

Summary

Consolidated Financial Results for the Second Quarter of Fiscal Year 2012 (April 1, 2012- September 30, 2012)

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, Deputy Manager, Office of the President (Phone: 0798-56-5000)

1. Financial Results for the Second Quarter of FY 2012 (April 1, 2012– September 30, 2012)

(1) Consolidated Results of Operations

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------|-------------|-------|------------------|---|-----------------|---|-------------|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Second Quarter of FY2012 | 64,905 | 40.5 | 1,757 | - | 1,806 | - | 5,662 | - |
| Second Quarter of FY2011 | 46,193 | (4.0) | (747) | - | (1,319) | - | (1,657) | - |

| | Net income per share for this quarter | Net income per share after adjustment of latent shares for this quarter |
|--------------------------|---------------------------------------|---|
| Second Quarter of FY2012 | yen 56.78 | yen — |
| Second Quarter of FY2011 | (16.61) | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Shareholders' equity ratio (Ratio of net assets to total assets) |
|--------------------------|------------------------|-----------------------|--|
| Second Quarter of FY2012 | million yen 143,203 | million yen 84,214 | % 57.9 |
| FY2011 | 136,138 | 79,324 | 57.3 |

2. Dividends

| | Dividends per share | | | | |
|-------------------|---------------------|----------------|---------------|----------|-----------|
| | First Quarter | Second Quarter | Third Quarter | Year-end | Full-year |
| FY2011 | — | yen 5 | — | yen 5 | yen 10 |
| FY2012 | — | 5 | | | |
| FY2012 (Forecast) | | | — | 5 | 10 |

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

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share for this quarter |
|-----------|-------------|------|------------------|-------|-----------------|-------|-------------|---|---------------------------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full Year | 146,700 | 34.6 | 4,600 | 102.7 | 4,900 | 131.7 | 7,800 | — | 78.22 |

Consolidated Balance Sheets

| | Millions of Yen | | Millions of Yen | |
|-------------------------------------|-----------------------------|----------------|---|----------------|
| | Second Quarter of FY2012 | FY2011 | Second Quarter of FY2012 | FY2011 |
| Assets | | | Liabilities | |
| Current assets | | | Current liabilities | |
| Cash and deposits | 15,445 | 19,855 | Notes and accounts payable-trade | 21,540 |
| Notes and accounts receivable-trade | 45,657 | 50,325 | Current portion of long-term loans payable | 2,000 |
| Merchandise and finished goods | 2,525 | 2,067 | Income taxes payable | 670 |
| Work in process | 24,550 | 19,025 | Provision for product warranties | 11 |
| Raw materials and supplies | 12,469 | 9,102 | Provision for loss on construction contracts | 2,280 |
| Other | 5,102 | 4,385 | Other | 10,781 |
| Allowance for doubtful accounts | (68) | (82) | Total current liabilities | 37,284 |
| Total current assets | 105,682 | 104,679 | Noncurrent liabilities | |
| Noncurrent assets | | | Long-term loans payable | 7,029 |
| Property, plant and equipment | | | Provision for retirement benefits | 9,560 |
| Buildings and structures, net | 11,201 | 9,818 | Provision for directors' retirement benefits | — |
| Other, net | 14,503 | 10,971 | Deferred tax liabilities for land revaluation | 54 |
| Total property, plant and equipment | 25,705 | 20,789 | Negative goodwill | 20 |
| Intangible assets | 1,163 | 891 | Other | 5,038 |
| Investments and other assets | | | Total noncurrent liabilities | 21,704 |
| Other | 10,734 | 9,840 | Total liabilities | 58,988 |
| Allowance for doubtful accounts | (81) | (63) | Net assets | |
| Total investments and other assets | 10,652 | 9,777 | Shareholders' equity | |
| Total noncurrent assets | 37,521 | 31,458 | Capital stock | 15,981 |
| Total assets | 143,203 | 136,138 | Capital surplus | 15,737 |
| | | | Retained earnings | 51,690 |
| | | | Treasury stock | (118) |
| | | | Total shareholders' equity | 83,291 |
| | | | Accumulated other comprehensive income | |
| | | | Valuation difference on available-for-sale securities | 352 |
| | | | Revaluation reserve for land | (383) |
| | | | Foreign currency translation adjustment | (375) |
| | | | Total accumulated other comprehensive income | (406) |
| | | | Minority interests | 1,329 |
| | | | Total net assets | 84,214 |
| | | | Total liabilities and net assets | 143,203 |

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

| | Millions of Yen | |
|--|-----------------------------|-----------------------------|
| | Second Quarter of FY2012 | Second Quarter of FY2011 |
| Net sales | 64,905 | 46,193 |
| Cost of sales | 54,127 | 40,047 |
| Gross profit | 10,778 | 6,146 |
| Selling, general and administrative expenses | 9,020 | 6,894 |
| Operating income (loss) | 1,757 | (747) |
| Non-operating income | | |
| Interest income | 9 | 16 |
| Dividends income | 33 | 25 |
| Amortization of negative goodwill | 73 | 73 |
| Equity in earnings of affiliates | 22 | — |
| Other | 81 | 48 |
| Total non-operating income | 221 | 163 |
| Non-operating expenses | | |
| Interest expenses | 31 | 34 |
| Equity in losses of affiliates | — | 8 |
| Foreign exchange losses | 89 | 633 |
| Other | 51 | 57 |
| Total non-operating expenses | 172 | 735 |
| Ordinary income (loss) | 1,806 | (1,319) |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | — | 65 |
| Gain on negative goodwill | 4,445 | — |
| Gain on sales of golf memberships | — | 5 |
| Total extraordinary income | 4,445 | 71 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | — | 1 |
| Loss on disposal of noncurrent assets | 61 | 9 |
| Loss on disaster | — | 69 |
| Loss on valuation of investment securities | 28 | — |
| Total extraordinary losses | 89 | 80 |
| Income (loss) before income taxes and minority interests | 6,162 | (1,328) |
| Income taxes—current | 691 | 456 |
| Income taxes—deferred | (183) | (87) |
| Total income taxes | 508 | 368 |
| Income (loss) before minority interests | 5,653 | (1,696) |
| Minority interests in loss | (8) | (39) |
| Net income (loss) | 5,662 | (1,657) |

ShinMaywa Industries, Ltd.

Consolidated Statements of Comprehensive Income

Millions of Yen

| | Second Quarter of FY2012 | Second Quarter of FY2011 |
|---|-----------------------------|-----------------------------|
| Income (loss) before minority interests | 5,653 | (1,696) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (269) | (110) |
| Foreign currency translation adjustment | (9) | (42) |
| Share of other comprehensive income of associates accounted for using equity method | 7 | 6 |
| Total other comprehensive income | (272) | (146) |
| Comprehensive income | 5,381 | (1,842) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 5,384 | (1,803) |
| Comprehensive income attributable to minority interests | (3) | (39) |

ShinMaywa Industries, Ltd.

Consolidated Statements of Cash Flows

| | Millions of Yen | |
|---|-----------------------------|-----------------------------|
| | Second Quarter of FY2012 | Second Quarter of FY2011 |
| Net cash provided by (used in) operating activities | | |
| Income (loss) before income taxes and minority interests | 6,162 | (1,328) |
| Depreciation and amortization | 1,772 | 1,484 |
| Gain on negative goodwill | (4,445) | — |
| Decrease (increase) in notes and accounts receivable—trade | 13,865 | 11,073 |
| Decrease (increase) in inventories | (5,317) | (2,767) |
| Increase (decrease) in notes and accounts payable—trade | (872) | (2,331) |
| Other, net | (3,164) | (548) |
| Subtotal | 7,999 | 5,583 |
| Interest and dividends income received | 115 | 41 |
| Interest expenses paid | (31) | (34) |
| Income taxes paid | (951) | (465) |
| Net cash provided by (used in) operating activities | 7,132 | 5,123 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment | (2,329) | (1,337) |
| Purchase of intangible assets | (216) | (114) |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (107) | — |
| Other, net | (146) | (21) |
| Net cash provided by (used in) investing activities | (2,800) | (1,473) |
| Net cash provided by (used in) financing activities | | |
| Decrease in short-term loans payable | (7,000) | — |
| Proceeds from long-term loans payable | 17 | — |
| Repayment of long-term loans payable | (1,000) | (1,000) |
| Proceeds from stock issuance to minority shareholders | 37 | — |
| Cash dividends paid | (498) | (498) |
| Cash dividends paid to minority shareholders | (5) | (10) |
| Other, net | (178) | (86) |
| Net cash provided by (used in) financing activities | (8,627) | (1,595) |
| Effect of exchange rate change on cash and cash equivalents | 10 | 5 |
| Net increase (decrease) in cash and cash equivalents | (4,285) | 2,060 |
| Cash and cash equivalents at beginning of period | 19,855 | 17,150 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (143) | — |
| Cash and cash equivalents at end of period | 15,426 | 19,211 |

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