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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 09, 2022

Company name: ShinMaywa Industries, Ltd.
 Stock exchange listing: Tokyo
 Code number: 7224
 URL: <https://www.shinmaywa.co.jp/>
 Representative: Tatsuyuki Isogawa, President and Chief Executive Officer
 Contact: Toshiaki Kume, Director, Member of the Board, Managing Executive Officer
 Phone: 0798-56-5010
 Scheduled date of Annual General Meeting of Shareholders: June 24, 2022
 Scheduled date of commencing dividend payments: June 27, 2022
 Scheduled date of filing annual securities report: June 24, 2022
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	216,823	3.6	10,569	0.9	11,821	5.7	6,907	25.9
March 31, 2021	209,226	(7.9)	10,479	(18.4)	11,182	(9.6)	5,487	(25.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 7,258 million [(6.1)%]
 Fiscal year ended March 31, 2021: ¥ 7,726 million [31.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	104.96	-	7.7	5.5	4.9
March 31, 2021	83.47	-	6.4	5.2	5.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 335 million
 Fiscal year ended March 31, 2021: ¥ 299 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	221,206	94,261	41.8	1,404.53
March 31, 2021	212,060	88,838	41.5	1,337.69

(Reference) Equity: As of March 31, 2022: ¥ 92,465 million
 As of March 31, 2021: ¥ 87,945 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	15,998	(7,221)	(5,203)	26,549
March 31, 2021	18,120	(9,133)	(5,972)	22,667

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	19.00	-	19.00	38.00	2,498	45.5	2.9
March 31, 2022	-	19.00	-	23.00	42.00	2,765	40.0	3.1
Fiscal year ending March 31, 2023 (Forecast)	-	21.00	-	21.00	42.00		46.1	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	225,000	3.8	9,000	(14.9)	9,200	(22.2)	6,000	(13.1)	91.14

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2022:	70,000,000 shares
March 31, 2021:	70,000,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022:	4,166,255 shares
March 31, 2021:	4,255,653 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022:	65,806,405 shares
Fiscal Year ended March 31, 2021:	65,744,774 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	130,082	(2.8)	1,904	(32.0)	4,594	7.6	2,507	89.9
March 31, 2021	133,825	(10.2)	2,799	(49.8)	4,269	(34.3)	1,320	(67.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	38.10	-
March 31, 2021	20.08	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2022	158,668	49,787	31.4	756.26
March 31, 2021	157,920	50,049	31.7	761.27

(Reference) Equity: As of March 31, 2022: ¥ 49,787 million
As of March 31, 2021: ¥ 50,049 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	23,045	26,600
Notes and accounts receivable - trade	61,137	-
Notes and accounts receivable - trade, and contract assets	-	62,114
Electronically recorded monetary claims - operating	12,610	8,831
Merchandise and finished goods	4,013	4,067
Work in process	20,304	21,619
Raw materials and supplies	18,989	21,238
Other	1,959	4,266
Allowance for doubtful accounts	(55)	(121)
Total current assets	142,004	148,615
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,567	19,185
Machinery, equipment and vehicles, net	8,370	7,196
Land	10,010	13,237
Construction in progress	460	775
Other, net	1,904	2,034
Total property, plant and equipment	39,312	42,430
Intangible assets	2,417	2,876
Investments and other assets		
Investment securities	12,165	11,588
Long-term loans receivable	238	231
Net defined benefit asset	4,080	3,711
Deferred tax assets	7,235	6,703
Other	4,634	5,076
Allowance for doubtful accounts	(28)	(26)
Total investments and other assets	28,325	27,284
Total non-current assets	70,055	72,590
Total assets	212,060	221,206

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,383	25,898
Current portion of bonds payable	800	800
Short-term loans payable	2,142	2,891
Current portion of long-term loans payable	2,527	2,443
Accrued expenses	10,852	12,786
Income taxes payable	2,634	2,527
Provision for directors' bonuses	219	281
Provision for product warranties	4	42
Provision for loss on construction contracts	3,395	3,194
Other	12,797	15,036
Total current liabilities	59,756	65,903
Non-current liabilities		
Bonds payable	2,400	1,600
Long-term loans payable	46,669	44,519
Deferred tax liabilities	84	154
Deferred tax liabilities for land revaluation	47	47
Net defined benefit liability	12,828	12,962
Other	1,435	1,758
Total non-current liabilities	63,464	61,041
Total liabilities	123,221	126,945
Net assets		
Shareholders' equity		
Capital stock	15,981	15,981
Capital surplus	15,780	15,737
Retained earnings	61,445	65,852
Treasury shares	(6,082)	(5,954)
Total shareholders' equity	87,125	91,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,587	1,096
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	139	821
Remeasurements of defined benefit plans	(530)	(694)
Total accumulated other comprehensive income	820	847
Non-controlling interests	893	1,795
Total net assets	88,838	94,261
Total liabilities and net assets	212,060	221,206

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	209,226	216,823
Cost of sales	175,664	181,709
Gross profit	33,561	35,114
Selling, general and administrative expenses	23,082	24,544
Operating profit	10,479	10,569
Non-operating income		
Interest income	58	60
Dividend income	310	175
Share of profit of entities accounted for using equity method	299	335
Rental income	68	68
Dividend income of insurance	156	166
Foreign exchange gains	86	721
Other	258	278
Total non-operating income	1,238	1,807
Non-operating expenses		
Interest expenses	207	205
Cost of inactive noncurrent assets	51	164
Borrowing fees	48	11
Loss on securitization of receivables	81	39
Other	146	134
Total non-operating expenses	535	555
Ordinary profit	11,182	11,821
Extraordinary income		
Gain on sales of non-current assets	14	-
Gain on sales of investment securities	184	-
Gain on bargain purchase	90	486
Total extraordinary income	288	486
Extraordinary losses		
Loss on disposal of non-current assets	646	209
Impairment losses	1,102	-
Loss on COVID-19	679	-
Loss on valuation of investment securities	-	165
Loss on valuation of shares of subsidiaries and associates	33	-
Loss on valuation of investments in capital of subsidiaries and associates	-	243
Total extraordinary losses	2,461	619
Profit before income taxes	9,009	11,689
Income taxes - current	3,509	3,659
Income taxes - deferred	(90)	815
Total income taxes	3,418	4,474
Profit	5,590	7,214
Profit attributable to non-controlling interests	103	307
Profit attributable to owners of parent	5,487	6,907

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	5,590	7,214
Other comprehensive income		
Valuation difference on available-for-sale securities	1,045	(490)
Foreign currency translation adjustment	156	438
Remeasurements of defined benefit plans, net of tax	908	(163)
Share of other comprehensive income of entities accounted for using equity method	24	259
Total other comprehensive income	2,135	43
Comprehensive income	7,726	7,258
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,629	6,934
Comprehensive income attributable to non-controlling interests	96	323

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Million 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
Cumulative effects of changes in accounting policies					-
Restated balance	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					-
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
Cumulative effects of changes in accounting policies							-
Restated balance	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							-
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

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,780	61,445	(6,082)	87,125
Cumulative effects of changes in accounting policies					-
Restated balance	15,981	15,780	61,445	(6,082)	87,125
Changes during period					
Dividends of surplus			(2,499)		(2,499)
Profit attributable to owners of parent			6,907		6,907
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(43)		128	85
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(43)	4,407	128	4,492
Balance at end of period	15,981	15,737	65,852	(5,954)	91,617

	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	1,587	(376)	139	(530)	820	893	88,838
Cumulative effects of changes in accounting policies							-
Restated balance	1,587	(376)	139	(530)	820	893	88,838
Changes during period							
Dividends of surplus							(2,499)
Profit attributable to owners of parent							6,907
Purchase of treasury shares							(0)
Disposal of treasury shares							85
Net changes of items other than shareholders' equity	(490)	-	681	(163)	27	902	930
Total changes of items during period	(490)	-	681	(163)	27	902	5,422
Balance at end of period	1,096	(376)	821	(694)	847	1,795	94,261

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	9,009	11,689
Depreciation	5,768	5,564
Impairment losses	1,102	-
Increase (decrease) in net defined benefit liability	512	308
Increase (decrease) in allowance for doubtful accounts	(20)	8
Interest and dividend income	(369)	(235)
Interest expenses	207	205
Share of loss (profit) of entities accounted for using equity method	(299)	(335)
Loss (gain) on disposal of non-current assets	646	209
Decrease (increase) in trade receivables	8,676	4,046
Decrease (increase) in inventories	(169)	(2,008)
Increase (decrease) in trade payables	(3,226)	1,122
Increase (decrease) in other non-current liabilities	(259)	(8)
Other, net	(314)	(867)
Subtotal	21,264	19,698
Interest and dividends income received	375	324
Interest expenses paid	(210)	(211)
Income taxes paid	(3,310)	(3,812)
Net cash provided by (used in) operating activities	18,120	15,998
Cash flows from investing activities		
Payments into time deposits	(606)	(101)
Proceeds from withdrawal of time deposits	432	484
Purchase of property, plant and equipment	(5,760)	(4,485)
Proceeds from sales of property, plant and equipment	35	11
Purchase of intangible assets	(610)	(819)
Purchase of investment securities	(1,637)	(411)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,156)	(1,429)
Other, net	171	(469)
Net cash provided by (used in) investing activities	(9,133)	(7,221)
Cash flows from financing activities		
Proceeds from short-term loans payable	184	788
Repayments of short-term loans payable	(51)	(85)
Proceeds from long-term loans payable	-	29
Repayments of long-term loans payable	(2,452)	(2,350)
Redemption of bonds	(800)	(800)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(2,629)	(2,499)
Repayments of finance lease obligations	(222)	(285)
Net cash provided by (used in) financing activities	(5,972)	(5,203)
Effect of exchange rate change on cash and cash equivalents	47	308
Net increase (decrease) in cash and cash equivalents	3,062	3,881
Cash and cash equivalents at beginning of period	19,342	22,667
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	262	-
Cash and cash equivalents at end of period	22,667	26,549

Segment Information

For the fiscal year ended March 31,2021

(Million Yen)

	Reportable segments					Others	Total	Adjustments	Consolidated Financial Statements amount
	Aircraft	Special Purpose Truck	Industrial Machinery and Environmental Systems	Parking Systems	Subtotal				
Net Sales:									
External sales	25,957	94,777	37,195	35,228	193,159	16,066	209,226	—	209,226
Intersegment sales or transfer	—	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
Oters:									
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

For the fiscal year ended March 31,2022

(Million Yen)

	Reportable segments					Others	Total	Adjustments	Consolidated Financial Statements amount
	Aircraft	Special Purpose Truck	Industrial Machinery and Environmental Systems	Parking Systems	Subtotal				
Net Sales:									
Japan	10,615	93,022	29,844	36,271	169,753	16,047	185,800	—	185,800
Asia	—	1,580	11,794	1,828	15,203	—	15,203	—	15,203
North America	7,854	4	2,882	—	10,742	—	10,742	—	10,742
Other areas	667	2,582	1,826	—	5,076	—	5,076	—	5,076
Revenue from contracts with customers	19,137	97,190	46,348	38,099	200,776	16,047	216,823	—	216,823
Other revenue	—	—	—	—	—	—	—	—	—
External sales	19,137	97,190	46,348	38,099	200,776	16,047	216,823	—	216,823
Intersegment sales or transfer	—	15	8	32	55	2,059	2,115	(2,115)	—
Total	19,137	97,205	46,356	38,131	200,831	18,107	218,939	(2,115)	216,823
Segment profit(loss)	(875)	5,354	4,876	3,066	12,422	955	13,378	(2,808)	10,569
Segment assets	34,012	77,289	45,572	22,926	179,800	24,566	204,367	16,838	221,206
Oters:									
Depreciation	940	2,328	1,033	618	4,920	243	5,164	400	5,564
Increase in property, plant and equipment and intangible assets	144	1,706	930	344	3,125	229	3,354	1,428	4,782