

## Consolidated Financial Results for Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

May 14, 2020

Name of registrant: ShinMaywa Industries, Ltd. Stock Exchange Listed: Tokyo  
 Code number: 7224 (URL: <https://www.shinmaywa.co.jp/>)  
 Representative: Tatsuyuki Isogawa, President and Chief Executive Officer  
 Contact: Noriko Jitsuhiro, General Manager, Public & Investors Relations Department,  
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 Date of the general meeting of shareholders: June 29, 2020  
 Date of the dividends pay start planned: June 30, 2020

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

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

#### (1) Consolidated Results of Operations

(%: Changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2019	227,231	4.6	12,836	19.9	12,375	18.6	7,378	5.5
FY2018	217,297	4.8	10,708	1.1	10,437	(2.9)	6,996	(1.3)

(Note) Comprehensive income: FY2019 5,860 million yen [ 2.8 %]  
 FY2018 5,701 million yen [ (28.6) %]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY2019	113.11	—	8.9	5.8	5.6
FY2018	76.41	—	6.8	5.2	4.9

(Reference) Equity in earnings of affiliates and non-consolidated subsidiaries: FY2019 454 million yen  
 FY2018 328 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2019	214,157	83,680	38.7	1,261.64
FY2018	209,195	83,043	39.4	1,263.12

(Reference) Equity: FY2019 82,946 million yen  
 FY2018 82,340 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
FY2019	8,509	(12,408)	1,419	19,342
FY2018	13,452	(9,693)	(526)	21,952

### 2. Dividends

	Dividend per share					Total cash dividends (Full-Year)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-end	Full-year			
	yen	yen	yen	yen	yen	million yen	%	%
FY2018	—	18.00	—	27.00	45.00	3,442	58.9	3.5
FY2019	—	66.00	—	21.00	87.00	5,683	76.9	6.9
FY2020(Forecast)	—	—	—	—	—	—	—	—

(Note) 1. The second quarter dividends for FY2019: Ordinary dividend of 21.00 yen and commemorative dividend of 45.00yen

2. The forecast of cash dividends for FY2020 have yet to be determined at this point. We will announce it promptly when we can disclose consolidated financial results forecast.

### 3. Consolidated Financial Results Forecast for FY2020 (April 1, 2020 - March 31, 2021)

The consolidated financial results forecast for FY2020 have yet to be determined at this point, because of the effect of the novel coronavirus disease (COVID-19). We will announce it promptly when we can disclose reasonable forecast.

## Consolidated Balance Sheets

(Millions of Yen)

	As of March 31 , 2019	As of March 31 , 2020
Assets		
Current assets		
Cash and deposits	23,153	19,342
Notes and accounts receivable - trade	64,300	67,223
Electronically recorded monetary claims - operating	16,654	14,532
Merchandise and finished goods	3,766	3,808
Work in process	18,468	18,562
Raw materials and supplies	16,938	20,127
Other	5,459	3,932
Allowance for doubtful accounts	(58)	(71)
Total current assets	148,683	147,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,635	15,306
Machinery, equipment and vehicles, net	9,169	8,184
Land	8,428	9,573
Construction in progress	978	3,362
Other, net	1,654	1,645
Total property, plant and equipment	34,865	38,072
Intangible assets	2,768	2,550
Investments and other assets		
Investment securities	8,026	10,810
Long-term loans receivable	174	153
Net defined benefit asset	3,344	3,245
Deferred tax assets	7,665	8,005
Other	3,704	3,894
Allowance for doubtful accounts	(38)	(32)
Total investments and other assets	22,877	26,077
Total non-current assets	60,511	66,700
Total assets	209,195	214,157

## Consolidated Balance Sheets

(Millions of Yen)

	As of March 31 , 2019	As of March 31 , 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,371	27,464
Current portion of bonds payable	—	800
Short-term loans payable	49,051	1,946
Current portion of long-term loans payable	238	2,433
Accrued expenses	11,434	10,722
Income taxes payable	2,423	2,366
Provision for directors' bonuses	233	225
Provision for product warranties	7	2
Provision for loss on construction contracts	4,748	3,961
Other	13,314	13,600
Total current liabilities	<u>110,822</u>	<u>63,524</u>
Non-current liabilities		
Bonds payable	—	3,200
Long-term loans payable	603	49,187
Deferred tax liabilities	48	44
Deferred tax liabilities for land revaluation	47	47
Net defined benefit liability	12,594	12,772
Other	2,037	1,701
Total non-current liabilities	<u>15,330</u>	<u>66,953</u>
Total liabilities	<u>126,152</u>	<u>130,477</u>
Net assets		
Shareholders' equity		
Capital stock	15,981	15,981
Capital surplus	15,737	15,780
Retained earnings	94,992	58,587
Treasury shares	(44,597)	(6,081)
Total shareholders' equity	<u>82,113</u>	<u>84,268</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,951	541
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	259	(48)
Remeasurements of defined benefit plans	(1,607)	(1,439)
Total accumulated other comprehensive income	<u>226</u>	<u>(1,322)</u>
Non-controlling interests	<u>702</u>	<u>734</u>
Total net assets	<u>83,043</u>	<u>83,680</u>
Total liabilities and net assets	<u>209,195</u>	<u>214,157</u>

## Consolidated Statements of Income

(Millions of Yen)

	FY2018	FY2019
Net sales	217,297	227,231
Cost of sales	184,709	191,727
Gross profit	32,587	35,504
Selling, general and administrative expenses	21,879	22,668
Operating income	10,708	12,836
Non-operating income		
Interest income	20	54
Dividend income	139	146
Share of profit of entities accounted for using equity method	328	454
Rent income	39	44
Dividend income of insurance	200	152
Insurance claim income	—	186
Other	110	154
Total non-operating income	838	1,193
Non-operating expenses		
Interest expenses	26	294
Sales discounts	7	7
Foreign exchange losses	42	272
Cost of inactive noncurrent assets	25	80
Borrowing fees	11	487
Loss on securitization of receivables	236	243
Commission for purchase of treasury shares	632	—
Other	127	268
Total non-operating expenses	1,109	1,654
Ordinary income	10,437	12,375
Extraordinary income		
Gain on sales of non-current assets	—	17
Gain on sales of investment securities	697	171
Gain on transfer of retirement benefit plan	278	—
Total extraordinary income	976	189
Extraordinary losses		
Loss on sales of non-current assets	—	15
Loss on disposal of non-current assets	645	458
Loss on disaster	369	—
The 100th anniversary commemoration cost	—	918
Total extraordinary losses	1,015	1,391
Profit before income taxes	10,398	11,173
Income taxes - current	3,530	3,538
Income taxes - deferred	(172)	206
Total income taxes	3,357	3,744
Profit	7,040	7,428
Profit attributable to non-controlling interests	43	49
Profit attributable to owners of parent	6,996	7,378

## Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2018	FY2019
Profit	7,040	7,428
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,068)	(1,409)
Foreign currency translation adjustment	(22)	(279)
Remeasurements of defined benefit plans, net of tax	(175)	167
Share of other comprehensive income of entities accounted for using equity method	(71)	(46)
Total other comprehensive income	<u>(1,338)</u>	<u>(1,567)</u>
Comprehensive income	<u>5,701</u>	<u>5,860</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,658	5,829
Comprehensive income attributable to non-controlling interests	43	31

## Consolidated Statements of Changes in Net Assets

For Fiscal Year 2018 (April 1, 2018 - March 31, 2019)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,738	94,861	(3,252)	123,328
Changes during period					
Dividends of surplus			(3,209)		(3,209)
Profit attributable to owners of parent			6,996		6,996
Purchase of treasury shares				(45,001)	(45,001)
Disposal of treasury shares					—
Retirement of treasury shares		(0)	(3,656)	3,656	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(0)	130	(41,344)	(41,214)
Balance at end of period	15,981	15,737	94,992	(44,597)	82,113

	Accumulated other comprehensive income (loss)					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,019	(376)	352	(1,431)	1,564	111	125,004
Changes during period							
Dividends of surplus							(3,209)
Profit attributable to owners of parent							6,996
Purchase of treasury shares							(45,001)
Disposal of treasury shares							—
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	(1,068)	—	(93)	(175)	(1,337)	591	(746)
Total changes of items during period	(1,068)	—	(93)	(175)	(1,337)	591	(41,961)
Balance at end of period	1,951	(376)	259	(1,607)	226	702	83,043

For Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,737	94,992	(44,597)	82,113
Changes during period					
Dividends of surplus			(6,062)		(6,062)
Profit attributable to owners of parent			7,378		7,378
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		43		796	840
Retirement of treasury shares			(37,720)	37,720	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	43	(36,404)	38,516	2,155
Balance at end of period	15,981	15,780	58,587	(6,081)	84,268

	Accumulated other comprehensive income (loss)					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,951	(376)	259	(1,607)	226	702	83,043
Changes during period							
Dividends of surplus							(6,062)
Profit attributable to owners of parent							7,378
Purchase of treasury shares							(1)
Disposal of treasury shares							840
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	(1,409)	—	(307)	167	(1,549)	31	(1,517)
Total changes of items during period	(1,409)	—	(307)	167	(1,549)	31	637
Balance at end of period	541	(376)	(48)	(1,439)	(1,322)	734	83,680

## Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2018	FY2019
Cash flows from operating activities		
Profit before income taxes	10,398	11,173
Depreciation	5,064	5,442
Increase (decrease) in retirement benefit liability	503	615
Increase (decrease) in allowance for doubtful accounts	3	9
Interest and dividend income	(159)	(201)
Interest expenses	26	294
Share of loss (profit) of entities accounted for using equity method	(328)	(454)
Loss (gain) on disposal of non-current assets	645	458
Decrease (increase) in notes and accounts receivable - trade	(3,413)	(929)
Decrease (increase) in inventories	(925)	(3,296)
Increase (decrease) in notes and accounts payable - trade	3,374	(1,984)
Increase (decrease) in other non-current liabilities	(331)	(304)
Other, net	1,763	1,346
Subtotal	16,621	12,169
Interest and dividend income received	268	224
Interest expenses paid	(32)	(266)
Income taxes paid	(3,405)	(3,617)
Net cash provided by (used in) operating activities	13,452	8,509
Cash flows from investing activities		
Payments into time deposits	(1,200)	—
Proceeds from withdrawal of time deposits	—	1,201
Purchase of property, plant and equipment	(5,875)	(8,524)
Proceeds from sales of property, plant and equipment	15	105
Purchase of intangible assets	(830)	(706)
Purchase of investment securities	(157)	(4,807)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,759)	(4)
Other, net	115	327
Net cash provided by (used in) investing activities	(9,693)	(12,408)
Cash flows from financing activities		
Increase in short-term loans payable	100,500	945
Repayments of short-term loans payable	(52,590)	(48,000)
Increase in long-term loans payable	—	51,047
Repayments of long-term loans payable	—	(226)
Increase in issuance of bonds	—	3,962
Purchase of treasury shares	(45,001)	(1)
Cash dividends paid	(3,209)	(6,062)
Repayments of finance lease obligations	(228)	(245)
Other, net	3	—
Net cash provided by (used in) financing activities	(526)	1,419
Effect of exchange rate change on cash and cash equivalents	(31)	(129)
Net increase (decrease) in cash and cash equivalents	3,201	(2,609)
Cash and cash equivalents at beginning of period	18,750	21,952
Cash and cash equivalents at end of period	21,952	19,342



## Segment Information

For Fiscal Year 2018 (April 1, 2018 - March 31, 2019)

(Millions of Yen)

	Reportable segments					Others	Total	Adjustments	Consolidated Financial Statements amount
	Aircraft	Special Purpose Truck	Industrial Machinery and Environmental Systems	Parking Systems	Subtotal				
Net Sales:									
Customers	43,635	92,333	33,810	33,863	203,643	13,654	217,297	—	217,297
Inter-segment	—	4	8	54	67	3,594	3,662	(3,662)	—
Total	43,635	92,337	33,819	33,918	203,710	17,249	220,960	(3,662)	217,297
Segment profit	649	6,544	2,474	2,343	12,011	1,037	13,049	(2,341)	10,708
Segment assets	38,760	76,952	38,912	20,010	174,634	26,269	200,904	8,291	209,195
Others:									
Depreciation	1,417	2,043	732	537	4,731	171	4,902	161	5,064
Increase in property, plant and equipment and intangible assets	495	4,101	705	275	5,578	902	6,480	(38)	6,442

For Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(Millions of Yen)

	Reportable segments					Others	Total	Adjustments	Consolidated Financial Statements amount
	Aircraft	Special Purpose Truck	Industrial Machinery and Environmental Systems	Parking Systems	Subtotal				
Net Sales:									
Customers	38,950	94,627	38,370	37,805	209,754	17,476	227,231	—	227,231
Inter-segment	—	9	9	57	75	2,490	2,565	(2,565)	—
Total	38,950	94,636	38,379	37,863	209,830	19,967	229,797	(2,565)	227,231
Segment profit	1,551	6,802	2,748	3,223	14,325	1,193	15,519	(2,683)	12,836
Segment assets	38,020	78,447	37,961	20,055	174,485	24,250	198,735	15,422	214,157
Others:									
Depreciation	1,307	2,368	882	527	5,086	187	5,273	168	5,442
Increase in property, plant and equipment and intangible assets	692	2,905	1,520	384	5,503	683	6,186	913	7,100