	385
Intangible assets	1,009	1,154	Other	5,596	6,012
Investments and other assets			Total noncurrent liabilities	15,276	16,841
Other	11,154	11,256	Total liabilities	45,476	50,884
Allowance for doubtful accounts	(59)	(67)	Net assets		
Total investments and other assets	11,095	11,189	Shareholders' equity		
Total noncurrent assets	34,675	35,430	Capital stock	15,981	15,981
Total assets	128,186	134,459	Capital surplus	15,737	15,737
			Retained earnings	57,803	58,645
			Treasury stock	(8,198)	(8,196)
			Total shareholders' equity	81,324	82,167
			Valuation and translation adjustments		
			Valuation difference on available-for-sale securities	352	435
			Revaluation reserve for land	(389)	(389)
			Foreign currency translation adjustment	(278)	(224)
			Total valuation and translation adjustments	(314)	(178)
			Minority interests	1,700	1,585
			Total net assets	82,709	83,574
			Total liabilities and net assets	128,186	134,459

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

Millions of Yen

	Second Quarter of FY2010	Second Quarter of FY2009
Net sales	48,143	45,944
Cost of sales	40,974	40,306
Gross profit	7,168	5,638
Selling, general and administrative expenses	6,874	6,419
Operating income (loss)	293	(781)
Non-operating income		
Interest income	9	4
Dividends income	22	22
Amortization of negative goodwill	73	73
Rent income	28	36
Other	33	83
Total non-operating income	166	219
Non-operating expenses		
Interest expenses	46	63
Equity in losses of affiliates	17	55
Foreign exchange losses	619	381
Other	77	62
Total non-operating expenses	759	563
Ordinary loss	(299)	(1,126)
Extraordinary income		
Reversal of allowance for doubtful accounts	18	16
Gain on sales of investment securities	12	5
Total extraordinary income	30	22
Extraordinary loss		
Loss on disposal of noncurrent assets	43	40
Equipment relocation expenses	34	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	76	—
Total extraordinary losses	154	40
Loss before income taxes and minority interests	(422)	(1,144)
Income taxes-current	240	402
Income taxes-deferred	(313)	(946)
Total income taxes	(73)	(544)
Loss before minority interests	(349)	—
Minority interests in income (loss)	(6)	18
Net loss	(343)	(618)

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Consolidated Statements of Cash Flows

	Millions of Yen	
	Second Quarter of FY2010	Second Quarter of FY2009
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(422)	(1,144)
Depreciation and amortization	1,561	1,752
Decrease (increase) in notes and accounts receivable-trade	6,783	17,845
Decrease (increase) in inventories	1,705	(903)
Increase (decrease) in notes and accounts payable-trade	(2,057)	(5,182)
Other, net	(2,091)	(2,656)
Subtotal	5,478	9,710
Interest and dividends income received	31	26
Interest expenses paid	(44)	(63)
Income taxes paid	(559)	(910)
Net cash provided by (used in) operating activities	4,906	8,762
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	100	—
Purchase of property, plant and equipment	(839)	(980)
Purchase of intangible assets	(53)	(91)
Other, net	(81)	74
Net cash provided by (used in) investing activities	(873)	(997)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(1,000)	(1,000)
Proceeds from stock issuance to minority shareholders	134	—
Cash dividends paid	(498)	(498)
Cash dividends paid to minority shareholders	(10)	(10)
Other, net	(71)	(12)
Net cash provided by (used in) financing activities	(1,445)	(1,522)
Effect of exchange rate change on cash and cash equivalents	(44)	21
Net increase (decrease) in cash and cash equivalents	2,542	6,264
Cash and cash equivalents at beginning of period	17,448	10,794
Cash and cash equivalents at end of period	19,991	17,058

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