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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 31, 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: Toshiki Kume, Director, Member of the Board, Managing Executive Officer

Phone: 0798-56-5010

Scheduled date of filing quarterly securities report: November 11, 2022

Scheduled date of commencing dividend payments: December 01, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 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	%
Six months ended September 30, 2022	104,001	3.7	3,206	(27.8)	4,168	(11.3)	2,871	(14.6)
September 30, 2021	100,264	6.9	4,438	16.6	4,698	22.9	3,362	59.6

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 5,044 million [ 41.5%]  
Six months ended September 30, 2021: ¥ 3,564 million [ 34.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	43.60	-
September 30, 2021	51.11	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	221,118	97,080	43.2
March 31, 2022	221,206	94,261	41.8

(Reference) Equity: As of September 30, 2022: ¥ 95,434 million  
As of March 31, 2022: ¥ 92,465 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	19.00	-	23.00	42.00
Fiscal year ending March 31, 2023	-	21.00			
Fiscal year ending March 31, 2023 (Forecast)			-	21.00	42.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2023 :

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	222,000	2.4	7,000	(33.8)	8,200	(30.6)	5,600	(18.9)	84.96

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2022: 70,000,000 shares

March 31, 2022: 70,000,000 shares

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

September 30, 2022: 4,085,354 shares

March 31, 2022: 4,166,255 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 65,868,378 shares

Six months ended September 30, 2021: 65,782,783 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	26,600	17,239
Notes and accounts receivable - trade, and contract assets	62,114	59,054
Electronically recorded monetary claims - operating	8,831	13,714
Merchandise and finished goods	4,067	4,719
Work in process	21,619	24,257
Raw materials and supplies	21,238	23,633
Other	4,266	5,936
Allowance for doubtful accounts	(121)	(139)
<b>Total current assets</b>	<b>148,615</b>	<b>148,415</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,185	19,113
Other, net	23,244	23,394
<b>Total property, plant and equipment</b>	<b>42,430</b>	<b>42,507</b>
Intangible assets	2,876	2,811
Investments and other assets		
Other	27,310	27,409
Allowance for doubtful accounts	(26)	(25)
<b>Total investments and other assets</b>	<b>27,284</b>	<b>27,383</b>
<b>Total non-current assets</b>	<b>72,590</b>	<b>72,703</b>
<b>Total assets</b>	<b>221,206</b>	<b>221,118</b>

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,898	26,237
Current portion of bonds payable	800	800
Short-term borrowings	2,891	7,257
Current portion of long-term borrowings	2,443	2,257
Income taxes payable	2,527	941
Provision for loss on construction contracts	3,194	3,321
Other	28,147	23,793
Total current liabilities	65,903	64,609
Non-current liabilities		
Bonds payable	1,600	1,200
Long-term borrowings	44,519	43,344
Retirement benefit liability	12,962	12,992
Other	1,959	1,891
Total non-current liabilities	61,041	59,428
Total liabilities	126,945	124,038
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,981	15,981
Capital surplus	15,737	15,657
Retained earnings	65,852	67,178
Treasury shares	(5,954)	(5,838)
Total shareholders' equity	91,617	92,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,096	783
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	821	2,172
Remeasurements of defined benefit plans	(694)	(126)
Total accumulated other comprehensive income	847	2,454
Non-controlling interests	1,795	1,646
Total net assets	94,261	97,080
Total liabilities and net assets	221,206	221,118

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	100,264	104,001
Cost of sales	84,778	88,550
Gross profit	15,485	15,451
Selling, general and administrative expenses	11,046	12,245
Operating profit	4,438	3,206
Non-operating income		
Interest income	28	32
Dividend income	110	113
Share of profit of entities accounted for using equity method	51	44
Foreign exchange gains	103	1,040
Other	175	91
Total non-operating income	469	1,323
Non-operating expenses		
Interest expenses	98	113
Cost of inactive noncurrent assets	64	73
Borrowing fees	6	5
Loss on securitization of receivables	5	21
Other	34	147
Total non-operating expenses	209	361
Ordinary profit	4,698	4,168
Extraordinary income		
Gain on sale of investment securities	-	202
Gain on bargain purchase	486	-
Total extraordinary income	486	202
Extraordinary losses		
Loss on disposal of non-current assets	115	38
Total extraordinary losses	115	38
Profit before income taxes	5,069	4,331
Income taxes - current	1,168	948
Income taxes - deferred	473	84
Total income taxes	1,642	1,032
Profit	3,426	3,298
Profit attributable to non-controlling interests	64	426
Profit attributable to owners of parent	3,362	2,871

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	3,426	3,298
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	(313)
Foreign currency translation adjustment	(58)	1,182
Remeasurements of defined benefit plans, net of tax	73	568
Share of other comprehensive income of entities accounted for using equity method	139	307
Total other comprehensive income	137	1,745
Comprehensive income	3,564	5,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,479	4,478
Comprehensive income attributable to non-controlling interests	85	565

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	5,069	4,331
Depreciation	2,663	2,584
Decrease (increase) in trade receivables	1,518	(1,018)
Decrease (increase) in inventories	(2,126)	(5,294)
Increase (decrease) in trade payables	(1,243)	(133)
Other, net	(4,400)	(4,175)
Subtotal	1,481	(3,705)
Interest and dividends received	227	254
Interest paid	(106)	(115)
Income taxes paid	(2,694)	(2,570)
Net cash provided by (used in) operating activities	(1,092)	(6,137)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,825)	(1,832)
Purchase of intangible assets	(368)	(321)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,429)	(1,995)
Other, net	115	75
Net cash provided by (used in) investing activities	(3,507)	(4,074)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,959	4,000
Repayments of short-term borrowings	(30)	(63)
Proceeds from long-term borrowings	29	-
Repayments of long-term borrowings	(1,246)	(1,189)
Redemption of bonds	(400)	(400)
Dividends paid	(1,249)	(1,514)
Dividends paid to non-controlling interests	-	(24)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(770)
Other, net	(125)	(160)
Net cash provided by (used in) financing activities	(62)	(121)
Effect of exchange rate change on cash and cash equivalents	81	814
Net increase (decrease) in cash and cash equivalents	(4,581)	(9,519)
Cash and cash equivalents at beginning of period	22,667	26,549
Cash and cash equivalents at end of period	18,086	17,029

## Segment Information

For the six months ended September 30, 2021 (April 01, 2021 - September 30, 2021)

(Million Yen)

	Reportable segments						Others	Total	Adjustments	Consolidated Financial Statements amount
	Special Purpose Truck	Parking Systems	Industrial Machinery and Environmental Systems	Fluid	Aircraft	Subtotal				
Net Sales:										
Japan	46,711	16,827	4,638	5,449	6,101	79,728	7,520	87,249	—	87,249
Asia	493	986	4,136	393	—	6,009	—	6,009	—	6,009
North America	0	—	569	330	3,881	4,782	—	4,782	—	4,782
Other areas	1,163	—	786	68	204	2,222	—	2,222	—	2,222
Revenue from contracts with customers	48,368	17,814	10,131	6,241	10,187	92,743	7,520	100,264	—	100,264
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	48,368	17,814	10,131	6,241	10,187	92,743	7,520	100,264	—	100,264
Intersegment sales or transfer	11	25	1	4	—	41	878	920	(920)	—
Total	48,379	17,839	10,132	6,245	10,187	92,785	8,399	101,184	(920)	100,264
Segment profit (loss)	3,592	1,913	251	(58)	(431)	5,266	409	5,676	(1,237)	4,438

For the six months ended September 30, 2022 (April 01, 2022 - September 30, 2022)

(Million Yen)

	Reportable segments						Others	Total	Adjustments	Consolidated Financial Statements amount
	Special Purpose Truck	Parking Systems	Industrial Machinery and Environmental Systems	Fluid	Aircraft	Subtotal				
Net Sales:										
Japan	40,887	16,797	5,074	5,988	6,184	74,932	6,306	81,239	—	81,239
Asia	1,032	1,530	5,915	1,972	—	10,450	—	10,450	—	10,450
North America	0	—	1,038	472	4,806	6,317	—	6,317	—	6,317
Other areas	1,796	—	3,377	289	530	5,994	—	5,994	—	5,994
Revenue from contracts with customers	43,717	18,327	15,405	8,723	11,521	97,695	6,306	104,001	—	104,001
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	43,717	18,327	15,405	8,723	11,521	97,695	6,306	104,001	—	104,001
Intersegment sales or transfer	21	5	0	4	—	32	951	983	(983)	—
Total	43,739	18,332	15,406	8,727	11,521	97,727	7,257	104,985	(983)	104,001
Segment profit	746	1,157	1,255	309	751	4,220	347	4,567	(1,361)	3,206