

## Consolidated Financial Results for Fiscal Year 2017 (April 1, 2017 – March 31, 2018)

27/4/2018

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: Noriko Jitsuhiro, Deputy General Manager, President's Office (Phone: 0798-56-5002)

Date of the general meeting of shareholders: June 26, 2018

Date of the dividends pay start planned: June 27, 2018

Date of filing annual security report: June 26, 2018

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

#### (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	%
FY2017	207,335	3.0	10,594	(18.9)	10,752	(18.8)	7,086	(20.9)
FY2016	201,204	(1.3)	13,067	(14.4)	13,244	(15.1)	8,954	(12.9)

	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	%	%	%
FY2017	74.23	—	5.8	5.7	5.1
FY2016	93.17	—	7.7	7.1	6.5

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2017: 196 million yen FY2016: 119 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
FY2017	190,019	125,004	65.7	1,308.27
FY2016	188,632	118,348	62.7	1,238.84

Note: Shareholders' equity: FY2017 124,893 million yen FY2016 118,268 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
FY2017	8,699	(7,076)	(1,647)	18,750
FY2016	14,342	(6,039)	(6,619)	18,772

### 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	%	%
FY2016	7	7	14	1,336	15.0	1.2
FY2017	7	16	23	2,195	31.0	1.8
FY2018 (Forecast)	18	18	36		45.2	

### 3. Consolidated Financial Results Forecast for FY 2018 (April 1, 2018 – March 31, 2019)

	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
Full Year	210,000	1.3	10,500	(0.9)	11,000	2.3	7,600	7.3	79.61

## Consolidated Balance Sheets

	Millions of Yen		Millions of Yen	
	FY2017	FY2016	FY2017	FY2016
<b>Assets</b>			<b>Liabilities</b>	
Current assets			Current liabilities	
Cash and deposits	18,750	18,772	Notes and accounts payable – trade	24,572
Notes and accounts receivable – trade	74,795	76,475	Short-term loans payable	90
Merchandise and finished goods	3,327	3,101	Accrued expenses	10,858
Work in process	19,594	20,273	Income taxes payable	2,313
Raw materials and supplies	14,796	14,836	Provision for directors' bonuses	207
Deferred tax assets	4,847	4,829	Provision for product warranties	9
Other	2,486	1,606	Provision for loss on construction contracts	4,481
Allowance for doubtful accounts	(33)	(4)	Other	8,338
Total current assets	138,564	139,890	Total current liabilities	50,871
Non-current assets			Non-current liabilities	
Property, plant and equipment			Deferred tax liabilities	26
Buildings and structures, net	12,798	11,847	Deferred tax liabilities for land revaluation	47
Machinery, equipment and vehicles, net	8,535	8,818	Net defined benefit liability	11,734
Land	7,635	7,162	Other	2,335
Construction in progress	757	1,227	Total non-current liabilities	14,143
Other, net	1,552	1,348	Total liabilities	65,015
Total property, plant and equipment	31,279	30,403	<b>Net assets</b>	
Intangible assets	2,587	2,537	Shareholders' equity	
Investments and other assets			Capital stock	15,981
Investment securities	8,788	7,020	Capital surplus	15,738
Long-term loans receivable	196	229	Retained earnings	94,861
Net defined benefit asset	3,059	2,797	Treasury shares	(3,252)
Deferred tax assets	2,115	2,465	Total shareholders' equity	123,328
Other	3,470	3,337	Accumulated other comprehensive income	
Allowance for doubtful accounts	(42)	(49)	Valuation difference on available-for-sale securities	3,019
Total investments and other assets	17,587	15,801	Revaluation reserve for land	(376)
Total non-current assets	51,455	48,742	Foreign currency translation adjustment	352
Total assets	190,019	188,632	Remeasurements of defined benefit plans	(1,431)
			Total accumulated other comprehensive income	1,564
			Non-controlling interests	111
			Total net assets	125,004
			Total liabilities and net assets	190,019

ShinMaywa Industries, Ltd.

## Consolidated Statements of Income

Millions of Yen

	FY2017	FY2016
Net sales	207,335	201,204
Cost of sales	174,938	166,646
Gross profit	32,396	34,558
Selling, general and administrative expenses	21,801	21,490
Operating profit	10,594	13,067
Non-operating income		
Interest income	17	14
Dividend income	128	113
Share of profit of entities accounted for using equity method	196	119
Rent income	56	26
Dividend income of insurance	193	186
Other	63	63
Total non-operating income	655	524
Non-operating expenses		
Interest expenses	12	14
Sales discounts	7	8
Foreign exchange losses	302	164
Cost of inactive noncurrent assets	22	22
Commission for syndicate loan	3	19
Loss on securitization of receivables	102	45
Other	47	72
Total non-operating expenses	497	347
Ordinary profit	10,752	13,244
Extraordinary income		
Gain on sales of non-current assets	—	80
Gain on sales of investment securities	23	43
Total extraordinary income	23	124
Extraordinary losses		
Loss on disposal of non-current assets	279	222
Total extraordinary losses	279	222
Profit before income taxes	10,496	13,145
Income taxes – current	3,407	3,937
Income taxes – deferred	(20)	255
Total income taxes	3,387	4,193
Profit	7,109	8,951
Profit (loss) attributable to non-controlling interests	23	(3)
Profit attributable to owners of parent	7,086	8,954

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2017	FY2016
Profit	7,109	8,951
Other comprehensive income		
Valuation difference on available-for-sale securities	559	742
Foreign currency translation adjustment	76	(50)
Remeasurements of defined benefit plans, net of tax	222	202
Share of other comprehensive income of entities accounted for using equity method	23	(114)
Total other comprehensive income	881	779
Comprehensive income	7,991	9,731
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,963	9,736
Comprehensive income attributable to non-controlling interests	27	(5)

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2017	FY2016
Cash flows from operating activities		
Profit before income taxes	10,496	13,145
Depreciation	5,025	4,763
Increase (decrease) in net defined benefit liability	685	602
Increase (decrease) in allowance for doubtful accounts	22	(24)
Interest and dividend income	(145)	(127)
Interest expenses	12	14
Share of loss (profit) of entities accounted for using equity method	(196)	(119)
Loss (gain) on sales of non-current assets	—	(80)
Loss (gain) on disposal of non-current assets	279	222
Decrease (increase) in notes and accounts receivable – trade	1,751	31
Decrease (increase) in inventories	616	434
Increase (decrease) in notes and accounts payable – trade	(3,743)	(3,127)
Increase (decrease) in other non-current liabilities	(433)	(313)
Other, net	(2,270)	3,277
Subtotal	12,099	18,698
Interest and dividend income received	234	252
Interest expenses paid	(12)	(14)
Income taxes paid	(3,621)	(4,594)
Net cash provided by (used in) operating activities	8,699	14,342
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,329)	(5,286)
Proceeds from sales of property, plant and equipment	16	87
Purchase of intangible assets	(737)	(771)
Purchase of investment securities	(903)	(27)
Other, net	(121)	(40)
Net cash provided by (used in) investing activities	(7,076)	(6,039)
Cash flows from financing activities		
Increase in short-term loans payable	440	150
Decrease in short-term loans payable	(500)	—
Repayments of long-term loans payable	—	(2,000)
Purchase of treasury shares	(2)	(3,097)
Cash dividends paid	(1,336)	(1,365)
Repayments of finance lease obligations	(233)	(307)
Other, net	(14)	1
Net cash provided by (used in) financing activities	(1,647)	(6,619)
Effect of exchange rate change on cash and cash equivalents	1	1
Net increase (decrease) in cash and cash equivalents	(22)	1,686
Cash and cash equivalents at beginning of period	18,772	17,085
Cash and cash equivalents at end of period	18,750	18,772

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