

## Consolidated Financial Results for the Second Quarter of Fiscal Year 2019 (April 1, 2019 - September 30, 2019)

October 31, 2019

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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 Date of the dividends pay start planned: December 2, 2019

(Amounts less than one million yen are rounded down.)

### 1. Financial Results for the Second Quarter of FY2019 (April 1, 2019 - September 30, 2019)

#### (1) Consolidated Results of Operations (%: Changes from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Second Quarter of FY2019	108,098	9.7	6,099	50.7	5,826	35.8	3,670	13.2
Second Quarter of FY2018	98,557	2.7	4,048	(27.3)	4,290	(24.8)	3,242	(13.3)

(Note) Comprehensive income: Second Quarter of FY2019 3,404 million yen [ 16.8 %]  
 Second Quarter of FY2018 2,913 million yen [ (36.9) %]

	Net income per share for this quarter	Net income per share after adjustment of latent shares for this quarter
	yen	yen
Second Quarter of FY2019	56.30	—
Second Quarter of FY2018	34.14	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)
	million yen	million yen	%
Second Quarter of FY2019	199,264	84,686	42.2
FY2018	209,195	83,043	39.4

(Note) Shareholders' equity: Second Quarter of FY2019 84,058 million yen  
 FY2018 82,340 million yen

### 2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year
		yen		yen	yen
FY2018	—	18.00	—	27.00	45.00
FY2019	—	66.00	—	—	—
FY2019 (Forecast)	—	—	—	21.00	87.00

### 3. Consolidated Financial Results Forecast for FY2019 (April 1, 2019 - March 31, 2020)

(%: Changes from the previous fiscal year)

	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	230,000	5.8	11,500	7.4	11,000	5.4	6,500	(7.1)	99.71

## Consolidated Balance Sheets

(Millions of Yen)

	As of March 31 , 2019	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	23,153	18,511
Notes and accounts receivable - trade	64,300	58,671
Electronically recorded monetary claims - operating	16,654	13,878
Merchandise and finished goods	3,766	3,358
Work in process	18,468	20,087
Raw materials and supplies	16,938	19,592
Other	5,459	3,839
Allowance for doubtful accounts	(58)	(59)
Total current assets	<u>148,683</u>	<u>137,880</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,635	14,629
Other, net	20,230	22,105
Total property, plant and equipment	<u>34,865</u>	<u>36,735</u>
Intangible assets	2,768	2,572
Investments and other assets		
Other	22,915	22,111
Allowance for doubtful accounts	(38)	(35)
Total investments and other assets	<u>22,877</u>	<u>22,076</u>
Total non-current assets	<u>60,511</u>	<u>61,383</u>
Total assets	<u>209,195</u>	<u>199,264</u>

## Consolidated Balance Sheets

(Millions of Yen)

	As of March 31 , 2019	As of September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	29,371	25,187
Short-term loans payable	49,051	46,813
Current portion of long-term loans payable	238	111
Income taxes payable	2,423	1,176
Provision for product warranties	7	5
Provision for loss on construction contracts	4,748	4,164
Other	24,981	21,814
Total current liabilities	<u>110,822</u>	<u>99,272</u>
Non-current liabilities		
Long-term loans payable	603	566
Retirement benefit liability	12,594	12,808
Other	2,132	1,929
Total non-current liabilities	<u>15,330</u>	<u>15,305</u>
Total liabilities	<u>126,152</u>	<u>114,577</u>
Net assets		
Shareholders' equity		
Capital stock	15,981	15,981
Capital surplus	15,737	15,737
Retained earnings	94,992	96,902
Treasury shares	(44,597)	(44,598)
Total shareholders' equity	<u>82,113</u>	<u>84,023</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,951	1,776
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	259	119
Remeasurements of defined benefit plans	(1,607)	(1,485)
Total accumulated other comprehensive income	<u>226</u>	<u>35</u>
Non-controlling interests	<u>702</u>	<u>628</u>
Total net assets	<u>83,043</u>	<u>84,686</u>
Total liabilities and net assets	<u>209,195</u>	<u>199,264</u>

## Consolidated Statements of Income

(Millions of Yen)

	Second Quarter of FY2018	Second Quarter of FY2019
Net sales	98,557	108,098
Cost of sales	84,156	91,440
Gross profit	14,401	16,658
Selling, general and administrative expenses	10,352	10,558
Operating income	4,048	6,099
Non-operating income		
Interest income	8	13
Dividend income	98	103
Share of profit of entities accounted for using equity method	81	146
Foreign exchange gains	129	—
Insurance claim income	—	152
Other	68	61
Total non-operating income	387	479
Non-operating expenses		
Interest expenses	5	153
Foreign exchange losses	—	127
Cost of inactive noncurrent assets	10	14
Borrowing fees	6	265
Loss on securitization of receivables	99	140
Other	23	50
Total non-operating expenses	145	751
Ordinary income	4,290	5,826
Extraordinary income		
Gain on sales of non-current assets	—	17
Gain on sales of investment securities	695	—
Gain on transfer of retirement benefit plan	278	—
Total extraordinary income	974	17
Extraordinary losses		
Loss on sales of non-current assets	—	15
Loss on disposal of non-current assets	192	296
Loss on disaster	206	—
Total extraordinary losses	399	311
Profit before income taxes	4,864	5,532
Income taxes - current	1,201	1,185
Income taxes - deferred	395	720
Total income taxes	1,597	1,905
Profit	3,267	3,627
Profit (loss) attributable to non-controlling interests	24	(42)
Profit attributable to owners of parent	3,242	3,670

## Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Second Quarter of FY2018	Second Quarter of FY2019
Profit	3,267	3,627
Other comprehensive income		
Valuation difference on available-for-sale securities	(424)	(174)
Foreign currency translation adjustment	(19)	(128)
Remeasurements of defined benefit plans, net of tax	128	122
Share of other comprehensive income of entities accounted for using equity method	(38)	(42)
Total other comprehensive income	<u>(353)</u>	<u>(223)</u>
Comprehensive income	<u>2,913</u>	<u>3,404</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,892	3,478
Comprehensive income attributable to non-controlling interests	21	(74)

## Consolidated Statements of Cash Flows

(Millions of Yen)

	Second Quarter of FY2018	Second Quarter of FY2019
Cash flows from operating activities		
Profit before income taxes	4,864	5,532
Depreciation	2,421	2,595
Decrease (increase) in notes and accounts receivable - trade	12,099	8,226
Decrease (increase) in inventories	(2,108)	(3,852)
Increase (decrease) in notes and accounts payable - trade	(244)	(4,111)
Other, net	(3,928)	(1,316)
Subtotal	13,104	7,073
Interest and dividend income received	216	145
Interest expenses paid	(4)	(151)
Income taxes paid	(2,296)	(2,407)
Net cash provided by (used in) operating activities	11,019	4,660
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,010)	(4,947)
Purchase of intangible assets	(374)	(266)
Other, net	(426)	125
Net cash provided by (used in) investing activities	(3,811)	(5,088)
Cash flows from financing activities		
Increase in short-term loans payable	—	826
Decrease in short-term loans payable	(90)	(3,000)
Decrease in long-term loans payable	—	(112)
Purchase of treasury shares	(2,667)	(0)
Cash dividends paid	(1,527)	(1,760)
Other, net	(117)	(110)
Net cash provided by (used in) financing activities	(4,401)	(4,157)
Effect of exchange rate change on cash and cash equivalents	(28)	(56)
Net increase (decrease) in cash and cash equivalents	2,778	(4,642)
Cash and cash equivalents at beginning of period	18,750	21,952
Cash and cash equivalents at end of period	21,528	17,309