

Summary

28-Jan-2011

Consolidated Financial Results for the Third Quarter of Fiscal Year 2010 (April 1, 2010- December 31, 2010)

Name of registrant: ShinMaywa Industries, Ltd.

Stock Exchange Listed: Tokyo, Osaka

Code number: 7224

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

Representative: Yoshihiro Onishi, President and Chief Executive Officer

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1. Financial Results for the Third Quarter of FY 2010 (April 1, 2010- December 31, 2010)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter of FY2010	75,679	5.6	752	—	207	—	(89)	—
Third Quarter of FY2009	71,695	(18.0)	(138)	—	(243)	—	1,163	—

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
Third Quarter of FY2010	yen (0.89)	yen -
Third Quarter of FY2009	11.65	-

(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
Third Quarter of FY2010	128,952	82,486	62.7	809.83
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

	Third Quarter of FY2010	FY2009		Third Quarter of FY2010	FY2009
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	17,231	17,548	Notes and accounts payable-trade	15,328	14,935
Notes and accounts receivable-trade	40,303	42,578	Short-term loans payable	6,000	6,000
Merchandise and finished goods	2,346	2,131	Current portion of long-term loans payable	2,000	2,000
Work in process	21,165	23,383	Income taxes payable	81	568
Raw materials and supplies	9,803	10,305	Provision for product warranties	12	57
Real estate for sale	94	94	Provision for loss on construction contracts	876	953
Other	3,661	3,088	Other	6,852	9,527
Allowance for doubtful accounts	(57)	(102)	Total current liabilities	31,152	34,042
Total current assets	94,548	99,028	Noncurrent liabilities		
Noncurrent assets			Long-term loans payable	1,000	2,000
Property, plant and equipment			Provision for retirement benefits	7,930	7,840
Buildings and structures, net	10,490	10,986	Provision for directors' retirement benefits	459	540
Other, net	11,662	12,099	Deferred tax liabilities for land revaluation	62	62
Total property, plant and equipment	22,153	23,086	Negative goodwill	276	385
Intangible assets	975	1,154	Other	5,585	6,012
Investments and other assets			Total noncurrent liabilities	15,314	16,841
Other	11,332	11,256	Total liabilities	46,466	50,884
Allowance for doubtful accounts	(57)	(67)	Net assets		
Total investments and other assets	11,275	11,189	Shareholders' equity		
Total noncurrent assets	34,404	35,430	Capital stock	15,981	15,981
Total assets	128,952	134,459	Capital surplus	15,737	15,737
			Retained earnings	57,558	58,645
			Treasury stock	(8,201)	(8,196)
			Total shareholders' equity	81,076	82,167
			Valuation and translation adjustments		
			Valuation difference on available-for-sale securities	435	435
			Revaluation reserve for land	(389)	(389)
			Foreign currency translation adjustment	(324)	(224)
			Total valuation and translation adjustments	(278)	(178)
			Minority interests	1,687	1,585
			Total net assets	82,486	83,574
			Total liabilities and net assets	128,952	134,459

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

Millions of Yen

	Third Quarter of FY2010	Third Quarter of FY2009
Net sales	75,679	71,695
Cost of sales	64,318	61,980
Gross profit	11,360	9,715
Selling, general and administrative expenses	10,608	9,853
Operating income (loss)	752	(138)
Non-operating income		
Interest income	16	10
Dividends income	34	32
Amortization of negative goodwill	110	109
Equity in earnings of affiliates	4	—
Rent income	39	52
Dividends income of insurance	153	139
Other	48	96
Total non-operating income	407	440
Non-operating expenses		
Interest expenses	64	90
Equity in losses of affiliates	—	77
Foreign exchange losses	781	285
Other	106	91
Total non-operating expenses	952	545
Ordinary income (loss)	207	(243)
Extraordinary income		
Reversal of allowance for doubtful accounts	52	8
Gain on sales of investment securities	12	168
Gain on transfer of business	—	234
Total extraordinary income	65	411
Extraordinary loss		
Loss on disposal of noncurrent assets	53	51
Equipment relocation expenses	44	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	76	—
Total extraordinary losses	174	51
Income before income taxes and minority interests	98	116
Income taxes—current	323	491
Income taxes—deferred	(132)	(1,531)
Total income taxes	190	(1,040)
Loss before minority interests	(92)	—
Minority interests in loss	(2)	(5)
Net income (loss)	(89)	1,163

ShinMaywa Industries, Ltd.

Consolidated Statements of Cash Flows

	Millions of Yen	
	Third Quarter of FY2010	Third Quarter of FY2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	98	116
Depreciation and amortization	2,367	2,653
Decrease (increase) in notes and accounts receivable–trade	2,274	12,952
Decrease (increase) in inventories	2,540	(1,898)
Increase (decrease) in notes and accounts payable–trade	384	(3,760)
Other, net	(3,519)	(3,864)
Subtotal	4,145	6,199
Interest and dividends income received	50	43
Interest expenses paid	(57)	(78)
Income taxes paid	(928)	(1,238)
Net cash provided by (used in) operating activities	3,210	4,925
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	100	—
Purchase of property, plant and equipment	(1,274)	(1,317)
Purchase of intangible assets	(99)	(108)
Proceeds from sales of investment securities	12	247
Proceeds from transfer of business	—	838
Other, net	(102)	64
Net cash provided by (used in) investing activities	(1,363)	(275)
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	(997)	(997)
Cash dividends paid to minority shareholders	(21)	(21)
Other, net	(111)	(41)
Net cash provided by (used in) financing activities	(1,995)	(2,060)
Effect of exchange rate change on cash and cash equivalents	(69)	(3)
Net increase (decrease) in cash and cash equivalents	(217)	2,585
Cash and cash equivalents at beginning of period	17,448	10,794
Cash and cash equivalents at end of period	17,231	13,379

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