

Consolidated Financial Results for Fiscal Year 2016 (April 1, 2016 – March 31, 2017)

27/4/2017

Name of registrant: ShinMaywa Industries, Ltd.

Stock Exchange Listed: Tokyo

Code number: 7224

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

Representative: Tatsuyuki Isogawa, President and Chief Executive Officer

Contact: Taku Takeuchi, Manager, Corporate Communications Section (Phone: 0798-56-5002)

Date of the general meeting of shareholders: June 27, 2017

Date of the dividends pay start planned: June 28, 2017

Date of filing annual security report: June 27, 2017

1. Consolidated Financial Results for FY 2016 (April 1, 2016 – March 31, 2017)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2016	201,204	(1.3)	13,067	(14.4)	13,244	(15.1)	8,954	(12.9)
FY2015	203,917	5.6	15,260	11.9	15,596	8.5	10,281	12.3

	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
	yen	yen	%	%	%
FY2016	93.17	—	7.7	7.1	6.5
FY2015	103.15	—	9.4	8.5	7.5

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2016: 119 million yen FY2015: 237 million yen

(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
FY2016	188,632	118,348	62.7	1,238.84
FY2015	186,780	113,079	60.5	1,133.65

Note: Shareholders' equity: FY2016 118,268 million yen FY2015 112,993 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
	million yen	million yen	million yen	million yen
FY2016	14,342	(6,039)	(6,619)	18,772
FY2015	14,767	(6,458)	(4,023)	17,085

2. Dividends

	Dividends per share			Dividends total (Full-Year)	Dividends payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Interim	Year-end	Full-year			
	yen	yen	yen	million yen	%	%
FY2015	7	7	14	1,395	13.6	1.3
FY2016	7	7	14	1,336	15.0	1.2
FY2017 (Forecast)	7	7	14		20.6	

3. Consolidated Financial Results Forecast for FY 2017 (April 1, 2017 – March 31, 2018)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half Year	94,700	2.5	4,000	18.4	4,100	(12.3)	2,600	(11.6)	27.23
Full Year	200,000	(0.6)	10,000	(23.5)	10,300	(22.2)	6,500	(27.4)	68.09

Consolidated Balance Sheets

	Millions of Yen		Millions of Yen	
	FY2016	FY2015	FY2016	FY2015
Assets				
Current assets				
Cash and deposits	18,772	17,085		
Notes and accounts receivable – trade	76,475	76,642		
Merchandise and finished goods	3,101	2,865		
Work in process	20,273	20,702		
Raw materials and supplies	14,836	15,066		
Deferred tax assets	4,829	5,436		
Other	1,606	2,585		
Allowance for doubtful accounts	(4)	(19)		
Total current assets	139,890	140,366		
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	11,847	11,883		
Machinery, equipment and vehicles, net	8,818	7,058		
Land	7,162	7,079		
Construction in progress	1,227	1,667		
Other, net	1,348	1,441		
Total property, plant and equipment	30,403	29,131		
Intangible assets	2,537	2,402		
Investments and other assets				
Investment securities	7,020	5,917		
Long-term loans receivable	229	245		
Net defined benefit asset	2,797	2,641		
Deferred tax assets	2,465	2,529		
Other	3,337	3,605		
Allowance for doubtful accounts	(49)	(58)		
Total investments and other assets	15,801	14,879		
Total non-current assets	48,742	46,413		
Total assets	188,632	186,780		
Liabilities				
Current liabilities				
Notes and accounts payable – trade	28,239	31,472		
Short-term loans payable	150	–		
Current portion of long-term loans payable	–	2,000		
Accrued expenses	10,958	12,481		
Income taxes payable	2,495	3,070		
Provision for directors' bonuses	204	239		
Provision for product warranties	33	27		
Provision for loss on construction contracts	3,711	3,200		
Other	10,592	7,111		
Total current liabilities	56,385	59,603		
Non-current liabilities				
Deferred tax liabilities	19	26		
Deferred tax liabilities for land revaluation	47	47		
Net defined benefit liability	11,275	11,063		
Other	2,556	2,961		
Total non-current liabilities	13,898	14,097		
Total liabilities	70,283	73,700		
Net assets				
Shareholders' equity				
Capital stock	15,981	15,981		
Capital surplus	118,268	15,737		
Retained earnings	89,111	81,522		
Treasury shares	(3,250)	(154)		
Total shareholders' equity	117,581	113,088		
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	2,459	1,717		
Revaluation reserve for land	(376)	(376)		
Foreign currency translation adjustment	257	420		
Remeasurements of defined benefit plans	(1,653)	(1,856)		
Total accumulated other comprehensive income	687	(94)		
Non-controlling interests	79	85		
Total net assets	118,348	113,079		
Total liabilities and net assets	188,632	186,780		

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

	Millions of Yen	
	FY2016	FY2015
Net sales	201,204	203,917
Cost of sales	166,646	166,985
Gross profit	34,558	36,932
Selling, general and administrative expenses	21,490	21,671
Operating profit	13,067	15,260
Non-operating income		
Interest income	14	17
Dividend income	113	101
Share of profit of entities accounted for using equity method	119	237
Rent income	26	21
Dividend income of insurance	186	178
Other	63	126
Total non-operating income	524	682
Non-operating expenses		
Interest expenses	14	27
Sales discounts	8	12
Foreign exchange losses	164	208
Cost of inactive noncurrent assets	22	23
Commission for syndicate loan	19	18
Loss on securitization of receivables	45	—
Other	72	56
Total non-operating expenses	347	346
Ordinary profit	13,244	15,596
Extraordinary income		
Gain on sales of non-current assets	80	—
Gain on sales of investment securities	43	24
Total extraordinary income	124	24
Extraordinary losses		
Loss on disposal of non-current assets	222	233
Loss on valuation of investment securities	—	15
Total extraordinary losses	222	248
Profit before income taxes	13,145	15,372
Income taxes – current	3,937	5,458
Income taxes – deferred	255	(366)
Total income taxes	4,193	5,091
Profit	8,951	10,281
Loss attributable to non-controlling interests	(3)	(0)
Profit attributable to owners of parent	8,954	10,281

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Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2016	FY2015
Profit	8,951	10,281
Other comprehensive income		
Valuation difference on available-for-sale securities	742	(377)
Revaluation reserve for land	—	2
Foreign currency translation adjustment	(50)	(219)
Remeasurements of defined benefit plans, net of tax	202	(1,001)
Share of other comprehensive income of entities accounted for using equity method	(114)	(61)
Total other comprehensive income	779	(1,656)
Comprehensive income	9,731	8,624
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,736	8,632
Comprehensive income attributable to non-controlling interests	(5)	(8)

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Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2016	FY2015
Cash flows from operating activities		
Profit before income taxes	13,145	15,372
Depreciation	4,763	4,362
Increase (decrease) in net defined benefit liability	602	603
Increase (decrease) in allowance for doubtful accounts	(24)	(22)
Interest and dividend income	(127)	(119)
Interest expenses	14	27
Share of (profit) loss of entities accounted for using equity method	(119)	(237)
Loss (gain) on sales of non-current assets	(80)	—
Loss (gain) on disposal of non-current assets	222	233
Decrease (increase) in notes and accounts receivable – trade	31	745
Decrease (increase) in inventories	434	218
Increase (decrease) in notes and accounts payable – trade	(3,127)	(596)
Increase (decrease) in other non-current liabilities	(313)	(364)
Other, net	3,277	984
Subtotal	18,698	21,207
Interest and dividend income received	252	253
Interest expenses paid	(14)	(27)
Income taxes paid	(4,594)	(6,665)
Net cash provided by (used in) operating activities	14,342	14,767
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	72
Purchase of property, plant and equipment	(5,286)	(5,411)
Proceeds from sales of property, plant and equipment	87	11
Purchase of intangible assets	(771)	(941)
Purchase of investment securities	(27)	(2)
Other, net	(40)	(156)
Net cash provided by (used in) investing activities	(6,039)	(6,458)
Cash flows from financing activities		
Increase in short-term loans payable	150	287
Decrease in short-term loans payable	—	(449)
Repayments of long-term loans payable	(2,000)	(2,000)
Purchase of treasury shares	(3,097)	(9)
Cash dividends paid	(1,365)	(1,495)
Repayments of finance lease obligations	(307)	(357)
Other, net	1	0
Net cash provided by (used in) financing activities	(6,619)	(4,023)
Effect of exchange rate change on cash and cash equivalents	1	(120)
Net increase (decrease) in cash and cash equivalents	1,686	4,165
Cash and cash equivalents at beginning of period	17,085	12,920
Cash and cash equivalents at end of period	18,772	17,085

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