

Consolidated Financial Results for Fiscal Year 2020 (April 1, 2020 - March 31, 2021)

May 7, 2021

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,

Corporate Planning Division (Phone: +81-798-56-5002)

Date of the general meeting of shareholders: June 24, 2021

Date of the dividends pay start planned: June 25, 2021

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

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

(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	%
FY2020	209,226	(7.9)	10,479	(18.4)	11,182	(9.6)	5,487	(25.6)
FY2019	227,231	4.6	12,836	19.9	12,375	18.6	7,378	5.5

(Note) Comprehensive income: FY2020 7,726 million yen [31.8 %]

FY2019 5,860 million yen [2.8 %]

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
FY2020	83.47	—	6.4	5.2	5.0
FY2019	113.11	—	8.9	5.8	5.6

(Reference) Equity in earnings of affiliates and non-consolidated subsidiaries: FY2020 299 million yen

FY2019 454 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2020	212,060	88,838	41.5	1,337.69
FY2019	214,157	83,680	38.7	1,261.64

(Reference) Equity: FY2020 87,945 million yen

FY2019 82,946 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
FY2020	18,120	(9,133)	(5,972)	22,667
FY2019	8,509	(12,408)	1,419	19,342

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			
FY2019	—	66.00	—	21.00	87.00	5,683	76.9	6.9
FY2020	—	19.00	—	19.00	38.00	2,498	45.5	2.9
FY2021(Forecast)	—	19.00	—	19.00	38.00		45.4	

3. Consolidated Financial Results Forecast for FY2021 (April 1, 2021 - March 31, 2022)

(%: 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	215,000	2.8	9,000	(14.1)	9,400	(15.9)	5,500	0.2	83.66

Consolidated Balance Sheets

(Millions of Yen)

	As of March 31 , 2020	As of March 31 , 2021
Assets		
Current assets		
Cash and deposits	19,342	23,045
Notes and accounts receivable - trade	67,223	61,137
Electronically recorded monetary claims - operating	14,532	12,610
Merchandise and finished goods	3,808	4,013
Work in process	18,562	20,304
Raw materials and supplies	20,127	18,989
Other	3,932	1,959
Allowance for doubtful accounts	(71)	(55)
Total current assets	147,457	142,004
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,306	18,567
Machinery, equipment and vehicles, net	8,184	8,370
Land	9,573	10,010
Construction in progress	3,362	460
Other, net	1,645	1,904
Total property, plant and equipment	38,072	39,312
Intangible assets	2,550	2,417
Investments and other assets		
Investment securities	10,810	12,165
Long-term loans receivable	153	238
Net defined benefit asset	3,245	4,080
Deferred tax assets	8,005	7,235
Other	3,894	4,634
Allowance for doubtful accounts	(32)	(28)
Total investments and other assets	26,077	28,325
Total non-current assets	66,700	70,055
Total assets	214,157	212,060

(Millions of Yen)

	As of March 31 , 2020	As of March 31 , 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,464	24,383
Current portion of bonds payable	800	800
Short-term loans payable	1,946	2,142
Current portion of long-term loans payable	2,433	2,527
Accrued expenses	10,722	10,852
Income taxes payable	2,366	2,634
Provision for directors' bonuses	225	219
Provision for product warranties	2	4
Provision for loss on construction contracts	3,961	3,395
Other	13,600	12,797
Total current liabilities	63,524	59,756
Non-current liabilities		
Bonds payable	3,200	2,400
Long-term loans payable	49,187	46,669
Deferred tax liabilities	44	84
Deferred tax liabilities for land revaluation	47	47
Net defined benefit liability	12,772	12,828
Other	1,701	1,435
Total non-current liabilities	66,953	63,464
Total liabilities	130,477	123,221
Net assets		
Shareholders' equity		
Capital stock	15,981	15,981
Capital surplus	15,780	15,780
Retained earnings	58,587	61,445
Treasury shares	(6,081)	(6,082)
Total shareholders' equity	84,268	87,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	541	1,587
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	(48)	139
Remeasurements of defined benefit plans	(1,439)	(530)
Total accumulated other comprehensive income	(1,322)	820
Non-controlling interests	734	893
Total net assets	83,680	88,838
Total liabilities and net assets	214,157	212,060

Consolidated Statements of Income

(Millions of Yen)

	FY2019	FY2020
Net sales	227,231	209,226
Cost of sales	191,727	175,664
Gross profit	35,504	33,561
Selling, general and administrative expenses	22,668	23,082
Operating income	12,836	10,479
Non-operating income		
Interest income	54	58
Dividend income	146	310
Share of profit of entities accounted for using equity method	454	299
Rent income	44	68
Dividend income of insurance	152	156
Foreign exchange gains	—	86
Insurance claim income	186	—
Other	154	258
Total non-operating income	1,193	1,238
Non-operating expenses		
Interest expenses	294	207
Sales discounts	7	6
Foreign exchange losses	272	—
Cost of inactive noncurrent assets	80	51
Borrowing fees	487	48
Loss on securitization of receivables	243	81
Other	268	139
Total non-operating expenses	1,654	535
Ordinary income	12,375	11,182
Extraordinary income		
Gain on sales of non-current assets	17	14
Gain on sales of investment securities	171	184
Gain on bargain purchase	—	90
Total extraordinary income	189	288
Extraordinary losses		
Loss on sales of non-current assets	15	—
Loss on disposal of non-current assets	458	646
Impairment losses	—	1,102
Loss on COVID19	—	679
Loss on valuation of shares of subsidiaries and associates	—	33
The 100th anniversary commemoration cost	918	—
Total extraordinary losses	1,391	2,461
Profit before income taxes	11,173	9,009
Income taxes - current	3,538	3,509
Income taxes - deferred	206	(90)
Total income taxes	3,744	3,418
Profit	7,428	5,590
Profit attributable to non-controlling interests	49	103
Profit attributable to owners of parent	7,378	5,487

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2019	FY2020
Profit	7,428	5,590
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,409)	1,045
Foreign currency translation adjustment	(279)	156
Remeasurements of defined benefit plans, net of tax	167	908
Share of other comprehensive income of entities accounted for using equity method	(46)	24
Total other comprehensive income	(1,567)	2,135
Comprehensive income	5,860	7,726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,829	7,629
Comprehensive income attributable to non-controlling interests	31	96

Consolidated Statements of Changes in Net Assets

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					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

For Fiscal Year 2020 (April 1, 2020 - March 31, 2021)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,780	58,587	(6,081)	84,268
Changes during period					
Dividends of surplus			(2,629)		(2,629)
Profit attributable to owners of parent			5,487		5,487
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					—
Retirement of treasury shares					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,857	(0)	2,856
Balance at end of period	15,981	15,780	61,445	(6,082)	87,125

	Accumulated other comprehensive income					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	541	(376)	(48)	(1,439)	(1,322)	734	83,680
Changes during period							
Dividends of surplus							(2,629)
Profit attributable to owners of parent							5,487
Purchase of treasury shares							(0)
Disposal of treasury shares							—
Retirement of treasury shares							—
Net changes of items other than shareholders' equity	1,045	—	188	908	2,142	159	2,301
Total changes of items during period	1,045	—	188	908	2,142	159	5,158
Balance at end of period	1,587	(376)	139	(530)	820	893	88,838

Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2019	FY2020
Cash flows from operating activities		
Profit before income taxes	11,173	9,009
Depreciation	5,442	5,768
Impairment losses	—	1,102
Increase (decrease) in net defined benefit liability	615	512
Increase (decrease) in allowance for doubtful accounts	9	(20)
Interest and dividend income	(201)	(369)
Interest expenses	294	207
Share of loss (profit) of entities accounted for using equity method	(454)	(299)
Loss (gain) on disposal of non-current assets	458	646
Decrease (increase) in notes and accounts receivable - trade	(929)	8,676
Decrease (increase) in inventories	(3,296)	(169)
Increase (decrease) in notes and accounts payable - trade	(1,984)	(3,226)
Increase (decrease) in other non-current liabilities	(304)	(259)
Other, net	1,346	(314)
Subtotal	12,169	21,264
Interest and dividend income received	224	375
Interest expenses paid	(266)	(210)
Income taxes paid	(3,617)	(3,310)
Net cash provided by (used in) operating activities	8,509	18,120
Cash flows from investing activities		
Payments into time deposits	—	(606)
Proceeds from withdrawal of time deposits	1,201	432
Purchase of property, plant and equipment	(8,524)	(5,760)
Proceeds from sales of property, plant and equipment	105	35
Purchase of intangible assets	(706)	(610)
Purchase of investment securities	(4,807)	(1,637)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4)	(1,156)
Other, net	327	171
Net cash provided by (used in) investing activities	(12,408)	(9,133)
Cash flows from financing activities		
Proceeds from short-term loans payable	945	184
Repayments of short-term loans payable	(48,000)	(51)
Proceeds from long-term loans payable	51,047	—
Repayments of long-term loans payable	(226)	(2,452)
Proceeds from issuance of bonds	3,962	—
Redemption of bonds	—	(800)
Purchase of treasury shares	(1)	(0)
Cash dividends paid	(6,062)	(2,629)
Repayments of finance lease obligations	(245)	(222)
Net cash provided by (used in) financing activities	1,419	(5,972)
Effect of exchange rate change on cash and cash equivalents	(129)	47
Net increase (decrease) in cash and cash equivalents	(2,609)	3,062

(Millions of Yen)

	FY2019	FY2020
Cash and cash equivalents at beginning of period	21,952	19,342
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	262
Cash and cash equivalents at end of period	19,342	22,667

Segment Information

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

For Fiscal Year 2020 (April 1, 2020 - March 31, 2021)

(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	25,957	94,777	37,195	35,228	193,159	16,066	209,226	—	209,226
Inter-segment	—	7	8	55	71	2,374	2,445	(2,445)	—
Total	25,957	94,785	37,203	35,284	193,231	18,441	211,672	(2,445)	209,226
Segment profit (loss)	(808)	6,707	2,989	3,228	12,117	1,445	13,562	(3,083)	10,479
Segment assets	33,515	76,735	38,860	20,651	169,763	25,151	194,915	17,145	212,060
Others:									
Depreciation	1,147	2,473	960	574	5,156	217	5,373	395	5,768
Impairment losses	—	—	—	1,102	1,102	—	1,102	—	1,102
Increase in property, plant and equipment and intangible assets	607	2,668	1,575	1,151	6,002	205	6,207	2,997	9,205