

## Consolidated Financial Results for Fiscal Year 2011 (April 1, 2011 – March 31, 2012)

27/4/2012

Name of registrant: ShinMaywa Industries, Ltd.  
Code number: 7224

Stock Exchange Listed: Tokyo, Osaka  
(URL: <http://www.shinmaywa.co.jp>)

Representative: Yoshihiro Onishi, President and Chief Executive Officer

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

Date of the general meeting of shareholders: June 26, 2012

Date of the dividends pay start planned: June 27, 2012

Date of filing annual security report: June 26, 2012

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

#### (1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2011	108,974	1.6	2,269	37.8	2,114	54.1	(266)	—
FY2010	107,229	(2.9)	1,647	(46.4)	1,372	(56.1)	(1,749)	—

	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
FY2011	yen (2.68)	yen —	% (0.3)	% 1.6	% 2.1
FY2010	(17.54)	—	(2.2)	1.0	1.5

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2011: 149 million yen FY2010: 116 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)	Net assets per share
FY2011	million yen 136,138	million yen 79,324	% 57.3	yen 782.09
FY2010	130,273	80,833	60.8	793.36

Note: Shareholders' equity: FY2011 78,023 million yen FY2010 79,153 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
FY2011	million yen 4,131	million yen (2,130)	million yen 782	million yen 19,855
FY2010	4,142	(1,347)	(3,022)	17,150

### 2. Dividends

	Dividends per share			Dividends total (Full-Year)	Dividends payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Interim	Year-end	Full-year			
FY2010	yen 5	yen 5	yen 10	million yen 997	% —	% 1.2
FY2011	5	5	10	997	—	1.3
FY2012 (Forecast)	5	5	10		—	

### 3. Consolidated Financial Results Forecast for FY 2012 (April 1, 2012 – March 31, 2013)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half Year	64,000	38.5	0	—	0	—	4,000	—	40.09
Full Year	140,000	28.5	2,600	14.5	2,900	37.1	6,000	—	60.14

# Consolidated Balance Sheets

	Millions of Yen			Millions of Yen	
	FY2011	FY2010		FY2011	FY2010
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	19,855	17,150	Notes and accounts payable-trade	19,824	16,795
Notes and accounts receivable-trade	50,325	46,370	Short-term loans payable	—	6,000
Merchandise and finished goods	2,067	1,884	Current portion of long-term loans payable	2,000	2,000
Work in process	19,025	19,960	Accrued expenses	5,827	5,885
Raw materials and supplies	9,102	9,298	Income taxes payable	770	453
Real estate for sale	—	93	Provision for directors' bonuses	27	23
Deferred tax assets	3,419	2,997	Provision for product warranties	10	15
Other	966	896	Provision for loss on construction contracts	1,910	1,362
Allowance for doubtful accounts	(82)	(45)	Other	5,803	2,702
Total current assets	104,679	98,606	Total current liabilities	36,174	35,238
Noncurrent assets			Noncurrent liabilities		
Property, plant and equipment			Long-term loans payable	8,012	12
Buildings and structures, net	9,818	10,280	Provision for retirement benefits	8,072	7,970
Machinery, equipment and vehicles, net	4,244	4,779	Provision for directors' retirement benefits	477	484
Land	4,634	4,554	Deferred tax liabilities	9	72
Construction in progress	784	163	Deferred tax liabilities for land revaluation	54	62
Other, net	1,307	1,190	Negative goodwill	93	239
Total property, plant and equipment	20,789	20,968	Other	3,918	5,360
Intangible assets	891	980	Total noncurrent liabilities	20,639	14,201
Investments and other assets			Total liabilities	56,813	49,440
Investment securities	3,000	2,772	<b>Net assets</b>		
Long-term loans receivable	283	225	Shareholders' equity		
Deferred tax assets	2,136	3,163	Capital stock	15,981	15,981
Other	4,419	3,631	Capital surplus	15,737	15,737
Allowance for doubtful accounts	(63)	(74)	Retained earnings	54,632	55,897
Total investments and other assets	9,777	9,718	Treasury stock	(8,203)	(8,202)
Total noncurrent assets	31,458	31,667	Total shareholders' equity	78,148	79,414
Total assets	136,138	130,273	Accumulated other comprehensive income		
			Valuation difference on available-for-sale securities	624	451
			Revaluation reserve for land	(383)	(389)
			Foreign currency translation adjustment	(365)	(324)
			Total accumulated other comprehensive income	(124)	(261)
			Minority interests	1,301	1,680
			Total net assets	79,324	80,833
			Total liabilities and net assets	136,138	130,273

ShinMaywa Industries, Ltd.

## Consolidated Statements of Income

	Millions of Yen	
	FY2011	FY2010
Net sales	108,974	107,229
Cost of sales	91,872	91,313
Gross profit	17,102	15,916
Selling, general and administrative expenses	14,832	14,269
Operating income	2,269	1,647
Non-operating income		
Interest income	33	26
Dividends income	41	38
Amortization of negative goodwill	146	146
Equity in earnings of affiliates	149	116
Rent income	21	46
Dividends income of insurance	151	153
Other	87	62
Total non-operating income	631	591
Non-operating expenses		
Interest expenses	65	84
Sales discounts	13	13
Foreign exchange losses	543	648
Commission for syndicate loan	91	48
Other	71	71
Total non-operating expenses	786	866
Ordinary income	2,114	1,372
Extraordinary income		
Reversal of allowance for doubtful accounts	—	44
Gain on sales of noncurrent assets	71	—
Gain on sales of investment securities	—	12
Gain on sales of golf memberships	7	—
Total extraordinary income	79	57
Extraordinary loss		
Loss on sales of noncurrent assets	1	214
Loss on disposal of noncurrent assets	145	77
Impairment loss	—	29
Loss on disaster	151	326
Equipment relocation expenses	—	471
Loss on litigation	794	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	76
Loss on liquidation of business	35	117
Total extraordinary losses	1,128	1,313
Income before income taxes and minority interests	1,065	116
Income taxes—current	1,192	753
Income taxes—deferred	491	1,124
Total income taxes	1,683	1,878
Loss before minority interests	(618)	(1,762)
Minority interests in loss	(351)	(12)
Net loss	(266)	(1,749)

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2011	FY2010
Loss before minority interests	(618)	(1,762)
Other comprehensive income		
Valuation difference on available-for-sale securities	173	12
Revaluation reserve for land	7	—
Foreign currency translation adjustment	(48)	(70)
Share of other comprehensive income of associates accounted for using equity method	(0)	(31)
Total other comprehensive income	131	(88)
Comprehensive income	(487)	(1,850)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(129)	(1,833)
Comprehensive income attributable to minority interests	(357)	(16)

**ShinMaywa Industries, Ltd.**

## Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2011	FY2010
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,065	116
Depreciation and amortization	3,135	3,236
Impairment loss	—	29
Increase (decrease) in provision for retirement benefits and directors' retirement benefits	95	74
Increase (decrease) in allowance for doubtful accounts	25	(48)
Interest and dividends income	(74)	(64)
Interest expenses	65	84
Equity in (earnings) losses of affiliates	(149)	(116)
Loss (gain) on sales of investment securities	—	(12)
Loss (gain) on sales of noncurrent assets	(70)	214
Loss (gain) on disposal of noncurrent assets	145	77
Decrease (increase) in notes and accounts receivable—trade	(3,981)	(3,793)
Decrease (increase) in inventories	1,089	4,739
Increase (decrease) in notes and accounts payable—trade	2,992	1,871
Increase (decrease) in other noncurrent liabilities	(1,607)	(565)
Other, net	2,225	(741)
Subtotal	4,955	5,101
Interest and dividends income received	80	63
Interest expenses paid	(65)	(83)
Income taxes paid	(839)	(938)
Net cash provided by (used in) operating activities	4,131	4,142
Net cash provided by (used in) investing activities		
Proceeds from withdrawal of time deposits	—	100
Purchase of property, plant and equipment	(1,734)	(1,575)
Proceeds from sales of property, plant and equipment	101	537
Purchase of intangible assets	(245)	(192)
Proceeds from sales of investment securities	—	12
Purchases of stock from minority shareholders	(15)	(15)
Payments of loans receivable from subsidiaries and affiliates	(70)	(173)
Other, net	(167)	(40)
Net cash provided by (used in) investing activities	(2,130)	(1,347)
Net cash provided by (used in) financing activities		
Decrease in short-term loans payable	(6,000)	—
Proceeds from long-term loans payable	10,000	12
Repayment of long-term loans payable	(2,000)	(2,000)
Proceeds from stock issuance to minority shareholders	—	134
Purchase of treasury stock	(1)	(5)
Cash dividends paid	(997)	(997)
Cash dividends paid to minority shareholders	(21)	(21)
Repayments of finance lease obligations	(196)	(145)
Net cash provided by (used in) financing activities	782	(3,022)
Effect of exchange rate change on cash and cash equivalents	(78)	(70)
Net increase (decrease) in cash and cash equivalents	2,705	(298)
Cash and cash equivalents at beginning of period	17,150	17,448
Cash and cash equivalents at end of period	19,855	17,150

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