

Summary

31-Oct-2013

Consolidated Financial Results for the Second Quarter of Fiscal Year 2013 (April 1, 2013- September 30, 2013)

Name of registrant: ShinMaywa Industries, Ltd. Stock Exchange Listed: Tokyo
Code number: 7224 (URL: <http://www.shinmaywa.co.jp>)
Representative: Yoshihiro Onishi, President and Chief Executive Officer
Contact: Akira Nishioka, Officer
Manager, Human Resources & General Affairs Dept. (Phone: 0798-56-5002)

1. Financial Results for the Second Quarter of FY 2013 (April 1, 2013– September 30, 2013)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter of FY2013	72,507	11.7	3,970	125.8	4,102	127.1	2,797	(50.6)
Second Quarter of FY2012	64,905	40.5	1,757	—	1,806	—	5,662	—

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
Second Quarter of FY2013	28.06	—
Second Quarter of FY2012	56.78	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)
Second Quarter of FY2013	153,705	92,047	59.8
FY2012	155,248	89,035	57.3

2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
FY2012	—	5	—	5	10
FY2013	—	5	—	—	—
FY2013 (Forecast)	—	—	—	5	10

3. Financial Results Forecast for FY 2013 (April 1, 2013 – March 31, 2014)

	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	168,000	11.3	8,300	42.1	8,600	32.7	5,500	(51.6)	55.16

Consolidated Balance Sheets

	Millions of Yen			Millions of Yen	
	Second Quarter of FY2013	FY2012		Second Quarter of FY2013	FY2012
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	12,324	14,811	Notes and accounts payable-trade	24,116	25,900
Notes and accounts receivable-trade	52,817	58,916	Current portion of long-term loans payable	2,000	2,000
Merchandise and finished goods	2,818	2,559	Income taxes payable	785	1,402
Work in process	25,460	20,635	Provision for product warranties	17	18
Raw materials and supplies	13,132	12,365	Provision for loss on construction contracts	1,900	1,718
Other	5,344	5,992	Other	13,832	14,873
Allowance for doubtful accounts	(43)	(59)	Total current liabilities	42,652	45,914
Total current assets	111,853	115,222	Noncurrent liabilities		
Noncurrent assets			Long-term loans payable	5,000	6,000
Property, plant and equipment			Provision for retirement benefits	9,837	9,676
Buildings and structures, net	11,810	11,521	Other	4,168	4,622
Other, net	15,220	14,754	Total noncurrent liabilities	19,005	20,299
Total property, plant and equipment	27,030	26,275	Total liabilities	61,658	66,213
Intangible assets	1,396	1,268	Net assets		
Investments and other assets			Shareholders' equity		
Other	13,515	12,578	Capital stock	15,981	15,981
Allowance for doubtful accounts	(90)	(96)	Capital surplus	15,737	15,737
Total investments and other assets	13,424	12,481	Retained earnings	59,201	56,901
Total noncurrent assets	41,851	40,026	Treasury stock	(125)	(120)
Total assets	153,705	155,248	Total shareholders' equity	90,794	88,500
			Accumulated other comprehensive income		
			Valuation difference on available-for-sale securities	1,362	876
			Revaluation reserve for land	(383)	(383)
			Foreign currency translation adjustment	179	(52)
			Total accumulated other comprehensive income	1,157	440
			Minority interests	95	93
			Total net assets	92,047	89,035
			Total liabilities and net assets	153,705	155,248

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

	Millions of Yen	
	Second Quarter of FY2013	Second Quarter of FY2012
Net sales	72,507	64,905
Cost of sales	59,238	54,127
Gross profit	13,269	10,778
Selling, general and administrative expenses	9,299	9,020
Operating income	3,970	1,757
Non-operating income		
Interest income	15	9
Dividends income	38	33
Amortization of negative goodwill	—	73
Equity in earnings of affiliates	34	22
Foreign exchange gains	27	—
Other	82	81
Total non-operating income	198	221
Non-operating expenses		
Interest expenses	24	31
Foreign exchange losses	—	89
Cost of inactive noncurrent assets	14	12
Other	27	38
Total non-operating expenses	65	172
Ordinary income	4,102	1,806
Extraordinary income		
Gain on bargain purchase	—	4,445
Gain on transfer of retirement benefit plan	445	—
Total extraordinary income	445	4,445
Extraordinary loss		
Loss on disposal of noncurrent assets	83	61
Loss on valuation of investment securities	—	28
Total extraordinary losses	83	89
Income before income taxes and minority interests	4,465	6,162
Income taxes—current	807	691
Income taxes—deferred	868	△183
Total income taxes	1,676	508
Income before minority interests	2,789	5,653
Minority interests in loss	(8)	(8)
Net income	2,797	5,662

ShinMaywa Industries, Ltd.

Consolidated Statements of Comprehensive Income

Millions of Yen

	Second Quarter of FY2013	Second Quarter of FY2012
Income before minority interests	2,789	5,653
Other comprehensive income		
Valuation difference on available-for-sale securities	485	(269)
Foreign currency translation adjustment	136	(9)
Share of other comprehensive income of associates accounted for using equity method	105	7
Total other comprehensive income	727	(272)
Comprehensive income	3,516	5,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,515	5,384
Comprehensive income attributable to minority interests	1	(3)

ShinMaywa Industries, Ltd.

Consolidated Statements of Cash Flows

	Millions of Yen	
	Second Quarter of FY2013	Second Quarter of FY2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,465	6,162
Depreciation and amortization	1,927	1,772
Gain on bargain purchase	—	(4,445)
Decrease (increase) in notes and accounts receivable—trade	6,317	13,865
Decrease (increase) in inventories	(5,754)	(5,317)
Increase (decrease) in notes and accounts payable—trade	(1,972)	(872)
Other, net	(1,876)	(3,164)
Subtotal	<u>3,107</u>	<u>7,999</u>
Interest and dividends income received	130	115
Interest expenses paid	(24)	(31)
Income taxes paid	(1,384)	(951)
Net cash provided by (used in) operating activities	<u>1,829</u>	<u>7,132</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,505)	(2,329)
Purchase of intangible assets	(304)	(216)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(107)
Other, net	4	(146)
Net cash provided by (used in) investing activities	<u>(2,805)</u>	<u>(2,800)</u>
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)
Other, net	(192)	(178)
Net cash provided by (used in) financing activities	<u>(1,691)</u>	<u>(8,627)</u>
Effect of exchange rate change on cash and cash equivalents	201	10
Net increase (decrease) in cash and cash equivalents	<u>(2,466)</u>	<u>(4,285)</u>
Cash and cash equivalents at beginning of period	14,790	19,855
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(143)
Cash and cash equivalents at end of period	<u>12,324</u>	<u>15,426</u>

ShinMaywa Industries, Ltd.