

Consolidated Financial Results for Fiscal Year 2013 (April 1, 2013 – March 31, 2014)

Name of registrant: ShinMaywa Industries, Ltd.

Stock Exchange Listed: Tokyo

Code number: 7224

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

Representative: Yoshihiro Onishi, President and Chief Executive Officer

Contact: Ryutaro Matsumoto, General Manager, President's Office (Phone: 0798-56-5002)

Date of the general meeting of shareholders: June 25, 2014

Date of the dividends pay start planned: June 26, 2014

Date of filing annual security report: June 25, 2014

1. Consolidated Financial Results for FY 2013 (April 1, 2013 – March 31, 2014)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2013	174,010	15.3	10,872	86.2	11,440	76.6	7,444	(34.5)
FY2012	150,918	38.5	5,840	157.3	6,479	206.4	11,372	—

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY2013	74.67 ^{yen}	— ^{yen}	8.1 [%]	7.1 [%]	6.2 [%]
FY2012	114.04	—	13.6	4.4	3.9

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2013: 160 million yen FY2012: 172 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)	Net assets per share
FY2013	167,460 ^{million yen}	95,223 ^{million yen}	56.8 [%]	954.25 ^{yen}
FY2012	155,248	89,035	57.3	892.01

Note: Shareholders' equity: FY2013 95,130 million yen FY2012 88,941 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY2013	6,477 ^{million yen}	(5,554) ^{million yen}	(3,390) ^{million yen}	12,550 ^{million yen}
FY2012	11,758	(6,502)	(10,364)	14,790

2. Dividends

	Dividends per share			Dividends total (Full-Year)	Dividends payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Interim	Year-end	Full-year			
FY2012	5 ^{yen}	5 ^{yen}	10 ^{yen}	997 ^{million yen}	8.8 [%]	1.2 [%]
FY2013	5	7	12	1,196	16.1	1.3
FY2014 (Forecast)	6	6	12		21.0	

3. Consolidated Financial Results Forecast for FY 2014 (April 1, 2014 – March 31, 2015)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half Year	82,000	13.1	2,500	(37.0)	2,600	(36.6)	1,600	(42.8)	16.05
Full Year	182,000	4.6	8,500	(21.8)	8,800	(23.1)	5,700	(23.4)	57.18

Consolidated Balance Sheets

	Millions of Yen		Millions of Yen	
	FY2013	FY2012	FY2013	FY2012
Assets			Liabilities	
Current assets			Current liabilities	
Cash and deposits	12,550	14,811	Notes and accounts payable – trade	28,021
Notes and accounts receivable – trade	68,184	58,916	Current portion of long-term loans payable	2,000
Merchandise and finished goods	2,324	2,559	Accrued expenses	8,872
Work in process	21,617	20,635	Income taxes payable	4,129
Raw materials and supplies	12,288	12,365	Provision for directors' bonuses	182
Deferred tax assets	5,063	4,702	Provision for product warranties	57
Other	1,679	1,290	Provision for loss on construction contracts	2,037
Allowance for doubtful accounts	(34)	(59)	Other	6,864
Total current assets	123,675	115,222	Total current liabilities	52,164
Non-current assets			Non-current liabilities	
Property, plant and equipment			Long-term loans payable	4,000
Buildings and structures, net	11,917	11,521	Deferred tax liabilities	158
Machinery, equipment and vehicles, net	6,557	5,919	Deferred tax liabilities for land revaluation	54
Land	7,018	6,664	Provision for retirement benefits	—
Construction in progress	133	742	Net defined benefit liability	12,030
Other, net	1,495	1,427	Other	3,828
Total property, plant and equipment	27,122	26,275	Total non-current liabilities	20,072
Intangible assets	1,681	1,268	Total liabilities	72,237
Investments and other assets			Net assets	
Investment securities	5,598	4,262	Shareholders' equity	
Long-term loans receivable	270	286	Capital stock	15,981
Net defined benefit asset	3,164	—	Capital surplus	15,737
Deferred tax assets	2,805	2,458	Retained earnings	63,349
Other	3,210	5,571	Treasury shares	(134)
Allowance for doubtful accounts	(67)	(96)	Total shareholders' equity	94,934
Total investments and other assets	14,981	12,481	Accumulated other comprehensive income	
Total non-current assets	43,785	40,026	Valuation difference on available-for-sale securities	1,387
Total assets	167,460	155,248	Revaluation reserve for land	(383)
			Foreign currency translation adjustment	307
			Remeasurements of defined benefit plans	(1,114)
			Total accumulated other comprehensive income	195
			Minority interests	93
			Total net assets	95,223
			Total liabilities and net assets	167,460

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

	Millions of Yen	
	FY2013	FY2012
Net sales	174,010	150,918
Cost of sales	142,253	125,216
Gross profit	31,756	25,701
Selling, general and administrative expenses	20,883	19,861
Operating income	10,872	5,840
Non-operating income		
Interest income	23	20
Dividend income	67	57
Amortization of negative goodwill	—	93
Share of profit of entities accounted for using equity method	160	172
Rent income	35	41
Dividend income of insurance	157	131
Foreign exchange gains	131	123
Other	118	166
Total non-operating income	694	807
Non-operating expenses		
Interest expenses	47	62
Sales discounts	11	11
Cost of inactive noncurrent assets	29	25
Commission for syndicate loan	16	16
Other	22	52
Total non-operating expenses	126	169
Ordinary income	11,440	6,479
Extraordinary income		
Gain on bargain purchase	—	5,343
Gain on sales of investment securities	88	—
Gain on forgiveness of debts	—	13
Gain on transfer of retirement benefit plan	445	—
Total extraordinary income	534	5,357
Extraordinary losses		
Loss on sales of non-current assets	—	13
Loss on disposal of non-current assets	228	259
Loss on sales of investment securities	—	5
Loss on valuation of investment securities	—	4
Loss on liquidation of business	55	30
Total extraordinary losses	283	313
Income before income taxes and minority interests	11,691	11,523
Income taxes – current	4,729	1,898
Income taxes – deferred	(464)	(1,718)
Total income taxes	4,264	180
Income before minority interests	7,426	11,342
Minority interests in loss	(18)	(29)
Net income	7,444	11,372

ShinMaywa Industries, Ltd.

Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2013	FY2012
Income before minority interests	7,426	11,342
Other comprehensive income		
Valuation difference on available-for-sale securities	510	252
Revaluation reserve for land	—	—
Foreign currency translation adjustment	203	264
Share of other comprehensive income of entities accounted for using equity method	171	73
Total other comprehensive income	885	590
Comprehensive income	8,311	11,933
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,315	11,942
Comprehensive income attributable to minority interests	(3)	(8)

ShinMaywa Industries, Ltd.

Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2013	FY2012
Cash flows from operating activities		
Income before income taxes and minority interests	11,691	11,523
Depreciation	3,978	3,609
Gain on bargain purchase	—	(5,343)
Increase (decrease) in provision for retirement benefits and directors' retirement benefits	—	(318)
Increase (decrease) in net defined benefit liability	385	—
Increase (decrease) in allowance for doubtful accounts	(54)	(42)
Interest and dividend income	(90)	(78)
Interest expenses	47	62
Share of (profit) loss of entities accounted for using equity method	(160)	(172)
Loss (gain) on sales of non-current assets	—	13
Loss (gain) on disposal of non-current assets	228	259
Decrease (increase) in notes and accounts receivable – trade	(8,901)	1,567
Decrease (increase) in inventories	(474)	(667)
Increase (decrease) in notes and accounts payable – trade	1,771	2,590
Increase (decrease) in other non-current liabilities	(441)	12
Other, net	381	117
Subtotal	8,360	13,134
Interest and dividend income received	167	150
Interest expenses paid	(47)	(64)
Income taxes paid	(2,003)	(1,462)
Net cash provided by (used in) operating activities	6,477	11,758
Cash flows from investing activities		
Payments into time deposits	—	(20)
Proceeds from withdrawal of time deposits	24	—
Purchase of property, plant and equipment	(4,344)	(4,359)
Proceeds from sales of property, plant and equipment	14	443
Purchase of intangible assets	(721)	(504)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(107)
Purchases of stock from minority shareholders	—	(632)
Payments of loans receivable from subsidiaries and associates	—	(24)
Payments for transfer of business	—	(932)
Other, net	(527)	(362)
Net cash provided by (used in) investing activities	(5,554)	(6,502)
Cash flows from financing activities		
Decrease in short-term loans payable	—	(7,050)
Proceeds from long-term loans payable	—	19
Repayments of long-term loans payable	(2,000)	(2,000)
Proceeds from share issuance to minority shareholders	3	37
Purchase of treasury shares	(14)	(20)
Cash dividends paid	(997)	(997)
Cash dividends paid to minority shareholders	—	(10)
Repayments of finance lease obligations	(381)	(342)
Net cash provided by (used in) financing activities	(3,390)	(10,364)
Effect of exchange rate change on cash and cash equivalents	231	187
Net increase (decrease) in cash and cash equivalents	(2,235)	(4,921)
Cash and cash equivalents at beginning of period	14,790	19,855
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(3)	(143)
Cash and cash equivalents at end of period	12,550	14,790

ShinMaywa Industries, Ltd.