

Consolidated Financial Results for Fiscal Year 2014 (April 1, 2014 – March 31, 2015)

28/4/2015

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: Taku Takeuchi, Manager, Corporate Communications Section (Phone: 0798-56-5002)

Date of the general meeting of shareholders: June 25, 2015

Date of the dividends pay start planned: June 26, 2015

Date of filing annual security report: June 25, 2015

1. Consolidated Financial Results for FY 2014 (April 1, 2014 – March 31, 2015)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2014	193,131	11.0	13,635	25.4	14,375	25.6	9,159	23.0
FY2013	174,010	15.3	10,872	86.2	11,440	76.6	7,444	(34.5)

	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
	yen	yen	%	%	%
FY2014	91.88	—	9.1	8.2	7.1
FY2013	74.67	—	8.1	7.1	6.2

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2014: 300 million yen FY2013: 160 million yen

(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
FY2014	182,167	105,958	58.1	1,062.04
FY2013	167,460	95,223	56.8	954.25

Note: Shareholders' equity: FY2014 105,865 million yen FY2013 95,130 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
	million yen	million yen	million yen	million yen
FY2014	9,485	(5,817)	(3,503)	12,920
FY2013	6,477	(5,554)	(3,390)	12,550

2. Dividends

	Dividends per share			Dividends total (Full-Year)	Dividends payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Interim	Year-end	Full-year			
	yen	yen	yen	million yen	%	%
FY2013	5	7	12	1,196	16.1	1.3
FY2014	6	8	14	1,395	15.2	1.4
FY2015 (Forecast)	7	7	14		14.7	

3. Consolidated Financial Results Forecast for FY 2015 (April 1, 2015 – March 31, 2016)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half Year	94,500	12.7	6,400	17.1	6,600	14.9	4,300	18.9	43.14
Full Year	203,000	5.1	14,000	2.7	14,500	0.9	9,500	3.7	95.30

Consolidated Balance Sheets

	Millions of Yen			Millions of Yen	
	FY2014	FY2013		FY2014	FY2013
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	12,920	12,550	Notes and accounts payable – trade	32,214	28,021
Notes and accounts receivable – trade	77,519	68,184	Short-term loans payable	188	—
Merchandise and finished goods	2,635	2,324	Current portion of long-term loans payable	2,000	2,000
Work in process	23,274	21,617	Accrued expenses	10,917	8,872
Raw materials and supplies	12,955	12,288	Income taxes payable	4,253	4,129
Deferred tax assets	5,227	5,063	Provision for directors' bonuses	211	182
Other	2,172	1,679	Provision for product warranties	45	57
Allowance for doubtful accounts	(38)	(34)	Provision for loss on construction contracts	2,628	2,037
Total current assets	136,664	123,675	Other	7,997	6,864
Non-current assets			Total current liabilities	60,457	52,164
Property, plant and equipment			Non-current liabilities		
Buildings and structures, net	11,874	11,917	Long-term loans payable	2,000	4,000
Machinery, equipment and vehicles, net	6,706	6,557	Deferred tax liabilities	95	158
Land	7,031	7,018	Deferred tax liabilities for land revaluation	49	54
Construction in progress	760	133	Net defined benefit liability	10,166	12,030
Other, net	1,468	1,495	Other	3,438	3,828
Total property, plant and equipment	27,841	27,122	Total non-current liabilities	15,750	20,072
Intangible assets	2,164	1,681	Total liabilities	76,208	72,237
Investments and other assets			Net assets		
Investment securities	6,527	5,598	Shareholders' equity		
Long-term loans receivable	270	270	Capital stock	15,981	15,981
Net defined benefit asset	3,568	3,164	Capital surplus	15,737	15,737
Deferred tax assets	1,778	2,805	Retained earnings	72,736	63,349
Other	3,412	3,210	Treasury shares	(145)	(134)
Allowance for doubtful accounts	(61)	(67)	Total shareholders' equity	104,310	94,934
Total investments and other assets	15,496	14,981	Accumulated other comprehensive income		
Total non-current assets	45,502	43,785	Valuation difference on available-for-sale securities	2,095	1,387
Total assets	182,167	167,460	Revaluation reserve for land	(378)	(383)
			Foreign currency translation adjustment	692	307
			Remeasurements of defined benefit plans	(854)	(1,114)
			Total accumulated other comprehensive income	1,554	195
			Minority interests	93	93
			Total net assets	105,958	95,223
			Total liabilities and net assets	182,167	167,460

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

	Millions of Yen	
	FY2014	FY2013
Net sales	193,131	174,010
Cost of sales	158,131	142,253
Gross profit	35,000	31,756
Selling, general and administrative expenses	21,365	20,883
Operating income	13,635	10,872
Non-operating income		
Interest income	15	23
Dividend income	79	67
Share of profit of entities accounted for using equity method	300	160
Rent income	20	35
Dividend income of insurance	171	157
Foreign exchange gains	125	131
Other	141	118
Total non-operating income	855	694
Non-operating expenses		
Interest expenses	38	47
Sales discounts	11	11
Cost of inactive noncurrent assets	26	29
Commission for syndicate loan	16	16
Other	22	22
Total non-operating expenses	115	126
Ordinary income	14,375	11,440
Extraordinary income		
Gain on sales of investment securities	123	88
Gain on transfer of retirement benefit plan	—	445
Total extraordinary income	123	534
Extraordinary losses		
Loss on sales of non-current assets	13	—
Loss on disposal of non-current assets	268	228
Loss on liquidation of business	—	55
Total extraordinary losses	282	283
Income before income taxes and minority interests	14,216	11,691
Income taxes – current	5,571	4,729
Income taxes – deferred	(503)	(464)
Total income taxes	5,067	4,264
Income before minority interests	9,148	7,426
Minority interests in loss	(10)	(18)
Net income	9,159	7,444

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Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2014	FY2013
Income before minority interests	9,148	7,426
Other comprehensive income		
Valuation difference on available-for-sale securities	708	510
Revaluation reserve for land	5	—
Foreign currency translation adjustment	273	203
Remeasurements of defined benefit plans, net of tax	259	—
equity method	123	171
Total other comprehensive income	1,369	885
Comprehensive income	10,518	8,311
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,517	8,315
Comprehensive income attributable to minority interests	0	(3)

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Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2014	FY2013
Cash flows from operating activities		
Income before income taxes and minority interests	14,216	11,691
Depreciation	4,093	3,978
Increase (decrease) in net defined benefit liability	517	385
Increase (decrease) in allowance for doubtful accounts	(2)	(54)
Interest and dividend income	(95)	(90)
Interest expenses	38	47
Share of (profit) loss of entities accounted for using equity method	(300)	(160)
Loss (gain) on sales of non-current assets	13	—
Loss (gain) on disposal of non-current assets	268	228
Decrease (increase) in notes and accounts receivable – trade	(8,912)	(8,901)
Decrease (increase) in inventories	(2,334)	(474)
Increase (decrease) in notes and accounts payable – trade	3,924	1,771
Increase (decrease) in other non-current liabilities	(291)	(441)
Other, net	3,650	381
Subtotal	14,784	8,360
Interest and dividend income received	201	167
Interest expenses paid	(37)	(47)
Income taxes paid	(5,462)	(2,003)
Net cash provided by (used in) operating activities	9,485	6,477
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	—	24
Purchase of property, plant and equipment	(4,575)	(4,344)
Proceeds from sales of property, plant and equipment	89	14
Purchase of intangible assets	(924)	(721)
Purchase of investment securities	(2)	(420)
Payments for transfer of business	(195)	—
Other, net	(208)	(106)
Net cash provided by (used in) investing activities	(5,817)	(5,554)
Cash flows from financing activities		
Increase in short-term loans payable	225	—
Decrease in short-term loans payable	(37)	—
Repayments of long-term loans payable	(2,000)	(2,000)
Proceeds from share issuance to minority shareholders	—	3
Purchase of treasury shares	(10)	(14)
Cash dividends paid	(1,295)	(997)
Repayments of finance lease obligations	(385)	(381)
Net cash provided by (used in) financing activities	(3,503)	(3,390)
Effect of exchange rate change on cash and cash equivalents	176	231
Net increase (decrease) in cash and cash equivalents	340	(2,235)
Cash and cash equivalents at beginning of period	12,550	14,790
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	28	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(3)
Cash and cash equivalents at end of period	12,920	12,550

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