

Summary

31-October-2017

Consolidated Financial Results for the Second Quarter of Fiscal Year 2017 (April 1, 2017- September 30, 2017)

Name of registrant: ShinMaywa Industries, Ltd. Stock Exchange Listed: Tokyo
Code number: 7224 (URL: <http://www.shinmaywa.co.jp>)
Representative: Tatsuyuki Isogawa, President and Chief Executive Officer
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1. Financial Results for the Second Quarter of FY 2017 (April 1, 2017– September 30, 2017)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter of FY2017	95,981	3.9	5,570	13.6	5,702	22.0	3,741	27.2
Second Quarter of FY2016	92,415	(2.6)	4,903	(48.0)	4,675	(50.4)	2,941	(52.1)

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
Second Quarter of FY2017	yen 39.19	yen —
Second Quarter of FY2016	yen 30.43	yen —

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)
Second Quarter of FY2017	million yen 186,491	million yen 122,296	% 65.5
FY2016	188,632	118,348	62.7

2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
FY2016	—	yen 7	—	yen 7	yen 14
FY2017	—	7			
FY2017 (Forecast)			—	7	14

3. Financial Results Forecast for FY 2017 (April 1, 2017 – March 31, 2018)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	200,000	(0.6)	12,000	(8.2)	12,300	(7.1)	8,000	(10.7)	83.80

Consolidated Balance Sheets

	Millions of Yen		Millions of Yen	
	Second Quarter of FY2017	FY2016	Second Quarter of FY2017	FY2016
Assets				
Current assets				
Cash and deposits	25,392	18,772		
Notes and accounts receivable – trade	63,047	76,475		
Merchandise and finished goods	3,405	3,101		
Work in process	22,682	20,273		
Raw materials and supplies	14,475	14,836		
Other	7,777	6,436		
Allowance for doubtful accounts	(2)	(4)		
Total current assets	136,778	139,890		
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	12,804	11,847		
Other, net	17,718	18,556		
Total property, plant and equipment	30,522	30,403		
Intangible assets	2,475	2,537		
Investments and other assets				
Other	16,763	15,850		
Allowance for doubtful accounts	(48)	(49)		
Total investments and other assets	16,715	15,801		
Total non-current assets	49,712	48,742		
Total assets	186,491	188,632		
Liabilities				
Current liabilities				
Notes and accounts payable – trade	25,458	28,239		
Short-term loans payable	200	150		
Income taxes payable	1,422	2,495		
Provision for product warranties	22	33		
Provision for loss on construction contracts	4,226	3,711		
Other	18,907	21,755		
Total current liabilities	50,236	56,385		
Non-current liabilities				
Net defined benefit liability	11,532	11,275		
Other	2,425	2,623		
Total non-current liabilities	13,958	13,898		
Total liabilities	64,194	70,283		
Net assets				
Shareholders' equity				
Capital stock	15,981	15,981		
Capital surplus	15,738	15,738		
Retained earnings	92,185	89,111		
Treasury shares	(3,252)	(3,250)		
Total shareholders' equity	120,652	117,581		
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	3,245	2,459		
Revaluation reserve for land	(376)	(376)		
Foreign currency translation adjustment	256	257		
Remeasurements of defined benefit plans	(1,573)	(1,653)		
Total accumulated other comprehensive income	1,552	687		
Non-controlling interests	90	79		
Total net assets	122,296	118,348		
Total liabilities and net assets	186,491	188,632		

ShinMaywa Industries, Ltd.

Consolidated Statements of Income

	Millions of Yen	
	Second Quarter of FY2017	Second Quarter of FY2016
Net sales	95,981	92,415
Cost of sales	80,134	77,665
Gross profit	15,847	14,750
Selling, general and administrative expenses	10,276	9,846
Operating profit	5,570	4,903
Non-operating income		
Interest income	8	7
Dividend income	81	75
Share of profit of entities accounted for using equity method	114	—
Other	55	37
Total non-operating income	260	120
Non-operating expenses		
Interest expenses	5	7
Share of loss of entities accounted for using equity method	—	34
Foreign exchange losses	49	251
Cost of inactive noncurrent assets	11	11
Loss on securitization of receivables	33	—
Other	28	43
Total non-operating expenses	128	348
Ordinary profit	5,702	4,675
Extraordinary income		
Gain on sales of non-current assets	—	79
Gain on sales of investment securities	23	—
Total extraordinary income	23	79
Extraordinary losses		
Loss on disposal of non-current assets	83	134
Total extraordinary losses	83	134
Profit before income taxes	5,642	4,620
Income taxes – current	1,488	1,045
Income taxes – deferred	402	636
Total income taxes	1,890	1,681
Profit	3,751	2,939
Profit (loss) attributable to non-controlling interests	10	(2)
Profit attributable to owners of parent	3,741	2,941

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Consolidated Statements of Comprehensive Income

	Millions of Yen	
	Second Quarter of FY2017	Second Quarter of FY2016
Profit	3,751	2,939
Other comprehensive income		
Valuation difference on available-for-sale securities	785	24
Foreign currency translation adjustment	16	(347)
Remeasurements of defined benefit plans, net of tax	80	56
Share of other comprehensive income of entities accounted for using equity method	(16)	(207)
Total other comprehensive income	866	(472)
Comprehensive income	4,618	2,466
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,607	2,477
Comprehensive income attributable to non-controlling interests	10	(11)

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Consolidated Statements of Cash Flows

	Millions of Yen	
	Second Quarter of FY2017	Second Quarter of FY2016
Cash flows from operating activities		
Profit before income taxes	5,642	4,620
Depreciation	2,377	2,248
Decrease (increase) in notes and accounts receivable – trade	13,385	11,873
Decrease (increase) in inventories	(2,305)	(2,164)
Increase (decrease) in notes and accounts payable – trade	(2,820)	(4,605)
Other, net	(3,792)	777
Subtotal	12,485	12,750
Interest and dividend income received	178	208
Interest expenses paid	(5)	(6)
Income taxes paid	(2,575)	(3,171)
Net cash provided by (used in) operating activities	10,084	9,781
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,306)	(2,834)
Purchase of intangible assets	(340)	(381)
Other, net	(58)	9
Net cash provided by (used in) investing activities	(2,704)	(3,207)
Cash flows from financing activities		
Increase in short-term loans payable	200	–
Decrease in short-term loans payable	(150)	–
Repayments of long-term loans payable	–	(1,000)
Purchase of treasury shares	(2)	(3,095)
Cash dividends paid	(668)	(697)
Other, net	(138)	(167)
Net cash provided by (used in) financing activities	(759)	(4,960)
Effect of exchange rate change on cash and cash equivalents	0	(198)
Net increase (decrease) in cash and cash equivalents	6,620	1,414
Cash and cash equivalents at beginning of period	18,772	17,085
Cash and cash equivalents at end of period	25,392	18,500

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