

## Summary

29-Jul-2011

### Consolidated Financial Results for the First Quarter of Fiscal Year 2011 (April 1, 2011- June 30, 2011)

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  
Contact: Noriko Jitsuhiro, Manager, Office of the President (Phone: 0798-56-5000)

#### 1. Financial Results for the First Quarter of FY 2011 (April 1, 2011– June 30, 2011)

##### (1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter of FY2011	20,594	(4.5)	(1,175)	—	(1,404)	—	(1,833)	—
First Quarter of FY2010	21,563	2.3	(301)	—	(575)	—	(448)	—

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
First Quarter of FY2011	yen (18.38)	yen —
First Quarter of FY2010	(4.49)	—

##### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)
	million yen	million yen	%
First Quarter of FY2011	123,834	78,516	62.1
FY2010	130,273	80,833	60.8

#### 2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
FY2010	—	yen 5	—	yen 5	yen 10
FY2011	—	—	—	—	—
FY2011 (Forecast)	—	5	—	5	10

#### 3. Financial Results Forecast for FY 2011 (April 1, 2011 – March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Net income per share for this quarter
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Second Quarter	46,000	(4.5)	(1,700)	—	(1,500)	—	(1,900)	—	(19.04)
Full Year	109,000	1.7	1,000	(39.3)	1,400	2.0	500	—	5.01

## Consolidated Balance Sheets

Millions of Yen

Millions of Yen

	First Quarter of FY2011	FY2010		First Quarter of FY2011	FY2010
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	22,273	17,150	Notes and accounts payable-trade	13,353	16,795
Notes and accounts receivable-trade	32,208	46,370	Short-term loans payable	6,000	6,000
Merchandise and finished goods	2,223	1,884	Current portion of long-term loans payable	2,000	2,000
Work in process	21,631	19,960	Income taxes payable	164	453
Raw materials and supplies	9,747	9,298	Provision for product warranties	15	15
Real estate for sale	93	93	Provision for loss on construction contracts	1,697	1,362
Other	4,321	3,894	Other	7,951	8,611
Allowance for doubtful accounts	(35)	(45)	Total current liabilities	31,182	35,238
Total current assets	92,464	98,606	Noncurrent liabilities		
Noncurrent assets			Long-term loans payable	12	12
Property, plant and equipment			Provision for retirement benefits	8,034	7,970
Buildings and structures, net	10,088	10,280	Provision for directors' retirement benefits	382	484
Other, net	10,555	10,687	Deferred tax liabilities for land revaluation	62	62
Total property, plant and equipment	20,643	20,968	Negative goodwill	203	239
Intangible assets	912	980	Other	5,439	5,432
Investments and other assets			Total noncurrent liabilities	14,135	14,201
Other	9,885	9,792	Total liabilities	45,317	49,440
Allowance for doubtful accounts	(70)	(74)	<b>Net assets</b>		
Total investments and other assets	9,814	9,718	Shareholders' equity		
Total noncurrent assets	31,370	31,667	Capital stock	15,981	15,981
Total assets	123,834	130,273	Capital surplus	15,737	15,737
			Retained earnings	53,565	55,897
			Treasury stock	(8,202)	(8,202)
			Total shareholders' equity	77,081	79,414
			Accumulated other comprehensive income		
			Valuation difference on available-for-sale securities	490	451
			Revaluation reserve for land	(389)	(389)
			Foreign currency translation adjustment	(314)	(324)
			Total accumulated other comprehensive income	(213)	(261)
			Minority interests	1,648	1,680
			Total net assets	78,516	80,833
			<b>Total liabilities and net assets</b>	123,834	130,273

ShinMaywa Industries, Ltd.

## Consolidated Statements of Income

Millions of Yen

	First Quarter of FY2011	First Quarter of FY2010
Net sales	20,594	21,563
Cost of sales	18,310	18,321
Gross profit	2,284	3,242
Selling, general and administrative expenses	3,460	3,543
Operating loss	(1,175)	(301)
Non-operating income		
Interest income	7	4
Dividends income	23	20
Amortization of negative goodwill	36	36
Other	18	32
Total non-operating income	86	93
Non-operating expenses		
Interest expenses	16	22
Equity in losses of affiliates	14	6
Foreign exchange losses	256	303
Other	27	35
Total non-operating expenses	315	368
Ordinary loss	(1,404)	(575)
Extraordinary income		
Reversal of allowance for doubtful accounts	—	14
Gain on sales of investment securities	—	12
Gain on sales of golf memberships	5	—
Total extraordinary income	5	26
Extraordinary loss		
Loss on disposal of noncurrent assets	2	28
Loss on disaster	50	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	76
Total extraordinary losses	52	104
Loss before income taxes and minority interests	(1,451)	(653)
Income taxes—current	177	110
Income taxes—deferred	227	(309)
Total income taxes	404	(198)
Loss before minority interests	(1,856)	(454)
Minority interests in loss	(23)	(6)
Net loss	(1,833)	(448)

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Comprehensive Income

Millions of Yen

	First Quarter of FY2011	First Quarter of FY2010
Loss before minority interests	(1,856)	(454)
Other comprehensive income		
Valuation difference on available-for-sale securities	38	(105)
Foreign currency translation adjustment	(2)	(19)
Share of other comprehensive income of associates accounted for using equity method	14	4
Total other comprehensive income	49	(120)
Comprehensive income	(1,806)	(575)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,785)	(567)
Comprehensive income attributable to minority interests	(21)	(7)

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Cash Flows

	Millions of Yen	
	First Quarter of FY2011	First Quarter of FY2010
Net cash provided by (used in) operating activities		
Loss before income taxes and minority interests	(1,451)	(653)
Depreciation and amortization	731	767
Decrease (increase) in notes and accounts receivable-trade	14,178	7,522
Decrease (increase) in inventories	(2,417)	392
Increase (decrease) in notes and accounts payable-trade	(3,511)	(2,792)
Other, net	(789)	(1,795)
Subtotal	6,739	3,440
Interest and dividends income received	32	25
Interest expenses paid	(12)	(11)
Income taxes paid	(578)	(672)
Net cash provided by (used in) operating activities	6,181	2,781
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	—	100
Purchase of property, plant and equipment	(488)	(257)
Purchase of intangible assets	(45)	(13)
Proceeds from sales of investment securities	—	12
Other, net	(9)	(0)
Net cash provided by (used in) investing activities	(543)	(158)
Net cash provided by (used in) financing activities		
Cash dividends paid	(498)	(498)
Cash dividends paid to minority shareholders	(10)	(10)
Other, net	(41)	6
Net cash provided by (used in) financing activities	(550)	(503)
Effect of exchange rate change on cash and cash equivalents	36	3
Net increase (decrease) in cash and cash equivalents	5,122	2,122
Cash and cash equivalents at beginning of period	17,150	17,448
Cash and cash equivalents at end of period	22,273	19,571

**ShinMaywa Industries, Ltd.**